



Order Paper for an ordinary meeting of the

QUEENSTOWN LAKES DISTRICT COUNCIL

to be held on

Thursday, 17 August 2017

commencing at 1.00pm

In the Council Chambers, 10 Gorge Road,

Queenstown

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

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

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

s. 46A (7), LGOIMA

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

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

9.13 DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA

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

REFERENCE:

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

Agenda for an ordinary meeting of the Queenstown Lakes District Council to be held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday, 17 August 2017 commencing at 1.00pm

Item	Page No.	Report Title
		Apologies
		Leave of Absence Requests
	5	Declaration by new Wanaka Ward Councillor Pursuant to Schedule 7 Clause 14 of the Local Government Act 2002: Declaration by Councillor Quentin Smith (witnessed by Mayor Boulton)
		Declarations of Conflict of Interest
		Matters Lying on the Table
		Public Forum
		Special Announcements
		Confirmation of Agenda
	6	Confirmation of Minutes 23 June 2017 (Public part of ordinary meeting)
1.	27	Feedback received on proposed amendments to the Council's Lead Policy for Special Housing Areas to include the Ladies Mile
2.	93	Mayoral Housing Affordability Taskforce Update
3.	103	Making Private Plan Change 44: Hanley Downs – Operative Attachment circulated separately.
4.	112	Adoption of Coronet Forest Management Plan 2017
5.	183	Lakeview commercial land development objectives and ownership
6.	191	Cemetery Road (Queenstown) proposed road stopping and land exchange
7.	200	Proposed Fees and Charges Review for Environmental Health Services
8.	214	Brothel Control Bylaw 2011 Review
9.	238	Class 4 TAB & Gambling Venue Policy 2017

Item	Page No.	Report Title
10.	245	Dog Control Policy and Practices Report 2016 - 2017
11.	253	Lease variation for Pisa Alpine Charitable Trust
12.	272	New ground lease for Queenstown Squash Club
13.	278	Easement to Aurora Energy Limited – 704 Malaghan’s Road, Wakatipu Basin
14.	286	Glendhu Adventures – Licence to Occupy Recreation Reserve
15.	292	Right of Way Easement – 47 Howards Drive, Lake Hayes Estate
16.	301	Setting of Rates for 2017/18
17.	321	Budget Carry Forwards for 2017/18
18.	329	Chief Executive’s Report
	341	PUBLIC EXCLUDED
	345	Confirmation of Minutes 23 June 2017 (Public excluded part of ordinary meeting)
19	355	PUBLIC EXCLUDED Funding of Legal Settlements 2016/17
20.		Chief Executive Salary Review and Tenure Report circulated separately.



DECLARATION BY MEMBER OF QUEENSTOWN LAKES DISTRICT COUNCIL

I, **Quentin Clifford Smith**, declare that I will faithfully and impartially, and according to the best of my skill and judgement, execute and perform, in the best interests of the Queenstown Lakes District Council, the powers, authorities, and duties vested in or imposed upon me as Councillor of the Queenstown Lakes District Council by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, or any other Act.

Dated at Queenstown this 17th day of August 2017.

Signature

Signed in the Presence of

Public minutes

Confirmation of minutes:

23 June 2017

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Friday 23 June 2017 commencing at 8.00am

Present:

Mayor Boulton; Councillors Clark, Ferguson, Forbes, MacDonald, MacLeod, McRobie, and Stevens

In attendance:

Mr Mike Theelen (Chief Executive), Mr Stewart Burns (Chief Financial Officer), Ms Meaghan Miller (General Manager Corporate), Mr Peter Hansby (General Manager, Property and Infrastructure), Mr Tony Avery (General Manager, Planning and Development), Ms Anita Vanstone (Senior Planner Policy), Mr Blair Devlin (Manager Planning Practice), Ms Michelle Morss (Corporate Manager), Mr Dan Cruickshank (Property Advisor, APL Property Ltd), Mr Aaron Burt (Senior Planner, Parks and Reserves), Ms Clare Tomkins (Parks Service Delivery Manager), Ms Alice Balme (Legal Manager), Ms Marie Day (Community & Events Facilitator), Mr Colin Keel and Mr Mark Edghill (Queenstown Airport Corporation) and Ms Shelley Dawson (Senior Governance Advisor); two members of the media and 17 members of the public.

Apologies/Requests for Leave of Absence

There were apologies from Councillors Hill and Miller (on approved leave of absence) and an apology for lateness from Councillor Ferguson.

Declarations of Conflicts of Interest

There were no conflicts noted.

Matters Lying on the Table

There were no matters lying on the table.

Public Forum

1. John Glover

Mr Glover spoke as the chair of the Glenorchy Community Association to Item 2: *2017/18 Annual Plan Adoption* specifically on the issue of chlorination of the Glenorchy water supply. He asked Council to implement the outstanding actions of the Glenorchy water safety management plan which was a legal requirement for providing a safe water supply. Mr Glover noted that the community preferred UV treatment rather than chlorination and asked Council to look at community water supplies individually.

2. Nikki Gladding

Ms Gladding spoke on behalf of Sustainable Glenorchy to Item 2: *2017/18 Annual Plan Adoption* specifically on the issue of chlorination of the Glenorchy water supply. She thanked Council and specifically Councillor Forbes for

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listening to the small communities and for seeking further information before proceeding with chlorination. Ms Gladding commented that the decision making process moving forward was unclear and she asked for the information report to be given to communities so that they could make further comments. She asked for the report to include the risks of chlorinating and noted that they had not been consulted on the actual cost of chlorination. Ms Gladding commented that failure to implement the water safety plan was the reason the water supply was non-compliant. The Mayor commented that there were not adopting a one size fits all policy.

3. Kristan Stalker

Mr Stalker noted he was a landowner on Ladies Mile and spoke to Item 1: *Proposed Amendments to Council's Lead Policy for Special Housing Areas to Include the Ladies Mile*. Mr Stalker commented that he endorsed officers taking a staged approach to the area and added that master planning of Ladies Mile should look at reducing speed limits. He noted the significant percentage of land gifted to the housing trust and allocated to setbacks made it harder to get value out of the development.

4. Jenny Carter

Ms Carter spoke on behalf of the Lake Hayes Estate and Shotover Country Community Association in opposition to Item 1: *Proposed Amendments to Council's Lead Policy for Special Housing Areas to Include the Ladies Mile*. Ms Carter commented that the information provided on the SHA was inconsistent with Council's own evidence to the District Plan. She commented that there was residential capacity within existing zones without the need to rezone for more. Ms Carter questioned if this process was the best way to contribute to housing and affordability. She commented that further development in the Ladies Mile area should integrate cohesively with existing developments and noted that this development would bring the Shotover Bridge to capacity by 2025.

5. Clark Pirie

Mr Pirie spoke to Item 1: *Proposed Amendments to Council's Lead Policy for Special Housing Areas to Include the Ladies Mile* commenting that there was not sufficient time to properly consult and engage with the community on how the master plan would take effect. He noted that this could be placed into the District Plan review which would allow for more public consultation as the community wished to be involved in the decision making process.

6. Keri Lemaire-Sicres

Ms Lemaire-Sicres spoke in opposition to Item 1: *Proposed Amendments to Council's Lead Policy for Special Housing Areas to Include the Ladies Mile*. She noted that she operated the Ladies Mile Pet Lodge with her husband and in the proposed masterplan the lodge had been replaced with a green belt and high density development. Ms Lemaire-Sicres commented that the area should be planned with the greatest of care adding that the proposed District Plan should be completed before using the SHA process which did not give the community a fair say.

QUEENSTOWN LAKES DISTRICT COUNCIL**23 JUNE 2017****Page 3**7. Hine Marchand

Ms Marchand gave an update from the Salvation Army noting that they were seeing 3 to 4 people a week who were having difficulty paying living costs. She commented that there were many people working in the hospitality and service industry whose rents were too high. Ms Marchand questioned if Council could cap rents or keep control of landlords who were exploiting renters. She urged Council to get regular updates on the state of the community from groups such as the Salvation Army. The Mayor thanked Ms Marchand for raising the issue and for her work. He noted that the Mayoral taskforce for housing was underway however there was no silver bullet to fix the issue.

On the motion of Mayor Boulton and Councillor MacDonald the Council resolved that public forum be extended.

8. Mark Tyden

Mr Tyden spoke to Item 1: *Proposed Amendments to Council's Lead Policy for Special Housing Areas to Include the Ladies Mile* noting that he owned Glenpanel Homestead on Ladies Mile. He congratulated Council for the vision of the masterplan and urged them to get on with it.

9. Raymond Key

Mr Key spoke to Item 1: *Proposed Amendments to Council's Lead Policy for Special Housing Areas to Include the Ladies Mile* noting that he was on the Housing Trust. He noted that while bold decisions had to be made to address growth they had to be the right decisions. Mr Key noted that councillors had protected Ladies Mile for 30 years adding that a fast tracked process with limited consultation was wrong. He commented that Council needed to understand the infrastructure issues around adding another 8000 residents on Ladies Mile.

10. Vanessa Robb and Vicki Spearing

Ms Robb and Ms Spearing spoke on behalf of Quartz Development Group Ltd to Item 6: *Road Dedication – Quartz Development Group Ltd - Grandview Stage 3 Subdivision, Hawea*. Ms Spearing commented that they needed to vest the roads to QLDC so that they could deliver their sections to the market. Ms Robb commented that they spoke to the Wanaka Community Board yesterday about the 'no complaints' covenant. She explained that they supported an amended recommendation asking the developers to provide an indemnity.

11. Vanessa Robb

Ms Robb spoke to Item 7: *Queenstown Commercial Parapenters – New Reserve Licence* noting that they were fully supportive of the recommendation in the report. She commented they were happy with all of the conditions.

