

Annual Report Summary

| Whakarāpopototaka o te Rīpoata ā-tau



2022 – 2023

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Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of the information contained in its annual report. The specific disclosures included in the summary annual report have been extracted from the full annual report adopted by Council on 19 October 2023. The summary annual report cannot be expected to provide a detailed understanding as provided by the full annual report. The full financial report dated 19 October 2023 has received an unqualified audit report. A copy of the full annual report can be obtained on the Council website – www.qldc.govt.nz

This summary annual report has been examined by the auditor for consistency with the full annual report. The auditor's report is included with this summary. The Council's full annual report has been compiled in line with NZ GAAP and stated explicitly that it complies with Public Benefit Entity (PBE) Standards for Tier 1 entities. The summary annual report complies with PBE FRS 43 – Summary Financial Statements.

Overview

| Whakarāpopototaka



Chief Executive's report



The financial year 2022-2023 saw activity in the district returning to levels not seen since 2019, with high volumes of new residents choosing to make Queenstown Lakes their home and place of work, with plenty of visitors coming to enjoy what is on offer in our district. That has meant many council activities have seen a sustained high pace and increases in demand. Council has endeavoured to keep meeting the needs of our growing communities and deliver the services and facilities they need. In that fast-paced context, it is important to reflect on what has been delivered, much of which has been in projects that directly benefit and underpin the wellbeing of our communities.

In October 2022, it was a time of change at Queenstown Lakes District Council (QLDC), with local elections held, with the previous Mayor and many Councillors choosing to stand down.

This was the first election since the 2021 Representation Review which saw changes to ward boundaries to create the new Arrowtown-Kawarau and Queenstown-Whakatipu wards, and an increase in representation in the Wānaka-Upper Clutha ward, reflecting the growth of communities in that area. Council welcomed a new Mayor, Glyn Lewers, four returning Councillors and seven new Councillors with an intensive programme of induction and onboarding. This is always a reminder of just how broad the activities and responsibilities of Council are, and the process of informing the elected members is a long but valuable one.

Following a Councillor resignation at the Council table early in the term, Council undertook a by-election at the start of 2023. This saw new Arrowtown-Kawarau Councillor Melissa White step into the role and make her formal declaration on 1 June.

Council also recognised the significant event of the passing of Queen Elizabeth II and subsequent coronation of King Charles III. It is an occasion that many throughout the Commonwealth have never experienced in their lifetime. Councils throughout Aotearoa New Zealand marked the event in many ways.

Our Council acknowledged the new sovereign with a tree planting ceremony in Te Kararo Queenstown Gardens. A young totara tree was planted by the Mayor, Southland MP Joseph Mooney, and General Manager Community Services Ken Bailey, alongside a plaque marking the occasion.

2022-2023 was Council's largest ever period of capital investment in the district and a great deal of that investment was facilities that our communities can enjoy. A unique opportunity came to fruition in May with the transfer from private to public ownership of Mount Iron in Wānaka being celebrated by the community. The Mayor, elected members, council staff, Kāi Tahu and members of the Cleugh family (the former owners) came together for a blessing ceremony, a ribbon cutting and the unveiling of new signage, all of which marked the beginning of a process to develop a reserve management plan with the wider community. Earlier in the financial year, Council signalled its application for the management of a further 52.8 hectares (ha) of adjacent reserve land on Mount Iron that is currently governed by the Department of Conservation Te Papa Atawhai, completing a unique reserve asset for community use. That process remains ongoing.

Also in Wānaka, locals were able to finally enjoy the completed stage two of the Wānaka Lakefront Development which opened in October.

A prime feature being a new three-and-a-half metre wide shared pathway running from the Mount Aspiring Road carpark through to the CBD, alongside new furniture, low-level native planting, and the historic Te Huruheru's map – a recreation of the first map of the area which aided early explorers. The installation of historic tiles along Te Ara Maumahara noting significant events that have taken place around the world, in Aotearoa New Zealand, and in Wānaka and the Upper Clutha between c.1000 – 2000, is now underway.

In the Queenstown CBD, Marine Parade was upgraded at the end of 2022 to improve public access and connect the lakefront, town centre and Te Kararo Queenstown Gardens. Alongside this, new public toilets, including an accessible toilet and a nappy-changing station were installed, as well as new turf, a raised concrete pathway, and new furniture that provides a welcoming area for people to enjoy.

Active travel for the district received a boost in December thanks to a Government Transport Choices award to council of \$8.56M. The funding is made up of \$7.06M to improve the Arthurs Point to Queenstown route and \$1.5M to scope options to improve active travel links in Wānaka. The fund aims to deliver strategic cycling/micro mobility networks; create walkable neighbourhoods; support healthy school travel; and make public transport easier to use.

Two active travel projects in Wānaka got underway earlier this year. In February, work on the much-anticipated active travel route began, by creating a shared pathway for children, families, and commuters between Wānaka's schools and the Wānaka Recreation Centre. This significant project will provide a safe route linking Holy Family Catholic School and Wānaka Primary School with Mount Aspiring College and into Three Parks, where both Te Kura O Take Kārara Primary School and the Recreation Centre are located. In March, enabling work on Anderson Road began with the first stage running from the southern end of Mount Iron Drive to the roundabout at State Highway 84. When completed the pathway will return to Aubrey Road and deliver a variety of road crossings and safety features that supports walkers, bikers, and scooter users to and from the Wānaka CBD.

Whilst it is the remit of the regional council, public transport has increasingly become a key part in the transition of travellers and commuters into alternative travel modes. It was disappointing for the community to see a sustained period last year with Queenstown Orbus bus services operating at a reduced level and with many cancellations. It was therefore a welcome move to see the Otago Regional Council increase wages for local bus drivers to address the publicised pay and immigration issues.

In the Upper Clutha district where there is no current provision for public transport, Council had the opportunity to support a community-driven initiative by partnering with Community Networks/LINK and Lake Wānaka Tourism in a community shuttle trial. The first phase of the trial ran from September to December and captured important data that will support future planning and investment. The second phase (ongoing at the time of this report) tests different network options and collects further patronage data and feedback, and Council looks forward to making further announcements on this great community initiative soon.

The district's growing communities continue to value shared spaces and Council has delivered and invested in venues over the past 12 months. In March, a Frankton community hub facility came closer to becoming a reality, when Council leased land at the north-eastern edge of Queenstown Events Centre to the Whakatipu Community Hub Charitable Trust. The planned hub promises a secure community asset which will bring together many of the area's community services to create a warm and welcoming environment that is open and available to all.

In the Upper Clutha, December marked the official opening of Whare Mahana Luggate Memorial Centre, Aotearoa New Zealand's first passive house community facility.

Replacing the former Memorial Hall, the innovative new facility creates a sustainable focal point for the local community and Council was pleased to hold its first formal meeting in the centre in June. In March another significant project for the Upper Clutha progressed with the fit-out beginning at the new Paetara Aspiring Central community facility on Plantation Road, Wānaka. Work at the former Mitre 10 building began with an extensive redesign of the space to create two multi-use indoor courts, a separate studio for dance, yoga and fitness classes or a meeting space, and dedicated areas for Kahu Youth and Aspiring Gymsports – with the latter being the first occupants to have already moved in.

2022-2023 saw the Tāhuna Queenstown CBD streetscapes upgrade complete significant parts of the project with an official opening ceremony on 23 June. The vision for this project was to create an inviting and accessible space for everyone to enjoy. The project was supported by funding from the Crown Infrastructure Partners, as the first “shovel ready” project to be approved through the central government response to the economic effects of COVID-19. Council has now completed work on Beach Street, Lower Brecon Street (between Shotover Street and the steps), Park Street and Rees Street. Designed in line with the Queenstown Town Centre Design Guidelines, the upgraded streets incorporate high quality materials, new native plants, create an accessible shared

space, and weave in local cultural storytelling. The design elements reflect the area’s traditional values, stories and rich history, and this space has quickly returned to a bustling place for business, locals, and visitors alike. The final parts of the project in Upper Brecon Street and Man Street are underway with good progress being made towards completion.

As the district’s communities continue to grow and become increasingly interconnected, the need for Council to continue to invest in roading infrastructure is crucial. That investment needs to alleviate congestion as well as provide for efficient public transport options. First and foremost, safety was the key driver for new traffic lights and pedestrian crossings on Frankton’s Hawthorn Drive. The upgrades included new lights to manage traffic better at the intersections at Red Oaks Drive and Cherry Blossom Drive, and crossings near Whakatipu High School and the supermarket to make travel safer with an increasing number of activities in the area.

In the Queenstown CBD, construction at the western end of the Arterial Road (stage 1) began in late October. During this part of the project, Council has been rebuilding a section of Gorge Road and all the connecting roads – while keeping all properties connected to underground services. Due to historic infrastructure, the work is intricate, taking approximately twice as long than if we were laying new services in a new subdivision.

Although not complete, the road reopened ahead of the ski season in June, however it will close again in Spring to excavate existing road and footpaths and to construct new intersections, including new kerb lines, the road carriageway, footpaths, lighting, and street furniture. Work at the Frankton Road end of this first stage has progressed well and from late March crews began building a new road layout to create this important new gateway which will include more space for buses and cycling. Council acknowledges that this work has been disruptive and is grateful for the patience of locals and businesses.

Councillors also made some significant decisions in support of Waka Kotahi’s NZUP¹ proposed improvements to the roading network in Frankton and the entranceway to Queenstown. This programme intends to help Queenstown locals and visitors choose alternative ways of getting around the town, with better access to public transport and safer active travel options. In September, Council completed a community consultation process and elected members approved the sale of land bordering the Queenstown Event Centre and Frankton Golf Centre, enabling the construction of a new signalised intersection replacing the existing SH6/6A roundabout which includes bus prioritisation and improvements to the existing Frankton bus hub. In March, Councillors also agreed to the sale of a section of land at 516 Ladies Mile

which was required by Waka Kotahi to enable the construction of a new roundabout at the intersection of State Highway 6 and Howards Drive. With continued residential growth in this priority development area, as identified by the Whaiora Grow Well Spatial Plan², and more people travelling in and out of Frankton and Queenstown, such improvements will keep people travelling safely.

On a lighter note, Council also got locals on board its regular Winter Road Report emails that include safer winter driving tips by running a competition to name four of QLDC’s winter road trucks that can grit, plough, and apply CMA to roads. An online competition also drew attention to community text alerts and chain fitting workshops. More than 200 suggestions to name the trucks finally saw them named ‘Gritty Gritty Bang Bang’, ‘The Crowned Ranger’, ‘The Big Leplowski’, and ‘The Fast and Flurryous’. The trucks are now proudly adorned with their new names and have been working hard to keep roads safe around the district.

Three Waters (3W) has continued to be a significant matter in the last year with Council working with central government on its reform of three water³ provision. Now reframed as the ‘Water Services Reform Programme’⁴, Queenstown Lakes has been identified as part of a new ‘Entity J’, one of ten new proposed entities replacing the originally intended four. Council staff have been engaging with central government

¹ NZ Upgrade Programme Queenstown Package

² Whaiora Grow Well Spatial Plan

³ Provision for stormwater, water supply and wastewater

⁴ www.dia.govt.nz/Three-Waters-Reform-Programme

to ensure this Council can deliver the best outcome for the district's communities in the future model.

In that context, Council has continued to invest in Three Waters infrastructure to meet increasing demand across the district. In February this year, Council awarded a contract to build four new water supply reservoir tanks to service Glenorchy. With the existing concrete tanks showing signs of age, new tanks are required to ensure they can stand up to seismic events and deliver enough capacity to meet the level of service requirements. It's currently a live project and will deliver resilience for the Glenorchy community.

Glenorchy and Luggate have also been part of a smart water meter trial with the installation of smart meters now completed. Currently, it is not possible to measure water usage across the district at a household level, and when it can, it is a manual task only occasionally completed. Smart water meters measure water usage continuously and support sustainable water use. Trialling a smart water meter solution allows us to measure the amount of water used and helps find and fix leaks quickly, optimising the ongoing management of the network. If the trial is successful, smart water meters could be used more widely across the district.

As 2022-2023 ended, work was completed on the north Wānaka wastewater scheme which will accommodate local population growth and provide more resilience in the network. This significant investment involved the upgrade and replacement of existing wastewater pipes and lateral pipes that connect the public system to residential houses on Aubrey Road, from Rata Street corner down to the lakeside, as well as installing a new water supply pipe to connect to the existing pipe under Sir Tim Wallis Drive roundabout, as well as a new wastewater connection to the existing network near the Albert Town wastewater pump station. Wastewater infrastructure on the Kelvin Peninsula was also addressed in the last year.

Council invested in Western Wānaka's water supply with a new water main pipe and pump station to improve capacity and increase the resilience of the drinking water supply and infrastructure in the area. The pipeline connects Anderson Road, crossing the state highway, and along McPherson Street and Golf Course Road, with the new pump station situated on Wānaka-Mount Aspiring Road.

Work to connect a new water and wastewater main at either end of the Shotover Bridge near Frankton was completed at the end of 2022. After a long period of speed reduction to ensure safety for works near the bridge, the completed work now

supplies water to Frankton and upgrades an existing sewerage pipe. As well as providing for resilience and growth, this connection ensures wastewater is managed safely and in a way that protects the local environment.

Queenstown Lakes was once again one of the councils that saw the highest level of growth in Aotearoa New Zealand at 3.5%. This level of sustained growth continues to apply pressure in all aspects of district life and on Council services to provide for that growth. Planning for the district to grow well in the context of living, working and investing here, has continued to be a priority for the Council in the last financial year. At the beginning of July 2022, the long-running development of the Te Pūtahi Ladies Mile masterplan achieved an important milestone when it was officially endorsed by full Council and approved for notification to begin changes to the land use rules in the Proposed District Plan. Council initially adopted a Masterplan for the area in October 2021, but requested that several matters be given further consideration, such as funding and management of stormwater, the location of education facilities and further ecological planning.

Then in March of this year, the opportunity to address Queenstown's pressing housing needs took another positive step with the government's approval of Council's application to streamline the planning process at Te Pūtahi Ladies Mile.

This allowed Council to progress the proposed variation to rezone the area from existing 'rural' and 'rural lifestyle' to enable integrated urban development as swiftly as possible, whilst still allowing community consultation. A focus of the variation was to encourage the creation of the types of housing currently in short supply in the Whakatipu basin, namely homes suitable for older households, smaller households, and lower and lower-middle income households.

In November 2022, Council began the formal community consultation process on a proposed variation to the Proposed District Plan, requiring most new residential subdivisions and developments to pay an 'affordable housing financial contribution', with funds collected by Council and distributed to Queenstown Lakes Community Housing Trust (QLCHT) or another registered Community Housing Provider, providing them with an ongoing funding stream to provide access to affordable housing. The proposed Plan Change will support access to affordable housing for low to moderate income earners, helping to attract and retain skilled workers in the district. It will also support people to stay within Queenstown Lakes, rather than living further afield in cheaper locations and commuting long distances to work.

Since 2003, Council has successfully used inclusionary housing as a way of securing affordable housing contributions from developers on a case-by-case basis, with the proposed rules aimed to formalise this requirement and provide more certainty that the construction of affordable housing will continue. Council progressed that process in February this year, notifying a further round of submissions and outlining next steps. Access to affordable housing remains one of the biggest challenges currently faced by the district's communities and the proposed plan change is a proactive move to support low-to-moderate income earners, helping to attract and retain skilled workers.

Council took several steps to assist in tackling the local affordable housing issues, including supporting the Queenstown Lakes Community Housing Trust (QLCHT) to access much needed development opportunities. Back in 2019, Council agreed to transfer 3.7ha of land at Jopp Street, Arrowtown to the QLCHT for \$1 to enable its Tewa Banks development of 68 affordable homes, held under a mixed tenure of housing programmes, such as the Secure Home and Rent Saver products. The QLCHT successfully applied to the Ministry of Housing and Urban Development for an interest free loan, which was subject to resolution of an encumbrance issue as the land had been endowed to Council for the purpose of public utility.

In February 2023, Council was able to remove the encumbrance, instead negotiating a more enabling covenant and gave the green light to QLCHT to progress.

May of this year saw Council publish its first draft of the Joint Housing Action Plan (JHAP)⁵ for community feedback. Identified as a priority initiative in the Queenstown Lakes Spatial Plan by the Grow Well Whaiora partnership, the draft plan proposed nine solutions for tackling the district's housing challenges in both the short and long term. It is encouraging that the outcomes in the draft plan demonstrate the commitment from Council's central government partners including Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development and Kāinga Ora, alongside Kāi Tahu and QLCHT.

Another positive outcome to support the provision of affordable housing was Council's successful application to central government's Infrastructure Acceleration Fund. Council sought \$24M for critical water infrastructure in Hāwea, including a new water management programme installing around 900 smart meters to help address water demand challenges. It also included the construction of a new wastewater pipeline connecting to the Project Pure wastewater treatment plant that supports a more resilient network. It is expected these IAF-funded infrastructure projects will significantly enable affordable housing for the community.

However, planning for growth and the ability for our district to grow well is not just about ensuring sufficient capacity for affordable housing. It is also about ensuring our townships and neighbourhoods remain connected communities. Over many decades, Queenstown Lakes has welcomed waves of migrants from different parts of the world, as well as from all over Aotearoa New Zealand, producing diverse and vibrant local communities. Council recognises the importance of celebrating the broad range of people who have chosen to make this special place their home and in June 2021 joined the Welcoming Communities programme funded by central government. Whilst developing a welcoming communities plan remains work in progress, Council announced the establishment of two Welcoming Communities Advisory Groups (one in Queenstown-Whakatipu and the other in Wānaka-Upper Clutha). Made up of local representatives, these groups provide important leadership and advice on the development of the plan to ensure consistency across the district⁶.

Community events remained a cherished part of community life, notably the return of the New Year's Eve celebrations run by Council at Queenstown and Wānaka lakefronts. After a year off due to COVID-19 restrictions, it was fantastic to see locals and visitors alike ringing in the new year in a safe and family-friendly environment.

Autumn also saw the return of the popular Summerdaze events series with Rainbow Runs in Wānaka and Frankton to officially launch the programme for 2022-2023. Aimed at encouraging locals and visitors to come together and enjoy the summer months, Summerdaze ran until April and included a mix of events such as waterfront games, the pop-up library, and the ever-popular teddy bears' picnic. In partnership with Sport Central, Council took the fun along to other events with a trailer full of zorbs, inflatables, and games for all ages.

Libraries throughout the district continue to offer a wide variety of services to the community and visitors. The passionate team invest a lot of time and resource to facilitate a broad programme of events that caters to many different needs. The ever-popular Wriggle & Rhyme programme for parents and babies aged 0-2 is a great development opportunity, while programmes such as reading to dogs and the after-school LEGO® club for older children remains incredibly well attended. Reaching so many audiences with diverse programming such as the social English conversation group for non-English speakers to practice the language, the Autism support group, and te reo Māori storytime, the libraries have continued to develop new and engaging activities throughout the year. In August, the team sought community input to a special project to establish a world languages book collection.

⁵ At the time of preparing this report the draft Joint Housing Action Plan has subsequently been endorsed by Council

⁶ Information about the Welcoming Communities programme

The project stemmed from work the library team had been doing over several years to help the Japanese Family Society of Queenstown make its large collection of books more accessible to others. This important project has created a sense of belonging and connection through a celebration of language and culture. November saw the launch of an exciting new district-wide early learning literacy reading programme called 1,000 Books Before School. The goal of the programme is for families, educators, babies, and toddlers to begin reading together from an early age and to read 1,000 books before the child begins primary school. The programme has been very successful and will continue into the future.

Council employees, our front-line customer service, libraries, and sport and recreation staff, have again unfortunately had to endure some unpleasant behaviour from a minority in the community. There has been some aggression in opposition to Council's inclusive approach to embrace and reflect diversity in the community, whether that's the increasing use of bi-lingual signage and documentation to reflect te ao Māori and the use of te reo Māori, hosting events that celebrate the rainbow community, or multi-cultural events. Council cares about its whole community by supporting inclusion for our locals, visitors and employees so that everybody knows they can engage with Council in a meaningful and safe way.

Without a doubt, disrespectful and bullying behaviour is never OK and is not tolerated towards our employees. Council welcomes informed, reasonable, and respectful engagement and wants to thank community members who continue to engage with Council constructively.

In Council's sport and recreation facilities, the global sensation that is Pickleball made its mark. Earlier in 2023, the floor of Queenstown Events Centre's indoor stadium was sanded, re-marked and re-stained to include the specific court markings for pickleball, alongside the traditional sports enjoyed there such as volleyball, basketball, and badminton. The Wānaka Recreation Centre also officially opened a new play space with 130 people attending for the event. The project was a combined effort including QLDC Libraries, M!NT Trust, Wānaka Community Workshop MenShed and Mount Aspiring College's Students in the Community. It houses a Lilliput library, a sheltered reading area, and games such as table tennis. The Wānaka Recreation Centre also opened its new cricket nets in November, with new four-bay nets thanks to a partnership with Luggate Albion Cricket Club to help develop and grow the sport in the Upper Clutha. This was timed just ahead of the international cricket fixtures returning to the Sir John Davies Oval in Frankton. The Oval played host to the White Ferns vs. Bangladesh in December, and later in April the Blackcaps took on Sri Lanka for the T20, alongside many other domestic matches.

Like many organisations, Council's sport and recreation team were challenged by staffing issues during the last year with Alpine Aqualand closed at weekends for a brief period in Autumn. It is always a difficult decision, and not one taken lightly, to close a community facility, especially one of our pools, acknowledging that swimming is such an essential life skill. Council is grateful to everyone for their patience through this period and was delighted to be able to offer free hydroslide rides on the weekend the facility reopened.

The Council's commitment to its Climate & Biodiversity Plan has continued to be a defining driver across Council activities. Council has continued to invest in the conversion of its fleet to electric vehicles and installing chargers for them. Council partnered with Wao⁷ to launch a Food Resilience Project investigating and mapping out the strengths, opportunities, and vulnerabilities of our local food system. The project involved historical research, a community survey with 750 responses, a wide range of stakeholder interviews, research into international and national network models, and a hui of the district's food-system stakeholders. The report⁸ into phase one of the project was released and provides several interesting findings and insights. Other activities have included supporting and promoting composting week, plastic-free initiatives, and a waste free Christmas campaign.

In June, Council and its partner Scope Resources took the district another step forward on its environmental protection journey thanks to the successful application for a Unique Emissions Factor (UEF). The successful UEF application means the Victoria Flats landfill can now apply its own emissions factor when calculating its greenhouse gas emissions surrender obligation to the New Zealand Emissions Trading Scheme (NZETS) for the 2022 calendar year. This means the community will be saved from large waste disposal fee increases thanks to the new UEF. Council was able to track its greenhouse gases accurately using landfill gas capture and destruction systems, which provided concrete data to support the successful application. This information helps ensure Council is playing its part to protect the environment while demonstrating that it's paying a fair share for the environmental cost of Council activities.

One important milestone was Council's endorsement of the Destination Management Plan at the beginning of 2023. Developed by Destination Queenstown and Lake Wānaka Tourism in conjunction with QLDC, the plan⁹ is called 'Travel into a thriving future' and commits to decarbonising the tourism industry to carbon zero by 2030. It sets out to ensure that tourism supports a thriving community both environmentally, socially, culturally, and economically.

⁷ www.wao.co.nz

⁸ www.wao.co.nz/food-resilience?mc_cid=3ed8ca02c5&mc_eid=46e348d113

⁹ www.queenstownnz.co.nz/regenerative-tourism-2030

This was a significant message from Council to its community about its commitment to addressing and adapting to climate change and recognising the impact the tourism industry can make in reducing the negative effects of emissions.

For many, adaptation starts at home with the waste we produce. Council's annual waste minimisation funding round once again contributed towards waste reduction initiatives in the district, awarding \$122,000 to projects in July 2023. Grants come from the QLDC Waste Minimisation Community Fund, to increase the level of support for community-led waste minimisation initiatives that move the district towards achieving its ambition to be a sustainable, zero-waste district. Of 21 applications, 11 were successful including a bank of reusable nappies to be used by families in the Glenorchy area, and a pilot scheme by Wastebusters to rebrand and sell surplus uniforms¹⁰. The 2023 round of funding applications was launched in April with a funding pool of \$50,000 available for community projects that encourage enduring change in behaviour, and up to \$10,000 for commercial waste minimisation or resource recovery projects.