Confirmation of agenda

There were no alterations or additions.

On the motion of Mayor Boulton and Councillor MacLeod the Council resolved that the agenda be confirmed.

Confirmation of minutes

25 May 2017

On the motion of Councillors Stevens and MacDonald the Council resolved that the public part of the ordinary meeting of the Queenstown Lakes District Council held on 25 May 2017 be confirmed as a true and correct record.

Councillors Forbes and MacLeod abstained.

1. Proposed Amendments to the Council's Lead Policy for Special Housing Areas to Include the Ladies Mile

A report from Blair Devlin (Manager Planning Practice) recommended that public feedback be sought on a proposal to amend the Council's Lead Policy for Special Housing Areas (SHA) to include a defined area of the Ladies Mile within Category 2, where expressions of interest for Special Housing Areas would be encouraged. The report was presented by Mr Devlin and Mr Avery.

Mr Devlin noted that Attachment A in the agenda did not show the tracked changes and he distributed copies of the tracked version. He also noted that there were a few minor issues of inconsistent terminology through the policy document. Mr Devlin suggested an additional recommendation (3) to give the GM Planning & Development and himself delegated authority to make minor amendments to tidy up the document.

The Mayor noted that Council did not have to consult on changes to its lead policy but chose to do so to understand public views on the subject. It was questioned why this proposal could not become part of the Proposed District Plan process along with the Wakatipu Land Use study. Mr Avery explained that the issue centred on the speed of delivery where the proposed District Plan process could take about 3 years compared to an SHA which could take a year to proceed.

There was discussion on the issues of providing enough housing, enabling more affordable housing and that without this change landowners could develop the area in an ad hoc way. A masterplan could provide more overall planning for the area. It was noted that there was potentially more power to negotiate for affordable housing through the Lead Policy and the SHA process. In response to public forum comments Mr Avery noted that Council was required to plan for growth over the next 30 years. He commented that there were a number of ways the land could be delivered to the market but they all had different timeframes, risks and degrees of public consultation.

On the motion of Councillors Stevens and McRobie it was resolved that the Council:

- 1. Note the need to provide more land for residential development arising from the:**
 - a. unaffordable nature of the Districts rental and housing markets**
 - b. the National Policy Statement on Urban Development Capacity, and**
 - c. the Housing Accord targets.**

- 2. Seek public feedback on the proposed addition of the Ladies Mile Area into Category 2 of the Housing Accords and Special Housing Areas Act 2013 Implementation Policy (“Lead Policy”), including the inclusion of:**
 - a. an Indicative Master Plan; and**
 - b. an Indicative Landscape Strategy and**
 - c. the Ladies Mile Development Objectives**

- 3. Delegate authority to the General Manager Planning & Development and the Manager Planning Practice to make minor or inconsequential amendments to the Policy before it goes out for consultation.**

2. 2017/18 Annual Plan Adoption

A report from Meaghan Miller (GM Corporate Services) sought adoption of the Queenstown Lakes District Council 2017-2018 Annual Plan. The report was presented by Ms Miller and Mr Burns.

Ms Miller acknowledged the team effort to produce the Annual Plan noting it was a multi divisional project. She thanked the Finance team, especially Gaynor Webb and Lyn Zeederberg as well as the Corporate team in particular Michelle Morss, Sarah Douglas and Shelley Dawson. Ms Miller acknowledged that the Councillors had read all the submissions, sat through the hearings and held fair deliberations. Mr Burns commented that bringing the plan to Council for adoption was the last part of the process. He noted that Council was also adopting amendments to the Policy on Development Contributions as well as amendments to the Building and Resource Consent Fee Schedules which were consulted on in parallel to the Annual Plan. The Mayor thanked everyone involved on behalf of the councillors.

On the motion of Mayor Boulton and Councillor MacDonald it was resolved that Council:

- 1. Adopt the 2017-2018 Annual Plan pursuant to sections 95 and 82 of the Local Government Act 2002 [subject to decisions as outlined];**

2. **Adopt the amendments to the Policy on Development Contributions as per section 102 (4) of the Local Government Act 2002; and**
3. **Adopt the amendments to the Building and Resource Consent Fee Schedules as per section 219 of the Building Act 2004 and section 36 of the Resource Management Act 1991.**

3. Statement of Intent, Queenstown Airport Corporation 2017/18

A report from Stewart Burns (Chief Financial Officer) received the Statement of Intent (SOI) for Queenstown Airport Corporation (QAC) for the 2017/18 year in accordance with sections 64 and 65 of the Local Government Act 2002. The report was presented by Mr Burns along with Mr Keel and Mr Edghill from QAC.

Mr Keel highlighted points such as the inclusion of Wanaka Airport in a more meaningful way and master planning for the airport. There was discussion on parking, park and ride and the more consultative approach being taken by QAC. Mr Theelen noted that the SOI had been modified to better define the Wanaka Airport and added that they may be further changes coming back to Council as the lease negotiations for Wanaka Airport concluded.

On the motion of Mayor Boulton and Councillor McRobie it was resolved that Council receive the Statement of Intent for 2017/18 for the Queenstown Airport Corporation.

4. Updated Queenstown Lakes District Housing Accord

A report from Anita Vanstone (Senior Policy Planner) sought to enable the Queenstown Lakes District Housing Accord ("the Accord") to be updated in collaboration with the Minister of Construction and Housing. The original Accord was signed on the 23 October 2014, with the targets being recently updated in August 2016. The updated Accord included new targets that related to the entire Queenstown Lakes District. The report was presented by Ms Vanstone.

Ms Vanstone emphasised that the Accord was being updated after staff worked with MBIE to create targets that QLDC was happy that they were able to meet. She added that staff had done a lot of work to develop the targets and negotiated on the updated accord.

On the motion of Councillors Stevens and Clark it was resolved that the Council:

1. **Note the contents of this report;**

2. **Approve and adopt the updated Queenstown Lakes District Housing Accord, including the updated targets;**
3. **Note the updated targets apply to the entire Queenstown Lakes District; and**
4. **Delegate that the Mayor and Chief Executive refine and finalise the Queenstown Lakes District Housing Accord in conjunction with the Minister of Building and Construction.**

5. Amendments to Resource Management Act 1991 Register of Delegations

A report from Quinn McIntyre (Manager Resource Consents) sought to amend the Resource Management Act 1991 (RMA) Register of Delegations to enable the efficient and effective conduct of Council matters relating to the RMA. The report was presented by Mr Devlin on behalf of Mr McIntyre.

On the motion of Councillors MacLeod and McRobie it was resolved that the Council:

1. **Note the contents of this report;**
2. **Amend from 23 June 2017, the existing Resource Management Act delegations to Council officers and appointed Commissioners as set out in Attachment A.**

6. Road Dedication – Quartz Development Group Limited – Grandview Stage 3 Subdivision, Hawea

A report from Liz Simpson (Team Leader, Subdivision and Property) considered accepting two roads to be transferred to Council subject to a 'no complaints' covenant within Stage 3 of the Grandview subdivision, Hawea. The report was presented by Mr Avery.

It was noted that this item was considered by the Wanaka Community Board the day before and had also been talked to in public forum. Mr Avery circulated an amended recommendation to be considered. Councillor MacLeod noted that he was a Commissioner hearing the Mapping section of the Proposed District Plan and that this development was included. It was agreed there was no conflict.

Mr Avery explained that the development could not proceed until the land was vested in Council road and reserve however there had been some difficulty in getting the covenant removed. Legal advice suggested seeking an indemnity from the developers and this was suggested at the Wanaka

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Community Board meeting. Mr Avery explained that the amended recommendation allowed for either the covenant to be removed or an indemnity to be provided, to allow the vesting to proceed. It was noted that the recommendation should read '*all roads and reserves currently described as Lot 30 and 45 DP 325203....*'. After discussion it was suggested that 2.b. be amended to "*An indemnity is obtained from Willowridge Developments Limited and/or Quartz Development Group Ltd....*".

On the motion of the Councillors McRobie and MacLeod it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Accept all roads and reserves currently described as Lot 30 and 45 DP 325203 to be transferred to QLDC subject to the following:**
 - a. Either covenant 8095711.1 is surrendered from the certificate(s) of title comprising the land to dedicate in Council as road and reserve; or**
 - b. An indemnity is obtained from Willowridge Developments Limited and/or Quartz Development Group Ltd (and its directors and shareholders) in relation to any costs incurred by Council arising from any potential enforcement of the no complaints Covenant against Council.**

7. Queenstown Commercial Parapenters – New Reserve Licence

A report from Dan Cruickshank (APL Property – Property Advisor) considered granting a new commercial reserve licence to Queenstown Commercial Parapenters Limited, operating as GForce Paragliding, to land at the Queenstown Recreation Ground, as a secondary location. The report was presented by Mr Cruickshank and Mr Burt.

On the motion of Councillors McRobie and Forbes it was resolved that Council:

- 1. Note the contents of this report;**
- 2. Approve a new licence over Section 134 BLK XX Shotover SD, classified as Recreation Reserve to the Queenstown Commercial Parapenters Ltd, for commercial parapent landings, subject to the following terms and conditions:**

Commencement Immediate

Term 5 years

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Renewal	One further term of 5 years by agreement of both parties
Rent	\$10.00 (incl. GST) per landing, landing logs to be provided to Council on a 6-monthly basis.
Reviews	At renewal.
Use	Daytime only, when primary landing site is unavailable at the Queenstown Primary School.
Insurance	Requirement to have public liability insurance of \$2 million
Safety/Suspension	Council to retain ability to suspend the licence for safety purposes or to avoid large public events. Health and Safety plan to be provided to Council. CAA certification to be supplied to Council and kept up to date. Incident and near miss reporting to QLDC and Council as soon as is reasonably possible.
Other	Must ensure that a safe landing location is used free of other reserve users and members of the public, at all times. Not to interfere with Rugby club use of the grounds. Council event bookings to take priority over licence activity.