2022-2023 continued to see Council adversely affected by building defect claims. Many New Zealanders will be familiar with the term, "leaky buildings" which affected some properties built between the late 1980s and mid-2000s.

Recent case law in Aotearoa New Zealand provides examples where developers, builders and other groups who were responsible for designing and constructing the buildings in question have often been wound up or declared bankrupt. Council has, in recent years, experienced an increase in the number of claims against it by property owners relating to weather tightness and other building defects; and a material increase in the operational expenditure by Council to defend and resolve such claims. Council's overriding objective continues to be to resolve such claims while minimising the financial impact on ratepayers now and in the future. Claims in the last financial year and the cost to defend them has impacted Council debt levels, the wider capital investment programme, and ultimately, ratepayers.

For legal reasons, Council is unable to disclose amounts relating to specific claims, however, coupled with the increase in servicing and repaying debt, Council must acknowledge the significance of

these claims and the need to respond to them. In June 2023, Council adopted its 2023-2024 Annual Plan as one of the last decisions of the financial year, confirming that these settlements have led to higher borrowings and higher interest costs. Council has continued to vigorously defend these types of claims and lobby for a change to the legal framework that exposes ratepayers to speculative claims with the risk of inequitable financial outcomes. However, pressure to meet these costs will impact Council's ability to deliver on the capital investment programme at the current pace, with several projects likely to be deferred as a result in the upcoming Long Term Plan.

2022-2023 has been a year with many challenges, but also with many successes. Several significant projects or project phases have successfully concluded, whilst other exciting new projects were initiated. As mentioned earlier, it is noteworthy that 2022-2023 was the year in which Council delivered its highest ever capital investment programme with an investment of more than \$180M across the district, despite many constraints such as staffing, sourcing materials, and contractor capacity.

Some of these projects have spanned multiple years and have challenged many due to roadworks, delays, or disruptions. Thank you to everyone for your patience and allowing Council to deliver these valuable improvements for the benefit of all our local communities.

Finally, I would like to acknowledge the elected members for both Council and the Wānaka-Upper Clutha Community Board and the contribution they make as representatives and decision-makers, and the ongoing commitment and dedication of all employees across every team at Queenstown Lakes District Council who continue to deliver outstanding service to our district's communities.



Mike Theelen
Chief Executive
Queenstown Lakes District Council

¹⁰ Full list of recipients available here: www.qldc.govt.nz/2022/july/22-07-18-qldc-gives-122-000-to-waste-minimisation-projects

Population data

USUALLY RESIDENT POPULATION

Usually Resident Population	2023	2033	2043	2053
Wānaka-Upper Clutha	17,819	22,230	26,336	30,252
Queenstown-Whakatipu	22,211	28,354	34,072	39,524
Arrowtown-Kawarau	11,993	13,052	14,038	14,978
Whole District	52,022	63,636	74,446	84,753

AVERAGE DAY POPULATION

Average Day Population	2023	2033	2043	2053
Wānaka-Upper Clutha	22,542	30,454	36,095	41,475
Queenstown-Whakatipu	34,724	47,776	56,029	63,892
Arrowtown-Kawarau	14,655	16,835	18,062	19,236
Whole District	71,921	95,065	110,185	124,602

The average day population for the district is expected to increase from an estimated 71,921 people in 2023 to an estimated 95,065 in 2033. This is a growth rate of 2.8% per annum. This consists of residents and visitors of all types.

Of the average day population, around 72% is the usually resident population. Approximately 43% of these residents will live in the Queenstown-Whakatipu ward, 34% in the Wānaka-Upper Clutha ward and 23% in the Arrowtown-Kawarau ward.

PEAK DAY POPULATION

Peak Day Population	2023	2033	2043	2053
Wānaka-Upper Clutha	36,572	51,695	60,515	68,926
Queenstown-Whakatipu	56,040	79,462	92,648	105,191
Arrowtown-Kawarau	22,179	26,766	28,502	30,184
Whole District	114,791	157,923	181,664	204,301

The peak day population for the district is expected to increase from an estimated 114,791 people in 2023 to an estimated 157,923 in 2033. This is a growth rate of 3.2% per annum. This consists of residents and visitors of all types. The peak period typically falls over the New Year period (late December/early January) and is relatively short. The projection is particularly important for infrastructure planning, ensuring that roads, waste and Three Waters infrastructure is able to cope with peak activity.

AVERAGE DAY POPULATION

Average Day Population	2023	2033
Usually Resident Population	52,022	63,636
Total Visitor	19,899	31,429
Average Day Total	71,921	95,065

PEAK DAY POPULATION

Peak Day Population	2023	2033
Usually Resident Population	52,022	63,636
Total Visitor	62,769	94,287
Peak Day Total	114,791	157,923

Our elected members



Mayor
Glyn Lewers



Deputy Mayor
Quentin Smith



Councillor
Niki Gladding



Councillor
Esther Whitehead



Councillor
Matt Wong



Councillor
Gavin Bartlett



Councillor
Craig 'Ferg' Ferguson



Councillor
Lisa Guy



Councillor
Melissa White



Councillor
Barry Bruce



Councillor
Lyal Cocks



Councillor
Cody Tucker



Wānaka community board | Te Poari Hapori ki Wānaka



Chairperson
Simon Telfer



Deputy Chair
Chris Hadfield



John Wellington



Linda Joll



Councillor
Barry Bruce



Councillor
Lyal Cocks



Councillor
Cody Tucker



Management group



Mike Theelen,
Chief Executive



Meaghan Miller,
General Manager,
Corporate Services



Stewart Burns,
General Manager, Assurance,
Finance and Risk



Dave Wallace,
General Manager, Planning
and Development



Tony Avery,
General Manager, Property
and Infrastructure



Ken Bailey,
General Manager,
Community Services



Michelle Morss,
General Manager,
Strategy and Policy

QLDC financial results at a glance 2022/23



Statement of financial performance

QLDC recorded a deficit of \$53.8M for the financial year. This is well down from the \$65.8M surplus recorded last year, and the \$96.1M surplus budgeted.

A large defective building claim settlement was the main reason for the deficit. The settlement was funded by debt which resulted in increased annual borrowing costs for the year.

Excluding the impact of the settlement results in a normal operating surplus of \$46.2M, and is \$49.9M below the budgeted surplus of \$96.1M.

Revenue was over budget by 2.0% or \$5.3M, and expenditure excluding the settlement was over by 17.9% or \$34.0M mainly due to variances in depreciation of \$11.8M, interest costs of \$7.5M, and other expenses of \$14.7M. An explanation of costs is provided on page 19.

Other gains were \$22.1M below budget. Surplus property sales including Commonage and Lakeview were planned but are behind schedule. The commonage is expected to go on the market within the year. The \$4.0M actual balance in other gains represents net unrealised gains as a result of positive valuation movements for investment property and interest rate swaps.

The following major items contributed to the favourable revenue variance of \$5.3M.

- > Operational income was \$6.6M over budget, with \$2.7M of unbudgeted forestry income (which was offset by \$2.7M of unbudgeted felling costs), \$1.5M over budget for turnover based rents and sports and recreation revenue as a result of a better than expected pandemic recovery. Consent income was \$1.2M over budget due to the continued growth in the construction industry, and operational grants revenue \$0.8M over budget due to a government grant.
- > Development contributions were \$3.7M lower than expected at \$17.5M for the year. This revenue stream depends on the timing of the completion and size of developments in the district.
- > Capital grants revenue was \$18.7M below budget due to the timing of the Arterial and Queenstown Street upgrade capex projects. The grants revenue for these two projects is received from the government on a monthly basis as the construction is completed.
- > There was an increase in vested asset income which created a favourable variance of \$19.8M. This non-cash income reflects the value of assets passed to Council as a result of continued high levels of development activity in the district.

The major remaining operational cost variances are as follows:

- > Interest expense for the year was \$7.5M greater than budget. This is a result of higher interest rates with the rise in the official cash rate, increased borrowings for the leaky building claim settlement, and the timing of some capital works.
- > Depreciation expense was higher than budget by \$11.8M, largely as a result of a flow on effect of the prior year's increase in valuations for infrastructure assets for both Three Waters and roading assets.

Other expenses were \$14.7M above budget.

Legal costs associated with weather tightness were \$2.0M above budget, and an associated \$0.3M increase in the leaky building loss provision.

There were \$2.5M above budget costs for asbestos removal/demolition works at the Lakeview Development.

Coronet forestry felling continued longer than expected. This year saw unbudgeted costs of \$2.6M which was fully offset by unbudgeted forestry revenue of \$2.6M.

There were \$1.9M higher salary and wage contract costs, \$0.9M within consents, which was fully offset by labour recoveries and \$0.7M additional costs to cover budgeted staff vacancies.

Electricity costs were \$1.0M more than budgeted due to significant rises in prices and network costs. Insurance costs were \$0.8M over budget due to higher asset valuations for Three Waters and roading assets.



Statement of financial position

The main variances against budget relate to the difference in expected asset values for the year and increased borrowings. The following items contributed to this variance:

- > \$501.1M above budget for fixed assets largely due to movements in infrastructure values as a result of infrastructure revaluations with a \$337.8M increase in 2021-2022, and a \$142.2M increase for 2022-2023.
- > For 2022-2023 Three Waters asset values increased by \$101.0M, and roading asset values increased by \$41.2M. Overall capital expenditure was \$179.4M, up \$19.0M on the prior year's spend of \$160.4M, although \$17.0M was below the estimate for the financial year ending 30 June 2023.
- > Borrowings are \$110.9M above forecast. Total debt as at 30 June 2023 is \$526.7M compared to a forecast of \$415.8M mainly as a result of the large leaky building settlement which was not fully budgeted.



Statement of changes in equity

Accumulated differences between actual and budgeted net surpluses as described above, as well as the impact of infrastructure asset revaluations and increased borrowings, has resulted in an equity variance of \$431.3M above forecast.



Statement of cash flows

The budget variations explained above contribute to budget variations in the Statement of Cash Flows. Cash payments for the purchase of property, plant and equipment (i.e. capital expenditure) were \$29.7M below estimate. Net borrowings were around \$148.3M more than expected. Cashflows from operating activities were \$161.1M above budget due to the large leaky building settlement, and higher than budgeted costs and lower than budgeted revenue (excluding non cash items such as vested assets).

Contact us

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QUEENSTOWN AIRPORT CORPORATION*

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* A Council-controlled trading
organisation

AUDITORS

Deloitte Limited on behalf of the
office of the Auditor General,
Dunedin

SISTER CITY

Aspen, Colorado, USA
(Queenstown)

FRIENDSHIP CITY

Hangzhou, China



Statement of service performance

Te tauākī ā
kā ratoka kaunihera



Vision Beyond 2050

Vision statement and community outcomes

Looking beyond the year 2050, the community vision – A Unique Place. An Inspiring Future | He Wāhi Tūhāhā. He āmua Whakaohoho – presents eight key vision statements for how people want to live, work and play in the district in the future. Each vision statement is supported by a set of community outcomes.

Community outcomes are aspirations that Council is working towards; they are future focused. They are defined in the Local Government Act 2002 as:

“outcomes that a local authority aims to achieve in order to promote the social, environmental, economic and cultural wellbeing of its district in the present, and for the future”

These define the hopes for life in the Queenstown Lakes District, for current and future generations.

In March 2019, Council unanimously agreed to commit to the vision as a guiding document to inform future decision-making and planning.

Thriving people | Whakapuāwai Hapori

Ours is a community with a strong heart and whānau roots that run deep.



COMMUNITY OUTCOMES

Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people.

People of all ages are able to seek a future here.

Everyone can find a healthy home in a place they choose to be.

Our environments and services promote and support health, activity and wellbeing for all.

Our doors and minds are open; everybody is warmly welcomed.

Living Te Ao Māori | Whakatinana i te ao Māori

Ours is a district that realises Te Tiriti o Waitangi and champions equity for all our people, now and into the future.



COMMUNITY OUTCOMES

We celebrate the unique history of our rohe and Aotearoa New Zealand.

Our kōrero is strong in both Te Reo and English.

Our diverse, multicultural past and present strengthens our district's future.

Our Māori ancestry and European heritage are both reflected and enrich our lives.

Opportunities for all | He ōhaka taurikura

Our district is a place of social, environmental and technological enterprise.



COMMUNITY OUTCOMES

Our economy is strong and diverse with sustainable and inclusive growth.

Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced.

Technology enables us to connect locally, regionally and globally.

Breathtaking creativity

| Whakaohooho Auahataka

Surrounded by the endless inspiration of our landscapes, ours is a place that nurtures the arts, culture and the spirit of invention.



COMMUNITY OUTCOMES

Our breath-taking landscapes and diverse people attract strong talent and create space for reflection.

Free-thinking innovation and locally distinct arts make our place a byword for brilliance.

Artists and art lovers unite in both dedicated spaces and beyond the boundaries of venues and facilities.

Our economy supports arts, culture and heritage industries.

Deafening dawn chorus

| Waraki

Our ecosystems flourish and are predator-free under our guardianship.



COMMUNITY OUTCOMES

We are all kaitiaki of our protected and restored incredible environment, flora and fauna.

Our people and visitors respect the privilege of accessing our rivers, lakes and mountains.

Our waterways and lakes are drinkable.

We set the standard for combating biodiversity loss.

Zero carbon communities

| Parakore hapori

From Makarora to Kingston, our district sets the standard for regenerative, low-impact living, working and travel.



COMMUNITY OUTCOMES

Our homes and buildings take the best ideas from the world, but use sustainable, locally-sourced materials.

Our public transport is the cleanest, greenest, innovative choice for district-wide connectivity.

Active travel is an integral part of an accessible and safe network for all of our people.

Zero waste is just something that we do here.

Disaster-defying resilience

| He Hapori Aumangea

Queenstown Lakes is a place that is ready and prepared for every emergency.



COMMUNITY OUTCOMES

Our communities are resilient to disasters and adapting to a changing global climate.

Our people stand tall through any challenge, caring for whānau, neighbours and visitors alike.

Our infrastructure is as resilient as our people.

Recovery empowers our people to quickly find a new normal.

Pride in sharing our places

| Kia noho tahi tātou katoa

Our district is a place where our quality of life is enhanced by growth through innovation and thoughtful management.



COMMUNITY OUTCOMES

Our lives are enhanced by measuring wealth in wellbeing as well as dollars.

Our welcome is warm and genuine, and visitors respect what is expected of them.

Our everyday experiences are enriched by focusing on shared values not volume.

We are the place the rest of the world cannot be.

Key strategies

Spatial Plan

The first Spatial Plan for the district was adopted by Council on 29 July 2021 and endorsed by the Grow Well Whaiora Partnership Governance Group on 22 September 2021 (commonly referred to as Spatial Plan Gen 1.0). The purpose of the Spatial Plan is to create a well functioning urban environment; it is wider than just land use planning as it also influences policy development and investment. The Spatial Plan is a vision and framework for how and where the communities of the Queenstown Lakes District can 'Grow Well'. It also guides decisions and investment across local, regional and central government.

The three principles underpinning the Spatial Plan are:

- > Hauora | Wellbeing
- > Aumangea | Resilience
- > Whakauku | Sustainability

The Spatial Plan's five outcomes and 22 priority initiatives were developed taking Vision Beyond 2050 and the 2021-2031 Long Term Plan community outcomes into consideration. The Spatial Plan also includes Kāi Tahu Outcomes.

The five outcomes in the Spatial Plan are:

- > consolidated growth and more housing choice
- > public transport, walking and cycling is the preferred option for daily travel
- > a sustainable tourism system
- > well-designed neighbourhoods that provide for everyday needs
- > a diverse economy where everyone can thrive.

Climate and Biodiversity Plan

On 30 June 2022, Council adopted the 2022-2025 Climate and Biodiversity Plan | Te Mahere Āhuarangi me te Rereka Rauropi that sets out how the district will respond to climate and ecological emergencies over the next three years.

The plan was the product of a 15-month engagement programme with mana whenua, climate and biodiversity experts, sustainability groups, conservation groups, community members and the Queenstown Lakes Climate Reference Group. The Climate Reference Group was established by Council in 2020 as an independent, multidisciplinary body with relevant experience to advise on initiatives, networks and resources required to turn ideas into concrete actions. The development of the plan involved a significant amount of collaborative discussion and public consultation with experts, advocates and community members to identify the priorities, opportunities and challenges for the district.

A major strategic shift in the plan was to ensure that an equal focus was directed towards biodiversity protection as well as climate action. Reducing carbon emissions, adapting to a changing climate and restoring indigenous biodiversity needs to be approached in an integrated and holistic way. The plan attempts to do this with 70 actions spread across six outcome areas relating to leadership, transport, buildings and infrastructure, communities, economy and the natural environment. The 2022-2025 plan represents a step change in the ambition and scope of the previous 2019-2022 Climate Action Plan. To help deliver this, Council committed an additional \$420,000 to the plan's actions through the 2022-2023 Annual Plan process.

The 2022-2025 Climate and Biodiversity Plan supports the following Vision Beyond 2050 outcomes:

- > Deafening dawn chorus
- > Disaster defying resilience
- > Zero carbon communities

The plan supports these outcomes through the following goals:

- > Biodiversity - The mauri (life force or essence) of our ecosystems is protected and restored. Indigenous biodiversity is regenerated.
- > Adaptation - Queenstown Lakes is a place that is ready and prepared to adapt to a changing climate.
- > Mitigation - Our district reduces its greenhouse gas emissions by 44% by 2030* and achieves net-zero greenhouse gas emissions by 2050.

**Against a 2019 baseline and aligned with the 1.5 degree science-based target pathway outlined in the 2020 Emissions Reduction Roadmap.*



Financial Strategy and Infrastructure Strategy

The Financial Strategy and the Infrastructure Strategy are key to Council's planning and reporting. They are aligned to provide strategic direction and context for planning and lay the foundations that support prudent financial management and efficient asset management over the long-term. Both strategies are integral to the way we work. The Financial Strategy describes the challenges that will impact the district over the 2021-2031 Long Term Plan, and how the Council will respond in a responsible and affordable way. The Financial Strategy aims to achieve the following:

- > a prioritised capital programme, delivering the 'right' projects:
 - in order to achieve compliance with water supply and wastewater services within statutory timeframes
 - ahead of growth so that development is supported in appropriate areas, as identified in the Spatial Plan
- > a QLDC visitor levy introduced within four years as an alternative funding method
- > rates increases set at maximum of 9% gross (6% net) per annum (subject to changes in growth forecasts)
- > debt levels maintained at affordable levels, within borrowing limits
- > debt levels at the end of the 2021-2031 Long Term Plan period stabilised, with sufficient headroom to provide financing flexibility for future councils.

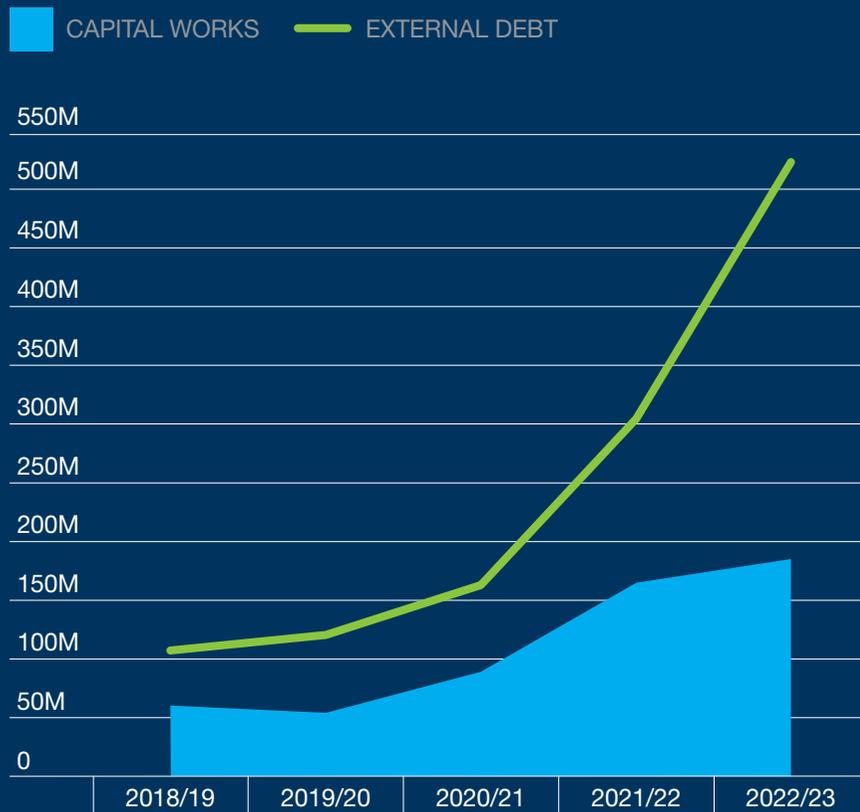
The Infrastructure Strategy details the challenges that will impact the district over the next 30 years (2021- 2051), as they relate to transport, water, wastewater, stormwater and solid waste. By covering 30 years the Infrastructure Strategy aims to accommodate both the needs of current and future generations by providing good quality, cost effective infrastructure that responds to the following:

- > a demanding natural environment
- > growth in population and visitor numbers
- > climate change adaptation and mitigation
- > the complexity of our built environment
- > the challenging economy
- > legislative changes.

REPORTING BACK ON FINANCIAL STRATEGY

The graph below shows that the actual spend on capital projects has increased in recent years. This has been due to some large projects including the Queenstown Arterial and Street Upgrades (CIP funded), Lakeview Development as well as upgrades in Three Waters infrastructure. The capital works result for 2022-2023 was \$10.4M short of (FY22 \$86.9M below) the original 2021-2031 Long Term Plan budget for 2022-2023. This is due primarily to the deliberate re-programming of the Three Waters capital programme. Gross debt (excludes cash on hand) has increased from \$303.6M to \$526.7M due to capex spend which is funded by debt, and also due to the large leaky building claim settlement.

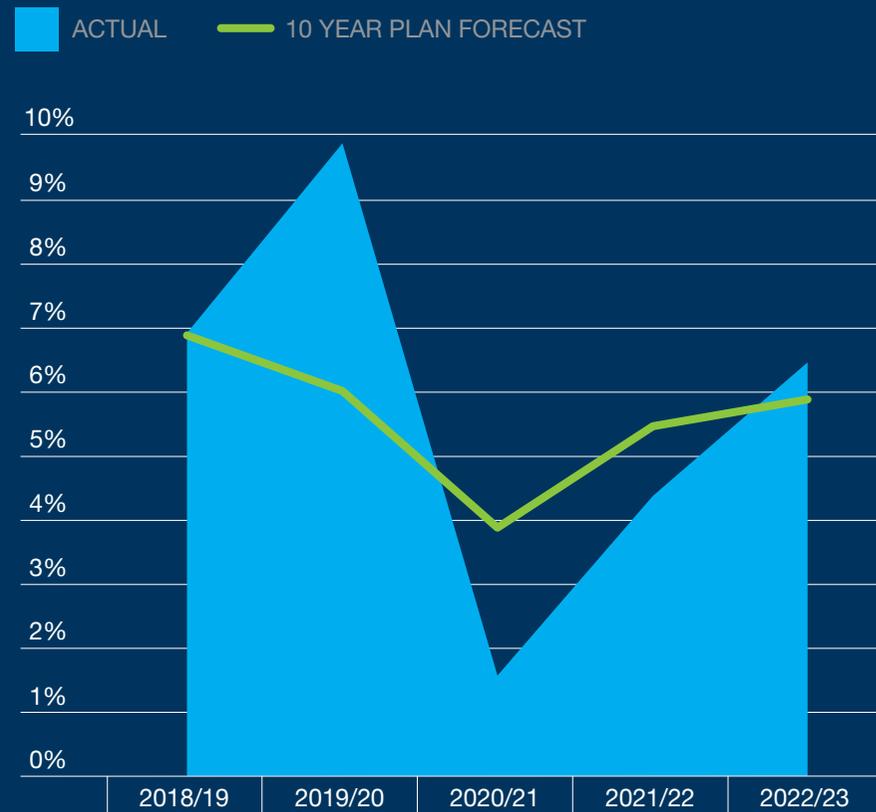
EXTERNAL DEBT VS CAPTIAL WORKS



RATES

The graph below shows the actual rates increase over the past five years compared to the increases forecast in the 2021-2031 Long Term Plan. The total rates for 2022-2023 are higher than forecast mainly due to additional cost as a result of inflationary pressure and increasing interest rates.

RATES INCREASE – ACTUAL AND FORECAST (AFTER ALLOWING FOR GROWTH)



DEBT LEVELS

In order to deliver the large capital programme included in the 2021-2031 Long Term Plans, the Council will need to rely on borrowing. Council has spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. The actual net debt (includes cash on hand) as at 30 June 2023 was \$525.4M; this is \$240.1M more than June 2022, and \$109.6M more than forecast in the 2021-2031 Long Term Plan. Debt is within Council's borrowing limits, although it is higher than forecast due to the large leaky building settlement and the increased debt due to capital programme funding. This has resulted in higher interest costs coupled with the impact of increasing interest rates.

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

Council's Borrowing Limits	Actual 2020/21	Actual 2021/22	Actual 2022/23	Forecast 2022/23
Interest Expense/ Rates < 30%	5.8%	6.1%	17.5%	10.4%
Interest Expense/ Total Revenue < 20%	3.2%	3.0%	8.8%	4.9%
Net Debt/Total Revenue < 280%	100.3%	149.2%	253.4%	189.5%

EXTERNAL DEBT (000s)



CAPITAL WORKS 2022-2023

Notable infrastructure projects that have been substantially advanced or completed during the 2022-2023 financial year:

Project	Cost at Year End 2023 (\$)
Queenstown Town Centre Arterials - Crown Investment Partner Stage 1	35,150,589
Queenstown Street Upgrades - Crown Investment Partner	26,540,922
Project Pure Upgrade	14,113,165
Purchase of Mount Iron Reserve Land	7,599,032
Lakeview Development Road & Public Realm	7,054,936
Western Wānaka Level of Service	4,006,293
Whakatipu - Road to Zero Minor Improvement Programme Low Cost Low Risk	3,458,341
Lakeview Development - Transportation	3,428,368
Beacon Point New Reservoir	3,313,670
Shotover Country New Water Treatment Plant	3,228,817
Lakeview Ancillary - Thompson St upgrade	3,197,792
Marine Parade Upgrade - Parks	2,854,703
Wānaka Lakefront Development Plan	2,491,663
North Wānaka Conveyance	2,466,230
Paetara Aspiring Central (Mitre 10 Youth Community Centre)	2,015,224
Lakeview Ancillary Brunswick St Retaining Wall	1,890,069
Glenorchy Reservoir upgrade	1,756,443
Albert Town Reticulation Improvement	1,754,595
Lakeview Storm Water Upgrade	1,710,807
Whakatipu Public Transport Low Cost Low Risk	1,688,937
Whakatipu - Sealed road resurfacing	1,651,285
Water Supply - Renewals - Wānaka	1,650,430
Wastewater - Renewals - Queenstown	1,601,379
Whakatipu - Sealed road pavement rehabilitation	1,581,185
Lakeview Ancillary - Site clearance	1,400,000

Carry-forward projects totalling \$45.46M were approved by the Council in August for completion in 2023-2024 and 2024-2025. Projects in excess of \$500,000 are as follows:

Project	Budget deferred at Year End 2023 (\$)
516 Ladies Mile Community Centre	3,444,999
CBD to Frankton Conveyance (Wastewater)	3,059,291
Mitre 10 Youth & Community Centre	2,083,326
Glenorchy Reservoir upgrade	1,969,898
Lakeview Ancillary - Thompson St upgrade	1,880,684
Wānaka - Road to Zero Minor Improvement Programme Low Cost Low Risk (Transport)	1,871,999
Lakeview Ancillary - Isle Street upgrades	1,739,917
Project Pure Upgrade (Wastewater)	1,591,634
Lakeview Development	1,514,792
Lakeview storm water upgrade	1,495,775
Queenstown Street upgrades - Crown Infrastructure Partners	1,422,530
New Whakatipu Waste Facilities (Waste management)	1,390,455
Kingston Housing Infrastructure Fund New Scheme (Storm water)	1,354,453
Ballantyne Rd Recreation Center - Wastewater site preparation	1,056,902
Beacon Point new reservoir	840,668
Water Sports Facility & Parking - Wānaka	816,815
Wānaka Show Grounds field development	815,486
Frankton Golf Course reconfiguration	800,000
Wānaka - Sealed road pavement rehabilitation	763,524
Wānaka New Waste Facilities (Waste management)	745,918
Glenorchy Carpark & Marina improvements	723,479
Cardrona Water Supply Scheme (Water supply)	671,687
Butlers Green Retaining Wall (Transport)	633,785
Wānaka Pool to School Active Travel (Transport)	551,852
Shotover Country New Water Treatment Plant (Water supply)	549,326
Lake Whakatipu Ferry Inf Improvements	547,676
Kingston Housing Infrastructure Fund new scheme (Wastewater)	532,204
Performing Arts Centre	523,996
Lakeview Development Hay St Upgrade (Transport)	521,487
Wānaka Water Treatment (Water)	505,557

Community services and facilities



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Library circulation per capita (including books, e-books, e-audio and magazines) (based on usually resident population)	32,580 avg per month 390,960 total	Improve year on year	485,907	534,164	QLDC library checkouts between 1 July 2022 and 30 June 2023 totalled a record 534,164 items. This is an increase of 9.9% (+48,257 checkouts) compared to the 2021-2022 year. 2016/17 = 380,540 2019/20 = 390,962 2022/23 = 534,164 2017/18 = 383,749 2020/21 = 489,867 2018/19 = 402,744 2021/22 = 485,907
Percentage of Request For Service resolved within specified timeframe for parks, reserves, trails, gardens and playgrounds	80.6%	>90%	84%	95%	Tree-related requests accounted for nearly 25% of all requests received by the Parks team in 2022-2023. Gardens, parks and reserves followed with approximately 15%. Tracks requests and maintenance requests followed respectively with 10% each. 52 tree removal requests were received.
Total number of gym and pool visits per capita (based on usually resident population)	New measure	Improve year on year	23,564 visits	35,058 visits	The total number of gym and pool visits per capita (based on usually resident population) was 35,058 visits for 2022-2023. A 49% increase on 2021-2022. Per capita has been calculated as visits per 1000 residents.
Percentage of residents who are satisfied with the range of community facilities (pools, sport & recreation facilities, community venues, libraries and parks)	New measure	Improve year on year	71%*	Trails, walkways, cycle ways 86% Parks, reserves, gardens 87% Gym(s) 37% Public toilets 67% Playgrounds 46% Indoor sports facilities 43% Sports grounds 49% Swimming pools 50% Libraries 65% Community halls 44% Community arts centres 31% Museums 29%	These results include residents who may not use these facilities and therefore include a large proportion of results in the 'don't know' category. Satisfaction amongst users was considerably higher, with all facility types between 52% and 88%. Community facilities satisfaction has not been monitored in this way previously.
Percentage of residents who are satisfied with the financial support Council provides for the community	33%	>80%	32%	33%	This result has remained relatively consistent since 2019, with the largest proportion of residents, 34%, in the 'don't know' category. As a result, the 80% target is difficult to achieve. A further 7% of residents thought the amount was too much, and 26% too little.
Percentage of total community grants to total Council operating expenditure excluding depreciation and personnel costs.	0.83%	1.65%	2.08%	1.87%	The amount of grants paid is above the target.
Percentage of capital works completed annually, including renewals, against the 2021-2031 Long Term Plan budget adopted by the Council for community facilities and property	New measure	80%-110%	81%	223.43%	The percentage of capital works is above the target due to spend not budgeted in year two of the 2021-2031 Long Term Plan. This spend mainly relates to the purchase of Mount Iron, Lakeview Rockfall Mitigation, and the Wānaka Lakefront Development Plan.

* Note last year this was asked as one generic question for all community facilities and this year has been split out into facilities.

Environmental management



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary				
Percentage of resource consents processed within statutory timeframes	82%	100%	81.71%	84%	This year's result saw an improvement on last year with 84% of applications being processed within timeframes. Council formally received 1,068 applications over the year and 1,035 decisions were issued. Over the last three years the number of applications received by council has remained consistently between 1,068 (lowest) and 1,250 (highest). The number of decisions issued has also remained consistent over this period though has been declining each year from 1,263 in 2020-2021 to 1,035 in 2022-2023. The ability to process resource consents within timeframes has continued to be affected by the tight recruitment market (and ability to attract people to the district). The quality of application information has been identified as a contributor to resource consents taking longer to issue. QLDC is working on systems to improve application content by providing more guidance to the community regarding what is required and improved application vetting processes to improve the quality of applications lodged with the council. Work is also progressing to amend in-house processes to improve overall efficiency and effectiveness.				
Compliance with two year timeframe of notification to decision, in accordance with clause 10 of Section 1 of the RMA	New measure	Full compliance	Full compliance	Full compliance	All decisions to the District Plan were made within two years of notification as required by the Resource Management Act.				
The carbon budgets for QLDC's direct emissions set in the Emission Reduction Roadmap have been met	New measure baseline – (2019) 2,992 tCO ₂ e	<2,485 tCO ₂ e	2,315.49 tCO ₂ e (unaudited)	2,941.10 tCO ₂ e (estimate)	<p>The quality of emissions data has significantly improved since the carbon budget targets in the 2020 Emissions Reduction Roadmap meaning that the Long Term Plan KPI targets and the 2019 emissions baseline are now out of date.</p> <p>For the purposes of providing indicative emissions reduction progress we have presented council's scope one and two greenhouse gas emissions (i.e. direct energy emissions only, excluding wastewater and refrigerants) between the following annual periods:</p> <table border="0"> <tr> <td>July 2021 – June 2022</td> <td>2,315.49 t CO₂e (unaudited)</td> </tr> <tr> <td>July 2022 – June 2023</td> <td>2,941.10 t CO₂e (estimate)</td> </tr> </table> <p>Increase 625.61 tCO₂e (27%)</p> <p>Based on this methodology there has been an estimated 27% increase in scope one and two emissions between the 2021-2022 and 2022-2023 periods. This increase is largely being driven by:</p> <ul style="list-style-type: none"> > Increase in Liquefied Petroleum Gas (LPG) demand to heat swimming pools – caused by increased demand following COVID-19 restrictions and the reopening of the hydro-slide in July 2022 following repairs. > Increase in electricity – caused by increased demand on water services and sport and recreation centres. <p>Council has recently received its Toitū Envirocare CarbonReduce certification, which involves annual third-party auditing of council's annual emissions inventory (scope one, two and three) as well as its tracking towards emission reduction targets. Looking ahead, this independent verification audit will be utilised to verify council's performance in pursuit of its emissions reduction targets.</p>	July 2021 – June 2022	2,315.49 t CO ₂ e (unaudited)	July 2022 – June 2023	2,941.10 t CO ₂ e (estimate)
July 2021 – June 2022	2,315.49 t CO ₂ e (unaudited)								
July 2022 – June 2023	2,941.10 t CO ₂ e (estimate)								

Regulatory functions and services





How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Resource Consents listed as 'priority' in the Monitoring Strategy are pro-actively monitored	100%	100%	100%	100%	Monitoring is undertaken in accordance with the Monitoring Strategy. The result was 100% monitored for the year. Following consents being processed and issued by the Planning Team, consents identified as priority in accordance with the Monitoring Strategy have been monitored by the Monitoring and Enforcement Team.
Every food business that is due an audit is audited within the statutory timeframes (according to the Food Act 2014)	44%	100%	61.08%	81.8%	Data records the number of businesses that have been audited in the statutory time frame excluding any audits that were not completed due to notifications from the business. These notifications include requests for changes to the audit appointment and changes to the food registration. The number of food operators registered with QLDC continues to increase. This along with higher workloads and difficulties in recruitment continue to have an impact on the KPI results. Priority is given to businesses with higher risk.
Number of Request For Service freedom camping complaints	120	Improve on the previous year	42	98	There were 98 complaints about freedom camper non-compliance. Most were already on our regularly patrolled areas and issued a ticket. Whilst we saw an increase in campers this summer, this did not result in a return to pre-COVID levels of non-compliance. No significant illegal camping hot spots were identified during the summer and overall, behaviour from campers around the district was good. Both the Enforcement Team and the Responsible Camping Team expected the return of campers this season and were prepared to respond to the increased demand. The main complaints received were regarding signage, with some signs going missing and needing replacement. Some community members also requested additional signs be installed to make it more obvious where campers are not permitted to stay. The Responsible Camping Ambassadors were able to quickly respond to these requests. It is anticipated that freedom camping numbers will increase further for the 2023-2024 summer season.
Percentage of building consents processed within statutory timeframes	98%	100%	96.80%	97%	The target of 100% of building consents to be processed within the 20-day statutory timeframe was not achieved in 2022-2023. This was due to resource issues and one particularly high month of consents due to changes in insulation requirements. These changes prompted an unusually high level of applications submitted in May 2023 to avoid higher costs of compliance with the new insulation requirements. The team has been working through this influx of building consent applications and that has affected overall timeframes.