3. **Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a licence to Queenstown Commercial Parapenters Limited over Section 134 BLK XX Shotover SD.**
4. **Delegate signing authority to the General Manager, Property and Infrastructure.**

8. Easement to Aurora Energy – Lake Hawea Holiday Park

A report from Dan Cruickshank (APL Property – Property Advisor) considered granting an electrical easement over Recreation Reserve with legal description Section 2 Block II Lower Hawea Survey District to Aurora

Energy Ltd. The easement was required to replace existing overhead lines and transformer with a new underground power cable and ground based transformer. The report was presented by Mr Cruickshank and Mr Burt.

Councillor Ferguson joined the meeting at 9.21am

Mr Cruickshank noted that there was an error in the report and read out the correct recommendations 3, 4 and 5 to be considered. These were added.

On the motion of Councillor MacLeod and Clark it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Approve an electrical easement over Recreation Reserve, Section 2 Block II Lower Hawea Survey District be granted subject to section 48 (1)(d) of the Reserves Act 1977, to Aurora Energy Ltd subject to the following conditions:**
 - a. Aurora Energy Ltd to notify and liaise with QLDC Infrastructure Department and the lessee of the land Glen Dene Holdings Ltd in advance of any onsite works so that they can oversee and provide input relating to existing in ground infrastructure;**
 - b. Requirement for a bond payable to QLDC prior to construction works commencing will be waived in this instance;**
 - c. The work site to be evidenced by before and after photographs or video to be provided by the applicant;**
 - d. A comprehensive safety plan must be prepared and implemented, at the applicant's cost, to ensure a safe environment is maintained around the subject site;**
 - e. Certificate of adequate public liability cover to be received;**
 - f. Reinstatement of the area to be completed immediately following installation and to the satisfaction of QLDC's Property & Infrastructure Department and lessee Glen Dene Holdings Ltd. Reinstatement to include any fencing or other structures.**
 - g. Within 3 months of completion of the work, the applicant to provide QLDC with a surveyed easement and signed Deed of Easement.**
- 3. Agree that notification of the intention to grant the easement is not required, as the statutory**

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test in section 48(3) of Reserves Act 1977 is met for the reasons set out in this report.

4. Delegate authority to approve final terms and conditions, including location, and execution authority to the General Manager – Property & Infrastructure.
5. Agree to the exercise of the Minister’s consent (under delegation from the Minister of Conservation) to the granting of an easement to Aurora Energy Ltd over Section 2 Block II Lower Hawea Survey District.

Councillor MacLeod congratulated former councillor Ella Lawton on winning the election to the Otago Regional Council and this was endorsed by the Mayor.

The Mayor noted that Mr Matapura Ellison from Ngai Tahu would be attending the meeting at 10.00am to talk to the adoption of the Te Rōpū Taiao Otago Governance Charter that was part of the Chief Executive’s report. The Mayor suggested that Council move to consider the public excluded items until Mr Ellison arrived when Council would consider the Chief Executive’s report.

Resolution to Exclude the Public

On the motion Mayor Boulton and Councillor Stevens it was resolved that the public be excluded from the following parts of the proceedings of the meeting:

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

Confirmation of minutes of ordinary meeting held on 25 May 2017

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.

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<p>3. Special Housing Area: Business Mixed Use Zone (Gorge Road): Attachment B: Draft Deed</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities;</p> <p>i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</p>	<p>Section 7(2)(h)</p> <p>Section 7(2)(i)</p>
<p>8a. Chief Executive's Report: ICC U19 Cricket World Cup 2018</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>2(b)(ii) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;</p>	<p>Section 7(2)(b)(ii)</p>
<p>9. Kawarau Falls Bridge Water and Wastewater Infrastructure Funding</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities;</p>	<p>Section 7(2)(h)</p>

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Agenda Items

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
10. 14 Nairn Street, - Lease Variation, Purchase and Disposal	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(h) Section 7(2)(i)
11. 43 Bedford Street, Lessee Request to Freehold	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(h) Section 7(2)(i)

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<p>12. Resolution of appeals to private Plan Change 44: Hanley Downs</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>g) maintain legal professional privilege;</p> <p>i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</p>	<p>Section 7(2)(g)</p> <p>Section 7(2)(i)</p>
<p>13. Events Funding Round 2017/18</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>b)ii) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>Section 7(2)(b)(ii)</p>
<p>14. New Management and Maintenance Services for High Profile Turf Contract</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</p>	<p>Section 7(2)(i)</p>

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15. Settlement Approval	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(i)
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This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

The meeting went into public excluded at 9.23am.

The meeting came out of public excluded at 9.59am and considered Item 9: Chief Executive's Report next on the agenda.

9. Chief Executive's Report

A report from the Chief Executive:

- Sought agreement for budget reforecasts for 2016/17 and 2017/18 to provide for acceleration of Queenstown Town Centre Masterplan project.
- Detailed the business conducted by committees and the Wanaka Community Board over the previous meeting round and presented recommendations from the meetings of the Community and Services Committee (18 May 2017) and the Wanaka Community Board (22 June 2017).

Mr Theelen advised that as there was an amended resolution passed in *Item 6: Road Dedication – Quartz Development Group Limited – Grandview Stage 3 Subdivision, Hawea*, for consistency this resolution should be included in recommendation (4) as an additional condition to be numbered (vii).

On the motion of Mayor Boulton and Councillor MacDonald it was resolved that the Council suspend Standing Orders to allow Mr Matapura Ellison speak.

Ms Miller introduced Mr Matapura Ellison from the Otakou Runaka to address the recommendation from the Community & Services Committee to adopt the Te Rōpū Taiao Otago Governance Charter.

Mr Ellison gave an address in Te Reo and noted that he stood on behalf of the Runanga and payed respects to the Mayor and Council. He commented that they were pleased to include QLDC in the effective Te Rōpū structure and looked forward to working together with QLDC in the future. The Mayor thanked Mr Ellison for coming to the meeting and commented that the agreement would provide for greater recognition of iwi engagement in the district.

On the motion of Mayor Boulton and Councillor Stevens it was resolved that the Council reinstate Standing Orders.

On the motion of Mayor Boulton and Councillor Stevens it was resolved that the Council:

1. **Note the contents of this report;**
2. **Agree to budget reforecasts for 2016/17 and 2017/18 to provide for acceleration of Queenstown Town Centre Masterplan project.**
3. **Community and Services Committee (18 May 2017)**

Adopt and sign the Te Rōpū Taiao Otago Governance Charter and commit to becoming a fully participatory member of the Otago Te Rōpū.

4. **Wanaka Community Board (22 June 2017)**
Proposal to Vest Various Lands as Reserve and to Offset Reserve Land and Reserve Improvements Contributions as per the Development Contributions Policy
1. Approve the vesting of the 13 identified proposed reserves;
 - a. Lots 200 and 201, Orchard Road Holdings 'Alpha Ridge' Meadowstone Drive.
 - b. Lots 96 and 97, GAD Ltd, Kirimoko Crescent.
 - c. Lots 100 - 105, Quartz Development Group Ltd 'Sentinel Park' Hawea
 - d. Lots 998 and 999, Willowridge Developments Ltd 'Timsfield' Hawea
 - e. Lot 1000, Universal Developments Ltd, 'Hikuwai' Aubrey Road.

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

 - i. Consent being granted (as necessary) for any subdivision required to formally create the reserve;
 - ii. Presentation of the reserve in accordance with Council's standards for reserves;
 - iii. A potable water supply point to be provided at the boundary of the reserve lot;
 - iv. The registration of a fencing covenant under s6 of the Fencing Act 1978 on the reserves to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;
 - v. A three year maintenance period by the current landowner commencing from vesting of the reserve, except for Lots 998 and 999 in 'Timsfield', which shall have a one year maintenance period;
 - vi. Vesting of reserves to be undertaken in accordance with the QLDC Vesting of Roads and Reserves Policy.
 - vii. For Lots 100-105 Quartz Development Group Ltd 'Sentinel Park' Hawea accept all roads and reserves currently described as Lot 30 and 45 DP 325203 to be transferred to QLDC subject to the following:

- a. Either covenant 8095711.1 is surrendered from the certificate(s) of title comprising the land to dedicate in Council as road and reserve; or
 - b. An indemnity is obtained from Willowridge Developments Limited and/or Quartz Development Group Ltd (and its directors and shareholders) in relation to any costs incurred by Council arising from any potential enforcement of the no complaints Covenant against Council.
2. Offset reserve land contributions in accordance with the Development Contributions Policy current at the time of contributions payment and the Parks and Open Space Strategy 2017, subject to recommendation three above, and excluding part of Lot 1000 'Hikuwai' (area of storm water detention to be defined), all of Lots 998 and 999 in 'Timsfield' and all of Lot 200 in 'Alpha Ridge'.
3. Offset reserve improvement contributions against those payable in accordance with the Development Contributions Policy current at the time of contributions payment (excluding Lots 998 and 999 in 'Timsfield' and Lot 200 in 'Alpha Ridge'), subject to:
 - a. Detailed design plans for the reserves to be submitted and the approval of these to be delegated to the Parks and Reserves Planning Manager.
 - b. Final approval of reserve improvement costs to be delegated to the Parks and Reserves Planning Manager and is subject to the applicant demonstrating the actual costs of the improvements.
 - c. If the cost of work to construct the approved plans exceeds the contributions available to be credited, the additional cost shall be at the applicant's expense.

QUEENSTOWN LAKES DISTRICT COUNCIL

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Resolution to Exclude the Public

On the motion Mayor Boulton and Councillor Stevens it was resolved that the public be excluded from the following parts of the proceedings of the meeting:

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

Agenda Item

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
16. Governance Update – Queenstown Airport Corporation (QAC)	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons, including that of deceased natural persons h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities;	Section 7(2)(a) Section 7(2)(h)

This resolution was made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

The meeting went into public excluded at 10.11am.

The meeting came out of public excluded and concluded at 10.20am.

CONFIRMED AS A TRUE AND CORRECT RECORD

M A Y O R

23 June 2017

D A T E

**QLDC Council
17 August 2017**

Report for Agenda Item: 1

Department: Planning & Development

Feedback received on proposed amendments to the Council's Lead Policy for Special Housing Areas to include the Ladies Mile

Purpose

- 1 To report on feedback received on the proposal to add the Ladies Mile area (including an Indicative Master Plan) into Council's Lead Policy for Special Housing Areas so that Council can make a decision on whether to include the area in its Lead Policy.

Executive Summary

- 2 Following Council's resolution of 23 June 2017, this agenda item reports back on feedback received over the period of 26 June to 26 July 2017.
- 3 The Council received 310 responses to the proposal with a range of views for and against.
- 4 Comments included invariably those who consider the location highly suitable through to those who are adamant it is not. The need for more housing was raised in favour of the proposal while others cited the loss of rural character and amenity, and the potential for further traffic congestion as negatives. Some felt the Queenstown Country Club already set a precedent for development and the opportunity for additional affordable housing was a positive. The impact on the Ladies Mile Pet Lodge was also raised as a concern. All comments have been published on the Council's website.
- 5 Since the 23 June 2017 agenda item, the Council has been successful in its application to the Housing Infrastructure Fund for funding for infrastructure on the Ladies Mile. Council's evidence on the Proposed District Plan has also confirmed there is enough zoned land for residential development out to 2048, however the district has an issue with the extremely low uptake of the land that is zoned for development and the proportion in a small number of ownerships.
- 6 The recommendation reflects consideration and weighting applied to of a number of matters outlined in the report, including but not limited to the various arguments for and against raised through the public feedback.

Recommendation

That Council:

1. **Note** the public feedback.
2. **Include** the Ladies Mile Area in Category 2 of the Lead Policy [as shown in **Attachment A**], by the addition of the following documents as appendices to the Lead Policy:

- a. an Indicative Master Plan; and
- b. an Indicative Landscape Strategy; and
- c. the Ladies Mile Development Objectives,

3. Approve the following changes to the Lead Policy following public feedback:

- a. Reduction in total potential yield from a maximum of 2224-2874 residential units to 2185;
- b. Addition of a new criteria to the Lead Policy for a 'policy pause' when the number of qualifying development resource consents lodged for residential units exceeds 1100;
- c. Re-instatement of the public feedback stage for each expression of interest lodged for a SHA on the Ladies Mile;
- d. Removal of specific areas identified for reserves, and replacement with indicative areas and the types of reserves required under the Parks & Reserves Strategy 2017;
- e. Additional area of 'mixed use' in proximity to the Ladies Mile Pet Lodge; and
- f. Other minor and technical amendments.

4. Note that the Indicative Master Plan is high level and that detailed design and location of activities such as public transport infrastructure, day care centres, schools, and parks / reserves is not precluded and can be addressed through the 'expression of interest' process,

Prepared by:



Blair Devlin
Manager, Planning Practice

7/08/2017

Reviewed and Authorised by:



Tony Avery
General Manager, Planning &
Development

7/08/2017

Background

7 Council considered an agenda item on 23 June 2017 and resolved to:

Seek public feedback on the proposed addition of the Ladies Mile Area into Category 2 of the Housing Accords and Special Housing Areas Act 2013 Implementation Policy (“Lead Policy”), including the inclusion of:

- a. an Indicative Master Plan; and*
- b. an Indicative Landscape Strategy and*
- c. the Ladies Mile Development Objectives*

8 The proposed amendments to the Lead Policy were subsequently advertised for public feedback from 26 June to 26 July 2017. A discussion document, the indicative master plan and the proposed amendments to the Lead Policy were included.

9 The background to this agenda item was covered under seven topic headings in the agenda item presented to Council on 23 June 2017 (appended as **Attachment B** for reference, excluding appendices).

10 From a central government level, a range of matters have brought the Ladies Mile area before Council. Specifically the new National Policy Statement on Urban Development Capacity, the Housing Accord and its targets, and the Council’s application to the Housing Infrastructure Fund.

11 From a local level, a range of matters have also led to the Ladies Mile area being brought before Council. Specifically the resolution of Council when recommending the Queenstown Country Club Special Housing Area (SHA) to the Minister, the subsequent resource consent decision, the Wakatipu Basin Land Use Study (WBLUS), the review of Council’s Dwelling Capacity Model (DCM), and the extreme housing affordability challenge the district is facing.

12 The 23 June 2017 agenda item also considered the questions of why the Ladies Mile area and not other growth options, what style of development is possible on the Ladies Mile and what options does Council have to enable urban development on the Ladies Mile?

13 Comment was also provided on the Indicative Master Plan, entrances to Queenstown, transport implication and if the area is added into the Lead Policy, what the next steps would be.

14 Since the 23 June 2017 agenda item, two items of note have occurred:

- a. Housing Infrastructure Fund (HIF) – Council was successful in gaining HIF approval for three areas, one of them being Ladies Mile. Council has received approval from the Government based on an indicative business plan to construct three waters and roading infrastructure for 1100 medium density homes on the Ladies Mile. The HIF is a ten year interest free loan facility set up by the Government to help Council’s pay for infrastructure for housing. The loan can be recouped through development contributions. This application to the HIF was always on the basis that Council had to decide

whether development should be enabled on the Ladies Mile and by what process.

- b. District Plan Review evidence – the 23 June agenda item stated that “*an initial review of the DCM would suggest Council has zoned enough land*”, and “*Queenstown does not have a shortage of zoned land but rather an extremely low uptake of the land that is zoned for development*”. This has now been confirmed through the evidence prepared for the Proposed District Plan by Mr Philip Osbourne. Mr Osbourne (an economist) has reviewed the plan enabled, feasible and realisable development capacity and confirmed there is sufficient zoned capacity for Queenstown out to 2048. This does not change the issue identified in the 23 June agenda item which is that Queenstown is experiencing such a low uptake / development of the land that *is* zoned for housing, and that much of the realisable zoned capacity is held in a small number of ownerships.

Feedback Received

- 15 As outlined 310 responses were received. This report focuses on the key issues that were raised.
- 16 It is noted that following consultation with directly affected landowners on the Ladies Mile, feedback from landowners was also received prior to the public. This feedback was provided directly to officers and informed the agenda item that was presented on 23 June 2017. It has not been provided as part of the summary below, however many of the landowners have also provided feedback through the public feedback stage.

Key Themes from Feedback In Support

- 17 A full copy of all feedback received was provided to Councillors on 2 August 2017 and it was made available on the Council’s website on the 7 August 2017. While there is a lot of detail in the feedback, eight key themes have been identified and summarised below:

Key Theme	Summary of Feedback
<i>Location</i>	Logical location, close to employment and commercial land (Frankton Flats and Five Mile) and residential areas (Lake Hayes Estate and Shotover Country) and within close proximity to infrastructure (such as schools, cycle ways, recreation, waste water etc); preferable over other areas; Relatively flat land, making building more cost effective;
<i>Densities</i>	A good mix of densities; will provide smaller more affordable homes / rentals.
<i>Housing shortage</i>	Will help address major shortage of houses and the District needs more housing. Needed to assist in retaining workers and families in Queenstown. So many people desperate for homes for their families.
<i>Affordability</i>	More affordable homes needed. Need to ensure that a percentage of these sections goes to first home buyers.
<i>Landscaping / mitigation</i>	If done properly the impact on the area could be mitigated through the planting of tree and appropriate setbacks; 75m setback would allow for sufficient green area. Highlighted as an area that can absorb change by the Wakatipu Basin Land Use Study

Key Theme	Summary of Feedback
<i>Infrastructure</i>	Close to existing infrastructure. Need to ensure that appropriate infrastructure is provided (including schools, hospitals, public transport etc)
<i>QLCHT</i>	Supports first home buyers and the Queenstown Lakes Community Housing Trust. Should be able to suggest alternative options than 10% to the QLCHT
<i>Precedent</i>	Precedent has already been set by the Queenstown Country Club, which has taken place on the southern side of the road

Feedback In Opposition

18 Feedback in opposition was generally more detailed than feedback in support. 11 key themes were identified and are set out below:

Key Theme	Summary of Feedback
<i>Use of Lead Policy / SHA approach rather than normal RMA process</i>	SHA process does not allow community to have a fair say / as much say as if it were through District Plan Review. Special Housing Areas are not the appropriate mechanism to develop Ladies Mile. Council need to come up with a more comprehensive plan and further consultation is required. Need more help from the Government to find a solution to the housing crisis
<i>Location</i>	Other areas should be considered such as existing zoned areas, land off Malaghans Road, land between Jacks Point and the Kawarau River. Will result in urban sprawl. Not a great location as hill to north. Will result in the loss of rural character and amenity.
<i>Transport and infrastructure issues</i>	Insufficient information and research on impacts on the Shotover Bridge; Capacity of Shotover Bridge and other roads, general congestion on roading network not just the Shotover Bridge. Questions about adequacy of other infrastructure.
<i>Entrance to Queenstown</i>	Gateway to Queenstown and will result in adverse visual and amenity effects Critical the greenbelts and green areas are maintained. Should be left as Rural and used as medium to low density residential living
<i>Other zoned land</i>	No need for more housing as sufficient land has been provided under the Operative and Proposed District Plans. Need to incentivise already zoned and undeveloped sites to release land to the market. More infill housing. Alter rates for undeveloped land and unoccupied dwellings
<i>QLCHT contribution</i>	10% contribution is unreasonable and will make the rest of the development cost more
<i>Affordable Housing</i>	Does not guarantee affordable housing. Need affordable housing and 10% contribution to the Queenstown Lakes District Housing Trust is not enough. Will not result in affordable housing and will become a market rate development
<i>Landscaping</i>	Development will be highly visible. Ladies Mile. Trees are considered to be an asset to the whole community
<i>Precedent</i>	Queenstown Country Club has not set a precedent for development in this area
<i>Pet Lodge</i>	Concerned about the impact it will have on the Pet Lodge and reverse sensitivity. The Pet Lodge is a valued community asset.