Infrastructure





How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Percentage of capital works completed annually, including renewals, against the 2021-2031 Long Term Plan budget adopted by the Council for three waters, waste management and roading	82%	100%	69%	88.53%	This target was not achieved. Significant work on projects including Queenstown Arterials and Street Upgrades (CIP funded), Lakeview Development as well as upgrades in Three Waters infrastructure including Project Pure in Wānaka has been undertaken.
Percentage of external contractor and internal Requests For Service (RFS) resolved within specified timeframe (three waters, solid waste, roading)	Three Waters 94%	>95%	Three Waters 95%	Three Waters 73.8%	73.8% of Three Waters RFS were resolved on time in 2022-2023. There were 2,991 requests received in total for Three Waters, of which 783 were overdue. The number of requests received in 2022-2023 was significantly higher than 2021-2022. This year's performance represents a decline over the previous year and does not achieve the target set. This has been a primary focus of the contract team and recent response rates are improving and tracking back towards target.
	Solid Waste 76%		Solid Waste 98%	Solid Waste 97.4%	97.4% of solid waste related RFS were resolved on time in 2022-2023. There were 3,966 requests received in total for solid waste, of which 102 were overdue. This year's performance is in line with the previous year and achieved the target set.
	Roading 83%		Roading 86%	Roading 87.4%	87.4% of roading RFS were resolved on time in 2022-2023. There were 2,071 requests received in total for roading, of which 261 were overdue. This year's performance is in line with the previous year and failed to achieve the target set. A larger than expected volume of requests, paired with staff availability and a system changeover have contributed to missing the annual target.

Water supply





How we performed

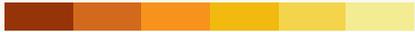
HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Average consumption of water per person per day	515 litres on average per person per day	<505L	441L	508L	508 litres of water were consumed on average per person per day for the 2022-2023 financial year. This represents a decline on the past year but continues to show a long-term improvement on historical usage. The result narrowly misses the target set.
Compliance of each municipal water supply with the New Zealand Drinking Water Standards for protecting public health, specifically:					The compliance status of each water supply is summarised below: <ul style="list-style-type: none"> > Arrowtown - Fully compliant > Arthurs Point - Fully compliant > Glenorchy - Non-compliant for protozoa and insufficient contact time > Queenstown* - Non-compliant for protozoal treatment and contact time > Hāwea - Fully compliant > Lake Hayes - Fully compliant > Luggate - Non-compliant for protozoal treatment and insufficient contact time > Wānaka Airport - Non-compliant for protozoal treatment > Wānaka - Non-compliant for protozoal treatment > Corbridge - Non-compliant for protozoal treatment Changes to the drinking water standards have meant that several plants that were previously able to demonstrate bacterial compliance are now unable to.
Bacteriological compliance	93%	100%	100%	55%	
Protozoal compliance	14%	>50%	11%	40%	
Percentage of water lost from each municipal water reticulation network	33%	<30% overall	25%	32%	Target narrowly missed across the year, but largely consistent with longer term trends.

* See Subsequent Events on page 161

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Median response time to attend to urgent and non-urgent issues resulting from municipal water reticulation network faults and unplanned interruptions a) between the time of notification and the time when service personnel reach the site	Urgent 26 mins	Urgent <60 minutes	Urgent 24 minutes	Urgent 38 minutes	The median response time to attend a site for urgent issues was 38 minutes for 2022-2023. There were 186 urgent requests raised in the period. This achieved the target set.
	Non-urgent 1,101 mins	Non-urgent <1,440 mins (1 day)	Non-urgent 994 minutes	Non-urgent 975 minutes	The median response time to attend a site for non-urgent issues was 975 minutes for 2022-2023. There were 1,381 non-urgent requests raised in the period. This achieved the target set.
Median response time to attend to urgent and non-urgent issues resulting from municipal water reticulation network faults and unplanned interruptions b) between the time of notification and resolution of the blockage or other fault	Urgent 407 mins	Urgent < 1,440 mins (1 day)	Urgent 210 minutes	Urgent 869 minutes	The median response time for resolving urgent issues was 869 minutes for 2022-2023. This achieved the target set.
	Non-urgent 3,185 mins	Non-urgent <10,080 mins (7 days)	Non-urgent 3,139 minutes	Non-urgent 4,428 minutes	The median response time for resolving non-urgent issues was 4,428 minutes for 2022-2023. This is well within the target set.
<i>Number of complaints per 1000 connections to a public water reticulation network about</i>					All categories met the annual target and were mostly consistent with the previous year's results.
The clarity of drinking water	0	<4	1.05	0.48	
The taste of drinking water	0	<4	0.2	0.1	
The odour of drinking water	0.04	<4	0.07	0	
The pressure or flow of drinking water	2.06	<4	3.46	3.56	
The continuity of supply of drinking water	2.22	<4	2.65	2.97	
The way in which a local government organisation responds to issues with a water supply	0	<2	0	0	

Wastewater





How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Median response time to attend to sewerage overflows resulting from blockages or other faults of a municipal sewerage system a) between the time of notification and the time when service personnel reach the site	17.5 mins	<60 minutes	26 minutes	22.5 minutes	The median response time to attend a site for wastewater overflows was 22.5 minutes for 2022-2023 and achieved the target set.
Median response time to attend to sewerage overflows resulting from blockages or other faults of a municipal sewerage system b) between the time of notification and resolution of the blockage or other fault	121 mins	<240 minutes	113 minutes	196.5 minutes	The median response time to resolve wastewater overflows was 196.5 minutes for 2022-2023 and achieved the target set. There were 64 wastewater overflows recorded.
Annual number of dry weather overflows from a municipal sewerage system per 1000 sewerage connections	1.66	<3	1.72	2.03	There were 2.03 dry weather overflows per 1,000 sewerage connections for the 2022-2023 period. This achieved the target set.
Compliance with resource consents for discharge to air, land, or water from a municipal sewerage system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions	87%	100%	85%	85%	QLDC broadly complied with resource consents this year. There were no new enforcement actions for wastewater compliance. However, there are two existing abatement notices on two separate wastewater treatment plants in the district. There are currently 13 active discharge consents, and 11 of these were compliant in the reporting period. > Abatement notice EN.RMA.20.0037 for the Hāwea wastewater treatment plant (WWTP). > Abatement notice EN.RMA.21.0025 for the Shotover wastewater treatment plant (WWTP).
<i>Number of complaints per 1000 properties connected to a municipal sewerage system about: reticulation network about</i>					All categories met the annual target.
Odour	0.04	<5	1.34	1.22	
Faults	3.16	<5	3.06	3.22	
Blockages	2.25	<5	1.44	1.4	
The territorial authority's response to issues with its sewerage system.	0	<2	0	0	

Stormwater



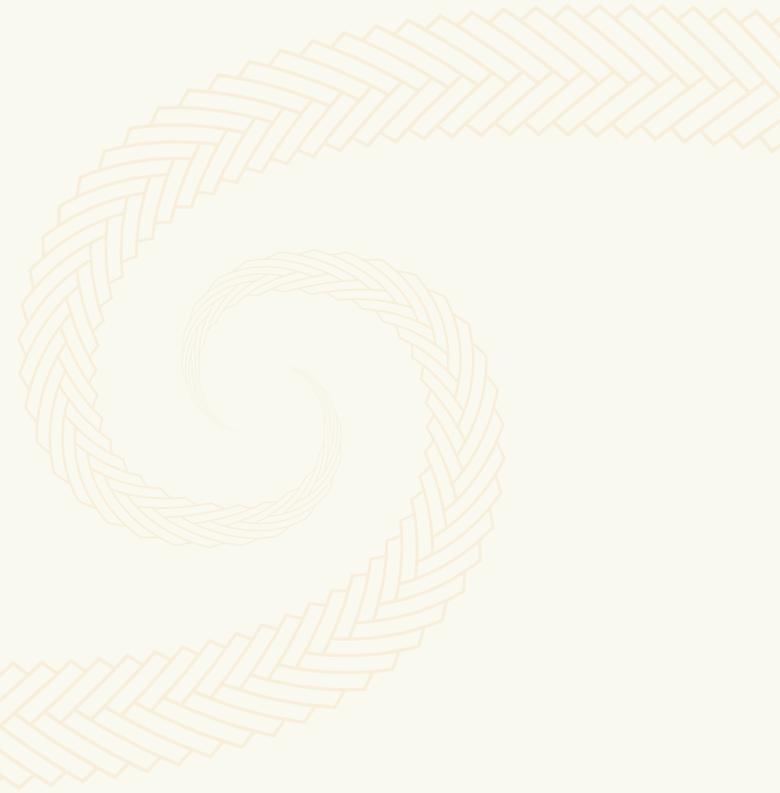
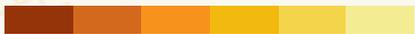


How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Number of flooding events that occur in a territorial authority district	0	<7 flooding events	0	1	One flooding event impacting habitable floors recorded during the reporting period.
For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system)	0	< 2 per 1,000 properties	0	0	
Compliance with resource consents for discharge from a municipal stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions	100%	100%	100%	100%	QLDC has two active abatement notices associated with stormwater discharges and received two infringement notices in the reporting period. These enforcement orders were associated with unconsented discharges of stormwater from the Northlake/Hikuwai Subdivision and the Alpha Series development. These were offences under the Resource Management Act (RMA), not an enforcement order against a Resource Consent. As such, there were no non-compliant resource consents in the reporting period.
Median response time between the time of notification and the time when service personnel reach the site when habitable floors are affected by flooding resulting from faults in a municipal stormwater system	0 Hours	<3 hours	0	0 hours	QLDC was not contacted to respond to the flooding event noted in the reporting year.
Number of complaints per 1000 properties connected to a municipal sewerage system about faults (including blockages) with a municipal stormwater system	5.13 per 1,000 properties	<5 per 1,000 properties	7.36	9.17	There were 9.17 complaints per 1,000 properties for 2022-2023. This exceeds the target set and represents a deterioration on the performance from the previous year. The contract team is reviewing the preventative maintenance schedule to drive improvements in this area.