Key Theme	Summary of Feedback
<i>Design and appearance</i>	Concerned about recent developments including Five Mile and that it will be the same in appearance. Concerned that no one will want to live there in 20 years. Has the potential to negatively impact on tourism
<i>Demand</i>	House prices will fall as interest rates rise and cheap money following global financial crisis dries up. Incentivise use of vacant properties instead. Will not help with supply as demand from overseas investors is still high. Population of Queenstown should be capped.

Commentary on key elements of feedback received

19 In general feedback was quite evenly split between support and opposition. The key themes are explored further below, noting some topics were covered in the 23 June 2017 agenda item.

Precedent

20 Feedback stated both that the Queenstown Country Club (QCC) had and had not set a precedent for further development on the Ladies Mile. Officers consider the QCC has set a precedent in many respects as it was the first major development on the upper, more visible part of the Ladies Mile. The QCC site is hard to distinguish from the land on either side of it.

Amending the Lead Policy vs District Plan Review Process

21 Feedback was received in opposition to using the Special Housing Area mechanism to enable development on the Ladies Mile, rather than through the District Plan Review process. A comparison of the different process options were set out in last agenda item appended as **Attachment B**). This has been reviewed and the main advantages and disadvantages of each option are shown below.

	Option 1 – Add to Category 2 of SHA Lead Policy and require development to be in accordance with an Indicative Master Plan	Option 3 – Variation to PDP as part of full WBLUS Response
Estimated timeframes for paperwork & process	6-12 months minimum <u>Steps:</u> <ul style="list-style-type: none"> - Feedback on Lead Policy - Receive an EOI - Seek public feedback on EOI - Report to Council, - Make recommendation to Minister, - Minister approves and then gazettal as a SHA. - Resource consents then lodged. - May be limited notified to neighbours 	12 - 15 months plus appeals (appeals timeframe unknown) <u>Steps:</u> <ul style="list-style-type: none"> - Prepare variation & s.32 cost benefit analysis, - Report to Council - Notify for submissions - Notify for further submissions - Public hearing - Appeals - Lodgement of resource consents

	Option 1 – Add to Category 2 of SHA Lead Policy and require development to be in accordance with an Indicative Master Plan	Option 3 – Variation to PDP as part of full WBLUS Response
Estimated minimum timeframes for occupation of first houses	1.5 – 2 years	3 – 5 years but depends on number of appeals
Advantages	<ul style="list-style-type: none"> - Fastest option - Council has greatest control over end product - Developers can be required to meet master plan and infrastructural obligations or no recommendation to the Minister - Limited appeals / litigation - Council seen as proactive - Can require a 10% contribution to QLCHT 	<ul style="list-style-type: none"> - Greater public input - Could be based around a structure plan setting out development bones - Enables comprehensive look at entire Wakatipu Basin including Ladies Mile - Gives the public / developers appeal rights and the matter is re-heard by the Environment Court - Most developers willing to enter into a Stakeholder Deed for QLCHT contribution
Disadvantages	<ul style="list-style-type: none"> - Limited public input - Council may have to help fund some infrastructure to ensure services put in are adequate for whole Ladies Mile not just the individual developers EOI - Timing and sequencing of development challenging 	<ul style="list-style-type: none"> - Slow - Subject to appeals / litigation (and submissions extending scope) - Would allow landowners to drive their own development agenda through submissions e.g. Rural Residential is easy to do but not necessarily what the district needs - Would get bogged down in wider WBLUS appeals - Contribution to QLCHT sought on a voluntary basis only - Timing and sequencing of development challenging

22 Officers consider the use of the Lead Policy to be the most efficient process in terms of timeframes, and the most certain in terms of knowing what sort of development will occur. For example if an EOI is lodged and the required density is not met, the Council has full discretion and can simply refuse to recommend it to the Minister. This is not the case with a Variation to the Proposed District Plan where densities lower than what the Council considered desirable can be sought through submissions / appeals, and often have less 'environmental effects' than higher densities. Often the Environment Court is the final decision maker.

23 The District Plan Review process does provide more opportunity for public input through the submission, further submission, public hearing and appeals process.

Other Public Infrastructure such as school, hospitals and public transport

24 Feedback was received about provision for other public infrastructure such as schools, hospitals and public transport. The Indicative Master Plan does not identify specific locations for things such as day care centres, schools and hospitals, however they can be provided through the SHA process which simply requires the qualifying developments be 'predominantly residential'. For example

the Queenstown Country Club has included a dementia care unit and various other non-residential activities.

- 25 The Indicative Master Plan is indicative only, and officers did not feel comfortable trying to specify locations of additional schools etc. A meeting was held with the Ministry of Education (MOE) on 21 June 2017 and they were updated on the process that was being undertaken with regard to the Ladies Mile. The MOE has a school at Shotover Country which it is understood currently has some capacity but were interested in being involved further should the Ladies Mile area be added into the Lead Policy.

Will the Ladies Mile Area Result in Affordable Housing?

- 26 As noted in paragraphs 25-31 of the 23 June agenda item (**Attachment B**), Queenstown has a severe housing affordability problem. The Council's Lead Policy relates to the application of HASHAA in the Queenstown Lakes District. The purpose of HASHAA is:

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

- 27 Specifically, the focus of HASHAA is not to provide affordable housing, but rather to enhance affordability through facilitating an increase in land and housing supply. To date, the Council has not tried to specify price points for developments approved under the HASHAA legislation. Specifying price points has led to problems in Auckland, such as very small one bedroom units being provided to meet the minimum price points, or the prices of other units simply being hiked to pay for the proportion that must be sold at a certain price, or the purchasers of the lower priced units quickly on-selling them for a capital gain.
- 28 Instead the QLDC approach has been to specify that a certain percentage of developments be one or two bedroom units, which does relate to affordability as they are smaller and more affordable. The type of development anticipated on the Ladies Mile is higher density, smaller residential units which by their nature are more affordable.

Contribution to the QLCHT

- 29 Feedback was received saying that the 10% contribution to the QLCHT was both not enough and was too much. The contribution is double the normal 5% contribution specified in the Lead Policy for other SHAs, which does raise fairness/ equity issues, however the Indicative Master Plan does enable a significant amount of density, giving developers a significant yield above the District Plan zoning. The amended Lead Policy in **Attachment A** states (as amended):

The Council is open to proposals that achieve community housing through other mechanisms that are consistent with the policy objectives and above community housing outcomes, but retains preference for the Trust's involvement.

Traffic / Transport Implications

- 30 Public feedback focused on the implications for transport / congestion as a result of additional development on the Ladies Mile. The 23 June 2017 agenda item noted that the Shotover Bridge has been identified as a key capacity constraint. While roads either side can be 'two-laned', the bridge cannot. The capacity of the existing bridge has been calculated as having a peak hour capacity of 1590 vehicles per lane (refer **Attachment C**).
- 31 Based on *current* QLDC growth forecasts published in 2016, the bridge will reach capacity when operating during the evening peak in 2035, which will extend out to 2044 if 10% of vehicle drivers shift to public transport or other alternative modes. Additional residential development on the Ladies Mile brings forward the time at which the bridge reaches capacity. If an additional 1000 medium density dwellings were developed by 2025 the bridge will reach capacity at 2025 (but significantly, 2032 if a 10% shift to alternative modes is achieved).
- 32 While NZTA are comfortable with 1025 houses on the Ladies Mile, they have provided feedback in opposition to the full extent of development enabled under the Indicative Master Plan. Their primary concern is the total residential yield that the Indicative Master Plan (as put out for feedback) would provide and the ability of the Shotover Bridge to cope with the additional demand created.
- 33 The Indicative Master Plan, as put out for public feedback, enabled 2224-2874 residential units. The HIF and Indicative Master Plan processes were being prepared concurrently, and the indicative business case for the HIF showed that 1025 (later revised to 1100) was the preferred option as beyond that, additional capacity on the Shotover Bridge would be required.
- 34 To address the concerns of the NZTA, two specific changes are proposed, should Council decide to amend the Lead Policy. The first is to place a 'pause' button in the Lead Policy so that no new expressions of interest will be considered for SHAs once applications for qualifying developments have been lodged that exceed 1100 residential units. This will allow time for further assessment to be undertaken of the impact of additional housing on the Ladies Mile beyond the 1100 residential units that the NZTA were able to support through the HIF application.
- 35 A 'policy pause' will also allow an understanding of the impact of the \$2 bus fares and increased frequency of bus services, and well as other work in the transport space through the Queenstown Integrated Transport Programme Business Case, e.g. a park and ride facility.
- 36 A second key proposed change is to reduce the potential total yield to 2185 (refer **Attachment D**). This reduction has primarily been achieved by removing the potential for a small, second residential unit above the garage on the areas identified for medium density residential
- 37 A park and ride facility on the Ladies Mile is provided for in the Queenstown Integrated Transport Programme Business Case, even without further development on the Ladies Mile. The timing for this work is 'medium term' with

'Park and Ride PT Services – Other Locations' set down for 2025. 'Ladies Mile Corridor improvements' are also scheduled for the short term i.e. before 2021.

38 A park and ride facility in the general vicinity of the Ladies Mile was also included in consultation on the Queenstown Town Centre Master Plan as shown below.

Figure 1 - Image from the Queenstown Town Centre Master Plan Discussion Document



39 While it is accepted that there are limited employment opportunities on the Ladies Mile (the QCC is one exception), the Ladies Mile area is considered to be well connected spatially to 'community facilities such as employment, schools, shopping and recreational services', although additional community facilities will be provided as part of the development, for example parks and reserves. Placing some form of business or industrial zone to create more employment on the Ladies Mile is an option, but given the strength of feeling about its amenity values and its location at what many consider to be the entrance to Queenstown, it presents its own set of challenges.

40 The Indicative Master Plan is indicative only, and officers did not feel comfortable trying to specify exact locations of additional schools, park and ride facilities etc, the detail of which can be worked through when expressions of interest are lodged. The Indicative Master Plan does not prevent a new school being placed on the Ladies Mile, with the HASHAA only requiring development be 'predominantly residential'.

Public transport and a Park and Ride Facility

41 With regard to public transport, Officers did not feel comfortable trying to specify the exact shape and form of public transport and where that might be located, but a public transport facility can be included with an EOI and a subsequent qualifying development application, provided it remains predominantly residential. As noted above, a park and ride facility is anticipated somewhere on the Ladies Mile. Work is underway on enhancing public transport. Ensuring feasibility of public transport is a key part of the indicative master plan, by seeking to ensure sufficient densities for public transport to work and with the grid layout which is efficient for public transport access.

Ladies Mile Pet Lodge

- 42 Feedback in opposition raised multiple concerns relating to the Ladies Mile Pet Lodge (“Pet Lodge”) and how urban development would affect the operation of this business. The feedback has emphasised the importance of the facility to the public, and the limited other options for kennels given Queenstown’s growing population.
- 43 The Pet Lodge has been in operation for over 40 years and has been operated by the current owners for over 17 years. Following an Environment Court hearing in 2004 it is considered to have been lawfully established provided it complies with the conditions imposed on the resource consent. It can therefore continue to operate under its existing resource consents (which do not lapse).
- 44 With growing towns such as Queenstown, it is inevitable that from time to time activities that were once located in rural areas end up becoming close or part of the town.
- 45 The addition of the Ladies Mile to the Lead Policy could mean residential development in much closer proximity to the Pet Lodge than currently exists. This has the potential to raise reverse sensitivity effects as new residents could complain about noise from dogs barking. While the Pet Lodge can be legally protected through “no complaint covenants”, the feedback from the owners is that the potential disturbance from residential and construction activity, as well as a potential road, will make it difficult / impossible to operate as the kennel requires a rural environment.
- 46 In this regard any resource consent application for a qualifying development adjacent to the pet lodge, the application would have to be served on the Pet Lodge and they could submit on the proposal. Commissioners would then have to determine whether the effects could be managed or some form of setback is required.
- 47 Increased disturbance of animals from traffic, construction noise and residential activities may well arise, however this can be addressed to a degree through consent conditions at the detailed planning stage. The Pet Lodge can continue operating as long as its owners wish to continue running the operation. Legal mechanisms can protect the owners from complaints from new residents. It is also recognised the site does adjoin an unformed legal road, which could be formed up without resource consent.
- 48 The Pet Lodge site is somewhat unique compared to other properties on the Ladies Mile, as it is relatively small (8094m²) compared to other land holdings and under the Indicative Master Plan, would only have new limited development rights due to the proposed 75m setback for landscaping / amenity purposes.
- 49 As a result, the Indicative Master Plan has been amended to increase the yield that is available to this site. The extent of the Mixed Use area has been brought forward into the 75m setback which is now reduced to 15m. This change has been implemented to enhance the presence of the local shopping centre along the ladies Mile, while still retaining a landscaped setback with room for walking and cycling trails.

Figure 2: Ladies Mile Pet Lodge site – aerial photo and indicative master plan



Intensification

50 Feedback in opposition suggested focusing on intensification of existing urban areas, rather than greenfield development. Intensification is an appropriate mechanism to increase the supply of housing, and is being enabled through the new zoning provisions working their way through the Proposed District Plan process. Council did apply to the Environment Court for these new provisions to have immediate legal effect, to bring them into force immediately. The Environment Court rejected the request.

51 Officers consider a combination of both intensification of existing urban areas as well as release of greenfield land is necessary to cope with the growth being experienced in the District and the problem identified with large areas of zoned land not being developed.

Can the council control who a developer sells lots to?

52 Feedback raised the concept of both forcing developers to sell to first home buyers, and forcing developers to not sell multiple lots to one person/ company. While the Queenstown Country Club agreed to sell 50% to locals, in general it is not possible to specify who a developer sells to. The Lead Policy does however invite landowners to come forward with proposals in their EOs that include mechanisms to achieve affordability including (but not limited to):

Examples of mechanisms to achieve affordability may include:

- *a range of appropriately sized sections (including smaller sized sections of 240-400m²);*
- *a mixture of housing typologies and sizes is also desirable;*
- *the nature of any covenants (or similar restrictions) imposed on sections;*
- *methods to reduce property speculation of vacant sections; and*
- *methods to retain affordability in the medium to long term.*

Housing developed in special housing areas will be expected not to be used solely for visitor accommodation and landowners and developers should identify an appropriate legal mechanism for securing this outcome.

53 Developers such as Shotover Country have also actively vetted purchasers, targeting first home buyers and locals with families, and consequently there has been a low turnover of properties at Shotover Country.

Urban Design comments

54 Feedback was received about the suitability of the area for urban development, being located with Slope Hill to the north and relatively open to the south, and with a busy state highway bisecting the area. It is acknowledged that the area will receive reduced sunlight hours due to the presence of Slope Hill, and it is exposed to the southerly wind. Officers do not consider this does not make the area unsuitable for residential development, but when contrasted with other vacant zoned land in the district such as the Kelvin Peninsula (which is sheltered to the south, north facing with lake views), could help maintain the affordability of the area.

55 Feedback has supported the grid pattern of streets which enables efficient use of land and for public transport. A mixed response has been received regarding the landscaped setback, with some feedback suggesting it mitigates the impact of urban development and other responses stressing development will remain highly visible.

Proposed amendments to Lead Policy

56 Following consideration of the feedback, the following amendments to the Lead Policy are proposed:

- a. Reduction in total potential yield from a maximum of 2224-2874 residential units to 2185.
- b. Addition of a new criteria to the Lead Policy for a 'policy pause' when the number of qualifying development resource consents lodged for residential units lodged exceeds 1100.
- c. Re-instatement of the public feedback stage for each EOI lodge don the Ladies Mile.
- d. Removal of specific areas identified for reserves, and replacement with indicative areas and the types of reserves required under the Parks & Reserves Strategy 2017; and
- e. Additional area of 'mixed use' in proximity to the Ladies Mile Pet Lodge and
- f. Other minor and technical amendments.

Comment

57 Council is faced with a series of decisions that involve balancing a series of competing elements. It needs to decide whether it does see the need to enable

further greenfield sites to be developed, or to continue encouraging land that is currently zoned to be developed and come to market.

- 58 Council can either enable development that (like all SHAs) is not consistent with its operative and proposed district plans, and do so relatively quickly using the SHA mechanism. Alternatively it can look to address the Ladies Mile area through the Proposed District Plan as part of the response to the Wakatipu Basin Land Use Study, over a longer time horizon.
- 59 With regard to traffic and transport implications, Council is aware of congestion issues and the broad range of work underway to address transport. Council can either try to avoid further traffic and congestion on the Shotover Bridge and State Highway 6 / 6A and beyond, or enable additional housing on the major transport route close to employment and retail areas.
- 60 Council can either try to maintain the generally open nature of the Ladies Mile, or it can seek to ensure a high standard of external appearance for built form beyond a landscaped setback.

Options

- 61 High level options for the Ladies Mile were set out in the 23 June agenda item and are included as **Attachment B**. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 62 Option 1 – Enable development on the Ladies Mile through an amendment to the Lead Policy in a comprehensive manner in general accordance with an Indicative Master Plan

Advantages:

- 63 Location is next to established urban areas, and close to employment, retail and recreational areas.
- 64 Is the option most likely to deliver housing density quickly in a comprehensive and integrated manner.
- 65 Developers can be required to meet the Indicative Master Plan and infrastructural obligations or no recommendation to the Minister.
- 66 Can require a 10% contribution to QLCHT
- 67 Limited appeals / litigation
- 68 Council seen as proactive rather than reactive to development pressure

Disadvantages:

- 69 Likely to be seen by many as an unacceptable development in an area seen as an important gateway
- 70 Less public input than the Proposed District Plan process and public input at the resource consent stage is limited to adjoining properties and no appeal rights
- 71 Increased traffic and congestion on roads and the point at which the Shotover Bridge reaches capacity comes forward

- 72 Council may have to help fund some infrastructure to ensure services put in are adequate for whole Ladies Mile not just the individual developers EOI
- 73 Timing and sequencing of development is not able to be controlled
- 74 Option 2 – Address the Ladies Mile area through a variation to the Proposed District Plan for the Ladies Mile as part of the response to the WBLUS

Advantages:

- 75 Greater public input through the submission, further submission, hearing and appeals process.
- 76 Section 32 analysis of costs and benefits required.
- 77 Could still be based around a Structure Plan for the ‘Ladies Mile Gateway Precinct’ setting out development bones
- 78 Environment Court can scrutinise final District Plan provisions.