Transport, including roading, parking and footpaths



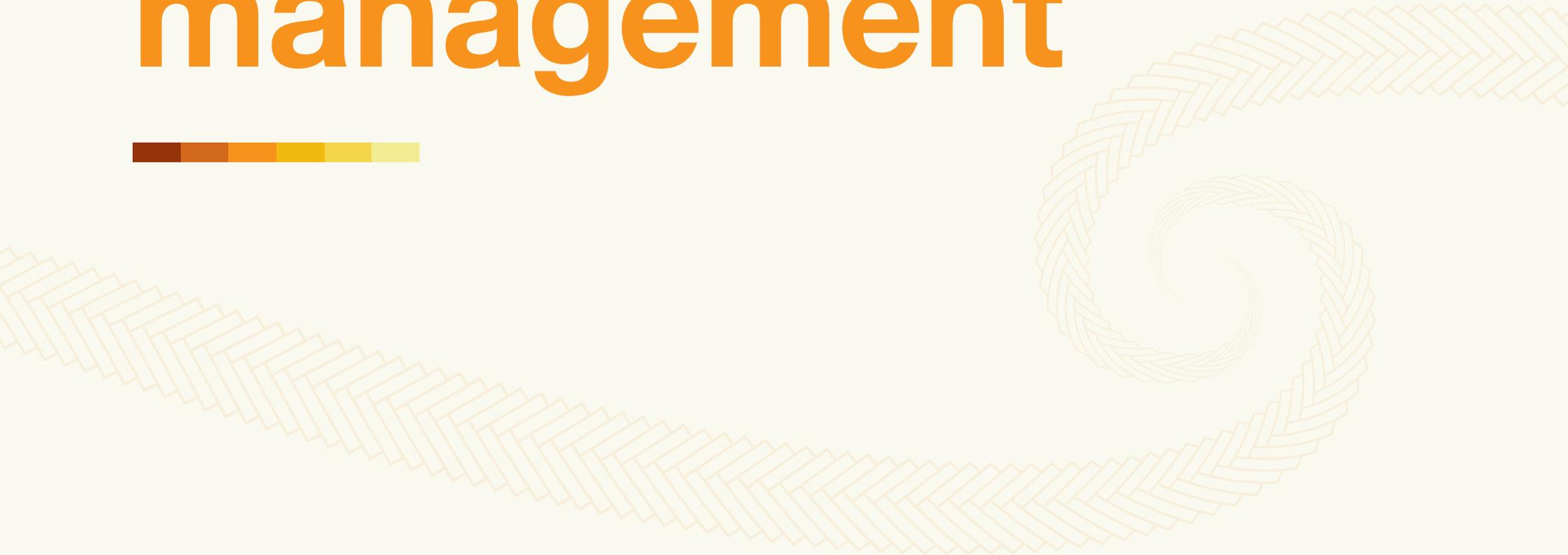


How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number	11	To report a decrease on the previous year	12	5	There was one fatal and four serious injury crashes in the 2022-2023 financial year. This is a decrease of seven serious crashes compared to the previous financial year (2021-2022).
Average quality of ride on a sealed local road network, as measured by the Smooth Travel Exposure Index (STEI)	93%	>90%	93%	94%	The STEI has increased by 1% from the previous year, demonstrating the relatively stable nature of the local road network.
Percentage of sealed network that is resurfaced annually	5.40%	<10%	3%	5.8%	QLDC has increased their sealing programme in the past year and the result is consistent with Waka Kotahi's and QLDC's target of 6%.
Percentage of local footpath network that is part of the local road network that falls within the Level of Service (LOS) or service standards for the condition of footpaths	95.77%	>95%	95.76%	97.9%	98% of the local footpath network is in the Excellent to Average rating. The footpath network length is increasing due to the number of new subdivisions which increases the length in 'excellent' condition.
Percentage score that meets the expected standards as set nationally by the Te Ringa Maimoa framework	New measure Baseline 89%	> 95%	93%	96%	The finalised Road Efficiency Group (REG) results are yet to be sent to QLDC for the 2022-2023 financial year, the provisional result has been noted and this meets the target set.
<i>Increased use of alternative modes of transport</i>	New measure	Improve on the previous year			Active transport: The percentage of residents regularly using a bike as a mode of transport increased from 32% to 37% year on year, while those that walked decreased from 74% to 69%. The decrease in those that walk could be related to the increased use of bikes and public transport. Public Transport: Regular bus usage has increased from 16% to 22% year on year despite bus services being restricted for much of the period due to a lack of available drivers. E-vehicles: While the use of e-bikes has remained unchanged year on year at 15%, the use of e-vehicles has increased from 4% to 10%.
Active Transport			Walk 74% Bike 32%	Walk 69% Bike 37%	
Public transport			Bus 16%	Bus 22%	
E-vehicles			E-vehicle 15%	E-vehicle 15%	

Waste minimisation and management





How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Emissions (CO2e) for waste to landfill – kerbside and transfer station tonnes	New measure	Annual reduction of 4.2%	4% reduction	29% reduction	Greenhouse gas emissions (CO2e) for waste to landfill (kerbside and transfer station tonnes) were calculated to have reduced by 29% from the previous year. However, this was because of an application of a Unique Emissions Factor (UEF) for Victoria Flats Landfill from 1 January 2022 following installation of the Landfill Gas Recovery (LGR) system. The LGR system was commissioned in April 2021 and QLDC was able to apply for a UEF for the 2022 calendar year.
Percentage of Materials Recovery Facility recycling contaminated	New measure Baseline 28%	<20%	15.94%	15%	On average, the total contamination per month for the 2022-2023 year was 15%. This is better than the target of 20% and is attributable to processing changes made that continue to achieve lower levels of contamination than previously.
Total waste diverted from landfill	7,736t	> 8,000t	7,237t	7,688t	On average 641 tonnes of waste has been diverted from landfill per month for the 2022-2023 financial year. This does not achieve the target of 667 tonnes per month but is above what was achieved last year (average of 603 tonnes per month). The aged processing plant continues to impact results and in addition, two commercial operators ceased bringing their glass and corrugated card material to the council's facility in April. This has resulted in commercial tonnes being a third of the previous volumes. Consideration is being given to targets set in future planning, considering the loss of these volumes from Council's diversion results.
Total waste sent to landfill	43,700t	<44,000	40,448t	45,515t	On average, the total waste to landfill per month for the financial year 2022-2023 was 3,793 tonnes. This did not achieve the target of 3,667 tonnes per month and is higher than the average of 3,371 tonnes per month last year. This is largely attributable to high visitor numbers and continued growth of the district. Until there is a step change in service and organics are diverted from landfill, this target will be challenging to achieve.

Economy





How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Percentage of residents who have attended or performed in arts and cultural events or groups	55%	>70%	51%	48%	<p>This result is below the 2020 baseline performance. Attendance may have been impacted by lingering hesitancy about mixing in crowds due to COVID-19.</p> <p>This result is marginally down on the prior year and below the baseline result of 55% and the target of 70%. There has however been a large improvement in results since COVID-19 when only 41% of residents had participated in arts or cultural events.</p>
Satisfaction with the Economic Development programme and support given to community	New measure	Improve year on year	87%	80% informal estimate	<p>This benchmark is created from the consolidation of recipients and collaborators of economic development projects including Startup Queenstown Lakes (SQL) course participants, and events and other grant recipients then averaged across all projects in which satisfaction data is collected.</p> <p>95% of participants in Startup Queenstown Lakes programmes have reported that they have improved their entrepreneurial mindset. Other programmes did not have a survey response but overwhelmingly positive feedback about the role the Council played in distributing \$23M in government grants to over 1,200 businesses is an informal indicator of the satisfaction with this key project. Last year's result also included responses from participants of the Te Kakau Leadership Programme, which has since ended.</p> <p>For 2023/24 satisfaction will be calculated via programme participants plus a survey of our key partner organisations.</p>
Return on cost of commercial property, excluding revaluation gains/losses	96.70%	Improve year on year	26.13%	-32.31%	<p>This target was not achieved due to \$2.5M of unforeseen asbestos removal/demolition costs at Lakeview. Excluding these asbestos removal/demolition costs the return has increased from 86% (26.13% including asbestos removal/demolition costs) of total costs in financial year 2021-2022 to 130% (-32.31% including asbestos removal/demolition costs) in financial year 2022-2023.</p>

Local democracy



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Percentage of residents who are satisfied with the information they receive from Council	49%	>80%	41%	40%	Council continues to invest in a multi-channel approach for engagement and information and looks for new ways to engage effectively in-person events. These had been difficult through the pandemic, but are now returning through the engagement programme.
Percentage of residents who are satisfied with the opportunities to have to their say	48%	>80%	37%	32%	Comments through the Quality of Life survey suggest that respondents are unhappy with Council follow through when they have participated in consultation processes, as well as consultation periods that are too short or do not provide a broad enough range of options to provide input. Council is continuing to invest in multi-channel approaches to engagement and more in-person events.
Percentage of residents who are satisfied with overall Council performance	37%	>80%	25%	20%	Comments from the Quality of Life survey revolve primarily around current community facilities not being fit for purpose, needing more or a diverse range of facilities, a perception that Council doesn't listen to residents, roadworks in the CBD, and walkers finding it difficult to use bike trails. Investment continues in social infrastructure to address the needs of growing communities and CBD roadworks are easing as work is completed.
Percentage of Local Government Official Information and Meetings Act 1987 requests responded to within 20 days	99.8%	100%	98%	97.37%	Delays through legal and/or third-party consultation resulted in a small percentage of responses being issued beyond the 20-working day deadline without an agreed extension.
Mana Whenua satisfaction with QLDC as per the agreed work programme (Aukaha and Te Ao Marama representatives)	Updated Measure	>80%	NA	NA	Regular hui being held with high participation rates. Mana whenua actively participate in several council work programmes and initiatives. Without an appropriate measure currently available, Council intends to work with iwi on developing a measure through the Long Term Plan that will strengthen our relationship and reflect the mana and aspirations of our iwi partners.
Percentage of residents who consider themselves resilient and prepared in the event of an emergency	48%	>80%	48%	44%	Under half of residents think they are prepared for an emergency while few residents think their neighbourhood is prepared for an emergency. Council continues to work with Otago CDEM and invest in education around emergency preparedness, for example through regular articles in the Scuttlebutt newsletter, and promoting the Otago Gets Ready website.
Percentage of QLDC staff (that are part of the emergency response structure) who have participated in a response or training throughout the year	Updated Measure	100%	58.50%	100%	A total of 46 training sessions were conducted during 1 July 2022 to 30 June 2023, with 319 attendees across all these sessions (there are currently 105 positions held in the emergency management structure).

Finance and support services





How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Weighted average interest rate	3.47%	<6%		4.92%	This target was achieved and has increased on the prior year due to increases in the Official Cash Rate throughout the financial year.
Debt servicing to rates revenue	4.5%	<15%	6.10%	17.52%	The target was not achieved due to higher than expected borrowing costs as a result of rises in interest rates and increased debt largely because of the leaky building settlement.
Percentage of debt owing 90 days plus	14.9%	<30%	7.43%	12.34%	This target was achieved. Balance owing 90 days has increased on the prior year predominately due to timing of a receipt for a Crown Infrastructure government grant outstanding of \$0.6M, along with a \$0.4M increase in vehicle infringements.
Renewals capital expenditure to depreciation ratio	0.52	>1	1.03	0.883	The target was not achieved as depreciation increased significantly in comparison to the renewals budget due to the impact on depreciation from the rise in asset valuations.
Rates income complies with the limits set in the financial strategy (Affordability benchmark/rates benchmark)	56.1%	<55%	40%	39%	This target was achieved as part of setting the 2021-2031 Long Term Plan in line with this KPI.
Debt complies with the limits set in the council's financial strategy (Affordability benchmark/rates benchmark)	79.7%	<280%	159%	252%	The percentage has increased on the prior year due to the leaky building settlement and from debt funded capital spend.
Rates per rating unit	\$3,006.94	<\$5,500	\$3,083	\$3,454	This target was achieved as the rates increase was set within the limits of this KPI.
Net debt per rating unit	\$4,274.96	<\$24,000	\$9,282	\$17,383	This target remains achieved with the increase due to the level of borrowing.
Revenue (excluding income from development and financial contributions, revaluations and vested assets) exceeds operating expenditure (Sustainability benchmark/balanced budget benchmark)	89.2%	>100%	105.3%	64%	This target was not achieved due to additional operating expenditure this year including the leaky homes settlement, and increased interest, legal, asbestos removal, electricity, insurance and forestry costs.
Capital expenditure on the five network infrastructure services equals or exceeds depreciation on those five services (Sustainability benchmark/ balanced budget benchmark)	295%	>100%	436.5%	388%	With an increase in infrastructure capital expenditure during the 2022-2023 financial year this target was achieved.