Disadvantages:

- 79 Slow as subject to First Schedule process involving submissions, further submissions, a hearing and then appeals / litigation, could get caught up in wider appeals to do with the Wakatipu Basin.
- 80 Scope of plan changes can be widened through submissions.
- 81 Would allow landowners to drive their own development agenda through submissions e.g. Rural Residential is easy to do but not necessarily what the district needs
- 82 Contribution to QLCHT required on a voluntary basis only rather than mandated
- 83 Timing and sequencing of development is not able to be controlled
- 84 This report recommends **Option 1** for addressing the matter because it:
- a. Provides a large area of land for residential development, in close proximity to employment and retail areas, to address the pressing need for more land for urban development to help combat the housing affordability challenges.
 - b. Provides a structured approach that enables development to be comprehensively guided in accordance with an Indicative Master Plan, rather than a series of individual developer led projects.
 - c. Makes use of the tools the Government has put in place to address housing affordability, and recognises that the ‘use it or lose it’ nature of SHA consents has resulted in all developer led SHAs currently being under construction.
 - d. Recognises that the uptake of zoned land is low and much of it is held in three ownerships.
 - e. Acknowledges there are significant transport and traffic challenges but that work that is underway to address them.

Significance and Engagement

- 85 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:
- a. Importance: The Ladies Mile area could provide a large amount of new land supply for much needed residential housing. The area is considered by many to be the entrance to Queenstown and has high amenity values.
 - b. Interest: For the reasons above the matter is of high interest to the community as evidenced by the feedback received and media publicity.
 - c. Existing Policy and Strategy: The proposal is not consistent with the Operative and Proposed District Plans, or the 2007 Growth Management Strategy. The Lead Policy does anticipate areas being added into Category 2 and by definition, special housing areas tend to be contrary to District Plans, otherwise resource consent would be sought like normal.
 - d. Capability and Capacity: There is a significant impact on the Council's intended level of service provision as the Ladies Mile area is not currently in the Long Term Plan as an area where infrastructure development is intended. While the developer would provide the required infrastructure for their particular area, Council's role is to ensure the capacity is adequate to service the whole Ladies Mile area in a comprehensive fashion. The Housing Infrastructure Fund provides a funding mechanism to ensure infrastructure is right sized for the whole area, rather than just big enough to service individual develop requirements.

Risk

- 86 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as high.
- 87 This matter relates to this risk because the supply of housing is central to the current and future development needs of the community.

Financial Implications

- 88 Under the HASHAA, developers are required to provide the necessary infrastructure to service their developments. Council negotiates Stakeholder Deeds to ensure the necessary infrastructure is provided. The addition of the Ladies Mile area into the Lead Policy will likely lead to requests from Council to finance the additional infrastructural capacity required to service the wider 'Ladies Mile Study Area', beyond the demand generated by the individual expression of interest. This will have budgetary implications for Council.
- 89 Currently there is no budget for capital works on the Ladies Mile. The work is not included in the Long Term Plan. However as noted above, the Council has successfully applied to the Governments HIF for formal approval to invest in infrastructure that will bring forward the supply of developable land for housing. The HIF is an interest free loan for ten years. The HIF monies could fund the required capital works and be recouped through development contributions.

90 A parallel amendment to the development contributions policy would also be required to recoup the money as development occurs over the whole area over the next 10 – 20 years.

Council Policies, Strategies and Bylaws

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

- a. The Operative District Plan
- b. The Proposed District Plan
- c. Growth Management Strategy 2007
- d. Long Term Plan
- e. Lead Policy for SHAs

92 The recommended option is not consistent with the first four named policies, but is consistent with the Lead Policy which envisages areas being added into Category 2. By definition, SHAs are usually contrary to District Plans, otherwise a resource consent could be obtained like normal.

93 This matter is not included in the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

94 This item relates to an amendment to the Council's Lead Policy for Special Housing Areas. The proposed resolution accords with Section 10 of the Local Government Act 2002, in that it fulfils the need for good-quality performance of regulatory functions.

95 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by utilising the HASHAA to enable residential development on the Ladies Mile;
- Cannot currently be implemented through current funding under the 10-Year Plan and Annual Plan, but can be implemented through the Housing Infrastructure Fund;
- Is not consistent with the Council's plans and policies; and
- Would alter significantly the intended level of infrastructural service provision undertaken by or on behalf of the Council.

Consultation

96 Consultation with the general public has been described in paragraphs 15 to 16 above. Given the high level of interest in the Ladies Mile area, Council resolved to seek public feedback on this change to the Lead Policy before making a decision on adoption.

97 A meeting was held with landowners on the northern side of Ladies Mile on 22 May 2017, and the southern side on 29 May 2017. Not all landowners were able to attend but a high proportion did attend or sent a representative. Written communications were also undertaken with some parties unable to attend the

meeting. Written feedback was received from those meetings and resulted in a number of amendments to the Indicative Master Plan.

Legal Considerations and Statutory Responsibilities

98 The Council's Lead Policy relates to the application of HASHAA in the Queenstown Lakes District. The purpose of HASHAA is:

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

99 HASHAA provides limited guidance as to the role of a Lead Policy, or to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however the Council's legal advice is that these are relevant considerations and this has been confirmed by the recent High Court decision on Ayrburn Farm. The weight to be given to these matters is at the Council's discretion, having regard to the overall purpose of HASHAA. These matters have been considered in this report.

100 The Council will need to consider the consistency of any decision to amend the Lead Policy and its decision in July 2015 to notify the PDP, which maintains the Ladies Mile as Rural zoning. However since the PDP was notified, the Government has issued the NPSUDC, which requires greater assessment of the feasibility of zoned land coming on stream. This has been a fundamental change, particularly with regard to the following policies of the NPSUDC which are particularly challenging in Queenstown:

OA2: Urban environments that have sufficient opportunities for the development of housing and business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.

PA3: When making planning decisions that affect the way and the rate at which development capacity is provided, decision-makers shall provide for the social, economic, cultural and environmental wellbeing of people and communities and future generations, whilst having particular regard to:

- a) Providing for choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses;
- b) Promoting the efficient use of urban land and development infrastructure and other infrastructure; and
- c) Limiting as much as possible adverse impacts on the competitive operation of land and development markets.

101 Policies OA2 and PA3(a) and (c) are particularly relevant to the Queenstown situation, given the low uptake of land that is zoned for development. For example, Hanley's Farm is under construction at present but it is not providing the smaller, medium and high density development that the Ladies Mile could provide.

Attachments

- A Amended Lead Policy, including revised Indicative Master Plan
- B Copy of 23 June 2017 agenda item (excluding appendices)
- C Abley Report on Shotover Bridge Capacity
- D Yield Analysis of Indicative Master Plan

Housing Accords and Special Housing Areas Act 2013 Implementation Policy



24 November 2016

1. Background

The purpose of the Housing Accords and Special Housing Areas Act 2013 (**HASHAA**) is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, including Queenstown-Lakes District.

In October 2014 Queenstown Lakes District Council (**Council**) and Government entered into the Queenstown-Lakes District Housing Accord (**Housing Accord**). The Housing Accord is intended to increase housing supply and improve housing affordability in the district by facilitating development of quality housing that meets the needs of the growing local population.

The Housing Accord included agreed targets related to housing supply for Years 1-3 of the Accord. Targets for years 4-6 are to be agreed between the Council and the Minister for Building and Housing (**Minister**). The Housing Accord includes priority actions aiming to increase the supply of housing in the district and to guide the Council's exercise of powers provided by HASHAA. It also addresses governance, processes, monitoring and review.

Under HASHAA the Council may at any time recommend to the Minister that one or more areas within the district be established as special housing areas.

If the Minister agrees with the Council, he or she may recommend that the Governor-General make an Order in Council declaring an area within the district to be a special housing area for the purpose of HASHAA.

HASHAA then provides an alternative approach for applications for resource consent for qualifying developments in special housing areas to the usual process under the Resource Management Act 1991 (**RMA**). Under that alternative approach, applications for resource consent for qualifying developments must not be publicly notified, although there is provision for limited notification of adjoining property owners and occupiers. There are no appeal rights in relation to decisions on such applications, except where development over four storeys is proposed. In addition, while Part 2 (the purpose and principles) of the RMA and District Plan provisions (both Operative and Proposed) are relevant assessment matters when considering applications for resource consent for qualifying developments, these matters are given a lower weighting than the purpose of HASHAA.

The purpose of this policy is to assist the Council in deciding whether to recommend the establishment of special housing areas to the Minister and in considering applications for resource consent for qualifying developments within special housing areas.

The contents of this policy are not intended to be exhaustive and do not limit the Council's discretion whether to make a recommendation or whether to grant resource consent. The Council may take into account additional factors and changed circumstances where relevant. All matters are to be considered in the context of the purpose of HASHAA.

In September 2016 HASHAA was amended to extend the deadline for establishing special housing areas to 16 September 2019 and to extend the date of its repeal (for the purpose of consenting qualifying developments) to 16 September 2021.

Before HASHAA was amended the Council recommended a number of special housing areas to the Minister in accordance with its previous Lead Policy: *Housing Accords and Special*

Housing Areas Act 2013 Implementation Guidelines, adopted on 30 October 2014 and updated on 30 April 2015. From the date of its adoption, this new policy applies to the recommendation of all further special housing areas by Council to the Minister and the consideration of all further applications for resource consent for qualifying developments.