KPIs	Baseline Performance at 30 June 2020	Target Yr 2	Annual Result 2021-2022	Annual Result 2022-2023	Commentary
Borrowing costs are less than 10% of operating revenue (or 15% for those with projected growth at or above NZ average) (Sustainability benchmark. Debt servicing benchmark)	2.2%	<15%	3.02%	8.77%	The target was achieved. Borrowing costs percentage has increased due to higher than expected interest costs along with additional debt due to the leaky homes settlement.
Net cash flow from operations equals or exceeds budget (Predictability benchmark/ operations control benchmark)	65.3%	>100%	47.3%	-66.9%	The target has not been met. Receipts from customers are down on budget, and payments to suppliers and staff are above budget mainly due to the leaky homes settlement.
Net debt is less than or equal to forecast net debt in the local authority's Long Term Plan (Predictability benchmark/Debt control benchmark)	58.1%	<100%	86.3%	105%	The target has not been achieved mainly as a result of the unexpected borrowings relating to the leaky building settlement.
Percentage of complaints that are resolved within 10 working days	81%	>95%	93.6%	96.9%	The KPI was met for 2022-2023, with the percentage of complaints resolved within 10 working days at 96.9%.
Percentage of customer calls that meet the service level (answered within 20 seconds)	78%	>80%	86%	75.9%	The KPI was not met in 2022-2023 due to phone system changes and staffing challenges throughout the year.
Percentage of Councillor enquiries responded to within 5 working days	87%	100%	86%	78.5%	The KPI was not met in 2022-2023 predominately due to the complexity of enquiries received.
<i>Customer satisfaction with:</i>		>70%			The customer satisfaction KPI metrics were achieved in 2022-2023, with all four measures achieving >70%.
Speed of response and final resolution	58%		67%	73%	
Clarity of process and timeframes	81%		81%	85%	
Staff knowledge and professionalism	87%		92%	97%	
Fairness and consistency	86%		88%	94%	
Reduction in the Total Recordable Injury Frequency Rate	6.15	<8.5	2.74	3.95	The reduction in the Total Recordable Injury Frequency Rate was 3.95 for 2022-2023, therefore the KPI was achieved.
<i>Percentage of residents who are satisfied with the steps Council is taking to:</i>		>80%			This KPI was not achieved. Council is committed to a highly ambitious work programme within the 2022-2025 Climate and Biodiversity Plan; however it recognises that visibility of this work needs to improve to help satisfy the expectations of the community.
Reduce emissions	10%		11%	13%	
Protect the environment	24%		19%	22%	

Financial statements

Kā tauākī ahumoni



Summary Statement of Financial Performance

		Council 2023 \$'000	Council Budget \$'000	Council 2022 \$'000	Group 2023 \$'000	Group 2022 \$'000
For the financial year ended 30 June 2023	Notes					
Operating revenue						
Revenue from non-exchange transactions						
Rates revenue	2 (a)	104,410	104,030	94,757	104,063	94,324
Other revenue	2 (a)	115,536	116,505	112,047	115,536	112,515
Revenue from exchange transactions						
Other revenue	2 (b)	46,253	40,375	31,730	99,623	57,606
Total revenue		266,199	260,910	238,534	319,222	264,445
Operating expenditure						
Employee benefits expense		41,555	41,801	37,421	49,187	43,840
Depreciation and amortisation expense		58,085	45,954	45,690	67,243	54,149
Borrowing costs		18,290	10,827	5,777	22,537	7,987
Other expenses		206,120	91,431	92,772	213,118	99,792
Total operating expenditure		324,050	190,013	181,660	352,085	205,768
Operating surplus before other gains/(losses)		(57,851)	70,897	56,874	(32,863)	58,677
Other gains/(losses)		4,045	25,220	8,961	4,059	8,980
Operating surplus before income tax		(53,806)	96,117	65,835	(28,804)	67,657
Income tax expense		-	-	-	9,192	741
Operating surplus for the year		(53,806)	96,117	65,835	(37,996)	66,916
Operating surplus attributable to:						
- Council		(53,806)	96,117	65,835	(44,478)	66,647
- Non-controlling interest		-	-	-	6,482	269
		(53,806)	96,117	65,835	(37,996)	66,916

Summary Statement of Other Comprehensive Revenue and Expense

		Council 2023 \$'000	Council Budget \$'000	Council 2022 \$'000	Group 2023 \$'000	Group 2022 \$'000
For the financial year ended 30 June 2023	Notes					
Surplus for the year		(53,806)	96,117	65,835	(37,996)	66,916
Other comprehensive revenue and expense						
<i>May be reclassified subsequently to revenue or expense when specific conditions are met</i>						
Gain/(loss) on revaluation	19 (a)	146,756	29,202	343,373	198,283	404,710
Income tax relating to revaluation	19 (a)	-	-	-	(6,501)	(6,905)
Gain/(loss) on cash flow hedging	19 (d)	-	-	-	73	1,506
Realised gain/ (losses) transferred to the statement of financial performance	19 (d)	-	-	-	-	20
Income tax relating to cash flow hedging	19 (d)	-	-	-	(20)	(422)
Total comprehensive income		92,951	125,319	409,208	153,839	465,825
Attributable to:						
- Council		92,951	125,319	409,208	137,025	451,947
- Non-controlling interest		-	-	-	16,814	13,878
		92,951	125,319	409,208	153,839	465,825

Summary Statement of Financial Position

	Council 2023 \$'000	Council Budget \$'000	Council 2022 \$'000	Group 2023 \$'000	Group 2022 \$'000
As at 30 June 2023					
Total current assets	52,255	28,585	58,738	58,786	65,587
Total non-current assets	2,973,913	2,456,321	2,664,054	3,484,650	3,125,306
Total assets	3,026,168	2,484,906	2,722,791	3,543,436	3,190,893
Total current liabilities	169,243	165,181	160,705	209,055	179,690
Total non-current liabilities	417,732	311,784	215,844	455,975	285,335
Total liabilities	586,975	476,965	376,549	665,030	465,025
Net assets	2,439,193	2,007,941	2,346,243	2,878,406	2,725,868
Equity attributable to:					
Council	2,439,194	2,007,941	2,346,243	2,766,259	2,629,648
Non-controlling interest	-	-	-	112,148	96,220
Total equity	2,439,194	2,007,941	2,346,243	2,878,406	2,725,868



Glyn Lewers
Mayor
19 October 2023



Mike Theelen
Chief Executive
19 October 2023

Summary Statement of Changes in Equity

	Reserves	Accumulated Funds	Attributable to Equity Holders of Parent	Non-Controlling Interest	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
Council					
For the year ended 30 June 2023					
Balance at 1 July 2022	1,533,538	812,705	2,346,243	-	2,346,243
Total comprehensive revenue and expense for the year	146,756	(53,806)	92,951	-	92,951
Transfers from/(to) accumulated funds	1,251	(1,251)	-	-	-
Disposals	-	-	-	-	-
Balance at 30 June 2023	1,681,546	757,647	2,439,193	-	2,439,193
For the year ended 30 June 2022					
Balance at 1 July 2021	1,192,656	744,379	1,937,035	-	1,937,035
Total comprehensive revenue and expense for the year	343,373	65,835	409,208	-	409,208
Transfers from/(to) accumulated funds	(2,491)	2,491	-	-	-
Disposals	-	-	-	-	-
Balance at 30 June 2022	1,533,538	812,705	2,346,243	-	2,346,243
Group					
	Reserves	Accumulated Funds	Attributable to Equity Holders of Parent	Non-Controlling Interest	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 30 June 2023					
Balance at 1 July 2022	1,752,474	877,174	2,629,648	96,220	2,725,868
Total comprehensive revenue and expense for the year	180,570	(43,960)	136,610	17,747	154,357
Dividends paid	-	-	-	(1,820)	(1,820)
Transfers from/(to) accumulated funds	1,251	(1,251)	-	-	-
Disposals	-	-	-	-	-
Balance at 30 June 2023	1,934,295	831,963	2,766,258	112,148	2,878,406
For the year ended 30 June 2022					
Balance at 1 July 2021	1,369,934	808,036	2,177,970	82,072	2,260,042
Total comprehensive revenue and expense for the year	385,031	66,647	451,678	14,148	465,826
Dividends paid	-	-	-	-	-
Transfers from/(to) accumulated funds	(2,491)	2,491	-	-	-
Disposals	-	-	-	-	-
Balance at 30 June 2022	1,752,474	877,174	2,629,648	96,220	2,725,868

Summary Statement of Cash Flows

	Council 2023 \$'000	Council Budget \$'000	Council 2022 \$'000	Group 2023 \$'000	Group 2022 \$'000
For the financial year ended 30 June 2023					
Net cash inflow/(outflow) from operating activities	(64,514)	96,612	37,672	(25,043)	47,644
Net cash inflow/(outflow) from investing activities	(175,667)	(171,397)	(161,983)	(182,944)	(158,218)
Net cash inflow/(outflow) from financing activities	223,103	74,786	141,706	190,322	124,706
Net increase/(decrease) in cash and cash equivalents	(17,076)	1	17,395	(17,661)	14,130
Cash and cash equivalents at the beginning of the financial year	18,402	3,512	1,007	20,202	6,072
Cash and cash equivalents at the end of the financial year	1,326	3,513	18,402	2,541	20,202

The accounting policies and notes form part of and should be read in conjunction with these financial statements.

Notes to the financial statements

Accounting policies

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

The 2022-2023 Annual Report has been audited and gained an unmodified opinion, which means the report has met the requirements of the Local Government Act 2002.

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

Subsequent events

On 17 August the QAC directors declared a fully imputed dividend of \$9,561,800 in respect of the year ended 30 June 2023 (2022: \$1,354,347).

On 20 September 2023, the Council was issued a compliance order from the water services regulator Taumata Arowai in relation to an outbreak of illness in Queenstown caused by the protozoa, cryptosporidium. Although, there is no evidence to suggest a problem with the council's bulk water supply, the order requires that the boil water notice will stay in effect until Council is able to achieve the protozoa barrier required under the Drinking Water Quality Assurance Rules. Council is investigating with urgency how this will be achieved in earliest possible timeframes.

Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- > The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the

date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.

- > The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- > The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Council will be impacted by the transfer of water related assets and operations. The exact asset and operations that will be transferred remains unclear.



Council legal claims

At 30 June 2023 Council continues to evaluate a building defect claim for which it has been unable to reliably determine a liability position. Council is in the process of evaluating the claim made and the evidence that has been served in support. The claim by the Plaintiff is presently alleged to be for \$5.6M. The claim comprises a number of unique and interrelated defect claims. The Council, in conjunction with its independent experts, is in the process of evaluating the claim submissions, including an evaluation of the alleged defects, any remedial solution required, the cost of remediation as well as determining liability for the defects. Until the independent expert evaluation of the claim submissions is complete Council is not in a position to evaluate a range of possible or likely outcomes. The legal case will be heard in the High Court and is set down for trial in July 2024. Council intends to vigorously defend the claim.



Council guarantees

Queenstown Lakes District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.



QAC Ltd, Noise Mitigation

The Company has implemented a programme of works to assist homeowners living in the inner and mid noise boundaries to mitigate the effects of aircraft noise exposure. The Company is obligated, on an annual basis, to offer, 100% funding of noise mitigation works for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 65 dB Projected Annual Aircraft Noise Contour. The Company is offering 100% of funding of mechanical ventilation for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 60 dB Projected Annual Aircraft Noise Contour.

Offers for noise mitigation have been extended to homeowners in line with the projected annual aircraft noise contours for calendar years 2022 and 2023.

Property owners have twelve months from the date of offer to determine if they wish to take the offer made by the Company for mitigation works. It is difficult to estimate the future value of the mitigation works due to the uncertainty of the level of uptake from property owners and the differing construction and acoustic treatment requirements necessary to mitigate each property.

Lot 6

During the year ending 30 June 2021 the Company made a compensation payment of \$18.34 million for land acquired under the Public Works Act 1981 (PWA) in 2019 and known as 'Lot 6'. In October 2021 the previous owner, Remarkables Park Ltd (RPL), indicated that it would seek additional compensation under the PWA. In November 2022 the directors received further independent valuation advice for Lot 6, which indicated that the \$18.34 million compensation payment was in the appropriate range. On 7 July 2023 the Company received a claim from RPL for further compensation and is currently reviewing the claim and considering its response. The matter is likely to be referred to the Land Valuation Tribunal, but there has been no such referral as yet.

Auditor's report



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF QUEENSTOWN LAKES DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

The summary of the annual report was derived from the annual report of the Queenstown Lakes District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 27 to 60:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary description used for the summary statement of service performance.

Opinion

In our opinion:

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

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 19 October 2023.

Our audit report included emphasis of matter paragraphs drawing attention to the disclosures about the Governments three waters reforms as set out in the full annual report on page 135 and the inherent uncertainties in the measurement of greenhouse gas emissions as set out on page 53 of the full annual report. The follow is extracted from the full annual report:



- Three Waters Reform

Without modifying our opinion, we draw attention to page 135, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

- Inherent uncertainties in the measurement of greenhouse gas emissions

The Council has chosen to include a measure of greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate changes related information, we draw attention to page 53 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

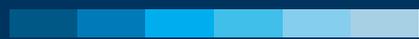
Other than in our capacity as auditor, we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.

A handwritten signature in blue ink, appearing to read "Mike Hawken".

Mike Hawken

For Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand
19 October 2023

There is so much more we want to tell you



Read the full Annual Report 2022-23
at www.qldc.govt.nz