2. Objectives

The Council's objectives in recommending the establishment of special housing areas to the Minister and considering applications for resource consent for qualifying developments are that:

1. Recommendation of special housing areas facilitates an increase in land for housing supply.
2. Special housing areas are established in appropriate locations, where there is evidence of demand for residential housing.
3. The establishment of special housing areas accords with the Council's overall strategic direction for urban development in the District.
4. Adequate infrastructure exists or is likely to exist to service qualifying developments in special housing areas.
5. Qualifying developments within special housing areas take a proactive approach to improving housing affordability issues by providing an appropriate mix of housing options including housing for owner occupiers, first home buyers, accommodation for workers, and facilitating the provision of community housing.
6. There is community feedback as part of the establishment of proposed special housing areas.
7. The development of special housing areas will achieve high quality urban design outcomes.
8. Development of housing in special housing areas occurs as quickly as practicable.

3. Criteria and Process for considering Special Housing Areas and qualifying developments

Special housing areas may originate from:

- The Council identifying, considering and recommending areas to the Minister on its own initiative; and
- Expressions of interest (**EOIs**) from landowners and developers for special housing areas that the Council considers meet the criteria listed below.

The Council will consider each proposed special housing area on its merits. In addition to the degree of consistency with this policy, other factors, such as planning and RMA matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister.¹ Council has full discretion whether to recommend an area to the Minister to be a special housing area.

¹ *Ayrburn Farm Developments Limited v Queenstown Lakes District Council* [2016] NZHC 693.

The below process will generally be followed on receipt of an EOI:

1. An initial consideration of an EOI to ensure it is consistent with the Council's intent, and there is sufficient information provided to be able to assess it;
2. Seek public feedback including statutory agencies and iwi;
3. Seek comments from internal Council departments and others as necessary;
4. Report to Full Council or a Council Committee with delegated authority;
5. Should the EOI be accepted in principle, negotiate an appropriate development agreement which may or may not need to be reported back to Full Council or a Council Committee with delegated authority; and
6. Once the development agreement is agreed and signed, the special housing area will be recommended to the Minister.

Note: Pre-application discussions are encouraged. Development agreements may not be required for Council-led proposals.

The deadline for establishing special housing areas has been extended by HASHAA to the 16 September 2019. The Council may, in its discretion, decide not to assess any EOI received after 16 April 2019.

In deciding whether to recommend a special housing area to the Minister the Council will consider the statutory criteria, as well as the following matters:

1. Location

The Council will group areas of land in the District into three categories:

- a. **Category 1** includes areas that are considered suitable for establishment as special housing areas. These areas have been identified or zoned in the Proposed District Plan for residential development or intensification and/or are located within the proposed urban growth boundary. Category 1 areas are listed in **Attachment A**.
- b. **Category 2** includes areas that may be suitable for establishment as special housing areas, subject to further assessment against this policy.

This category can only be updated following resolution by full Council, which includes the addition and removal of areas from this category. The Council will not accept proposals or EOIs from landowners or developers to include areas on this schedule. Category 2 areas are listed in **Attachment A**.

- c. **Category 3** includes areas that are not considered suitable for establishment as special housing areas. Category 3 areas are listed in **Attachment A**.

The Council is not precluded from considering EOIs outside of these categories for the establishment of special housing areas. However, Criterion 2 – Strategic direction (below) will be stringently applied to the effect that successful EOIs will be exceptional cases.

2. Strategic direction

The Council will consider proposed special housing areas in light of its overall strategic direction for development in the District. This includes ensuring that urban development occurs in a logical manner:

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

This includes establishing special housing areas within existing urban areas, or proposed urban areas in the Proposed District Plan, including those that are anticipated to fall within urban growth boundaries.

The Council may also consider the findings of other relevant investigations, such as but not limited to the Wakatipu Basin Land Use Study and the Ladies Mile Masterplan, which is investigating the future capacity of this area to absorb change.

3. Infrastructure

The Council must be satisfied that either:

- Adequate infrastructure exists to service qualifying development in the area; or
- Infrastructure can and will be provided and funded by the landowner or developer at no cost to, and without unforeseen or adverse financial or environmental costs on the Council or other relevant infrastructure providers.

The Council will assess the infrastructure requirements of a proposed special housing area against the matters listed in **Attachment B**.

4. Affordability

Housing affordability is a key issue for the Queenstown Lakes District. The Council is committed to ensuring that as development takes place across the District, the provision of affordable housing is incorporated as part of each development. The Council is particularly interested in ensuring that affordability is retained overtime.

The Council expects landowners and developers to identify appropriate mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues. The Council considers that an appropriate mix of housing is necessary in the district, including housing for owner-occupiers, first home buyers, and accommodation for workers.

Examples of mechanisms to achieve affordability may include:

- a range of appropriately sized sections (including smaller sized sections of 240-400m²);
- a mixture of housing typologies and sizes is also desirable;
- the nature of any covenants (or similar restrictions) imposed on sections;
- methods to reduce property speculation of vacant sections; and
- methods to retain affordability in the medium to long term.

Housing developed in special housing areas will be expected not to be used solely for visitor accommodation and landowners and developers should identify an appropriate legal mechanism for securing this outcome.

5. Community housing

~~As guidance the The Council considers that will require~~ at least 5% of the residential component of any development, by developed market value or by area (depending on the nature of development), ~~is identified to be provided~~ for community housing ~~in the Queenstown Lakes context~~.

Within the Ladies Mile Project Boundary shown in Attachment D, the Council will require at least 10% of the residential component of any development, by developed market value or by area (depending on the nature of development), to be provided for community housing.

The contribution is to be made to the Queenstown Lakes Community Housing Trust (**the Trust**) which has been established to assist with the design and delivery of community housing in the District. The Council in partnership with the Trust will require negotiate this contribution with landowners and developers to ensure the community housing outcomes of this Policy are met ~~engage with the Trust to agree how community housing outcomes will be met~~.

The Council is open to proposals that address achieve community housing through other mechanisms that are consistent with the policy objectives and above community housing outcomes, but retains preference for the Trust's involvement.

6. Community feedback

The Council will seek community feedback on all ~~proposed expressions of interest for~~ special housing areas.

This will include the Council seeking advice from the New Zealand Transport Agency, Ministry of Education, Otago Regional Council, Local Iwi and any other parties considered to be relevant to the consideration of a special housing area.

~~The Council will generally not seek community feedback where a proposed expression of interest is within the Ladies Mile Project Boundary and the proposal is considered to be generally consistent with the documents in Attachment D.~~

7. Quality and design outcomes

The Council will expect all qualifying developments in special housing areas to achieve high quality urban design outcomes.

The Council's development quality expectations are set out in **Attachment C**.

8. Timely development

The Council wishes to see evidence that the special housing area proponent is motivated to obtain resource consent before the repeal of HASHAA and to implement the resource consent in a timely manner, such that the development assists in addressing the District's housing supply and affordability issues.

4. **Agreements with Land Owners / Developers**

For every EOI approved by Council, the Council will secure the agreed outcomes of negotiations with landowners and developers through a suitable and legally binding agreement to ensure their delivery in an appropriate and timely manner. This shall occur before the EOI is recommended to the Minister.

These agreements will cover matters including, but not limited to, the provision of infrastructure, securing housing affordability and community housing outcomes, securing design outcomes, and the timely resource consenting and development of special housing

areas.

The Council will not enter into any agreement that fails to address issues of affordability and community housing to the satisfaction of the Council.

5. Recommendations to the Minister

The Council will only recommend the establishment of a special housing area to the Minister following a formal report to the Council, and the Council resolving to recommend the proposed special housing area to the Minister, only if satisfied that:

1. The criteria in section 3 of this policy have been met to the Council's satisfaction; and
2. The outcomes of negotiations with the landowner or developer resulting from sections 3 and 4 have been appropriately secured via a suitable and legally binding method.

6. Expressions of interest within the Ladies Mile

The Council will require expressions of interest to be generally consistent with the following documents in Attachment D:

- The Ladies Mile Indicative Master Plan
- The Ladies Mile Indicative Landscape Strategy
- The Ladies Mile development objectives

Expressions of interest for the Ladies Mile will not be accepted once resource consents for qualifying developments have exceeded 1100 residential units.

6.7. Applications for resource consent for qualifying developments

Should the Minister approve the special housing area, then prior to the making of any application for resource consent for a qualifying development, the land owner or developer and the Council shall enter into pre-application discussions. These discussions will involve input from various Council departments.

The Council will consider any application for resource consent for a qualifying development in a special housing area in accordance with this policy. This is subject to the matters listed for consideration in s 34(1) of HASHAA.

Where a special housing areas was established prior to the adoption of this policy, the Council may consider any application for resource consent for a qualifying development under the previous policy or this policy, or both, as appropriate.

All Council staff time and other costs of processing and considering any resource consent application will be on-charged to the landowner or developer in accordance with the Resource Consent and Engineering Fees and Other Charges Schedule adopted by Council on the 1 July 2016.

The final date an application for resource consent for a qualifying development in a special housing area can be lodged is 16 September 2019.

Attachment A – Categories 1, 2 and 3

Category 1: Areas suitable for the establishment of special housing areas

Queenstown

The following zoned areas within the Queenstown Urban Growth Boundaries of the Proposed District Plan:

- Low Density Residential Zone;
- Medium Density Residential Zone;
- High Density Residential Zone; and
- Business Mixed Use Zone.

This excludes any land that is located within the Queenstown Airport Air Noise Boundary and Outer Control Boundary.

Category 2: May be suitable for the establishment of special housing areas

- Land within the 'Ladies Mile SHA Boundary' as shown on the Indicative Master Plan appended as Attachment D to this Policy.

To be completed following further consideration by Council.

Category 3: Not suitable for the establishment of Special Housing Areas

To be completed following further consideration by Council.

Attachment B – Infrastructure Requirements

The relevant infrastructure **includes**:

- Stormwater
- Wastewater
- Water
- Transport (including impact on state highways, impact on local roads, public transport, provision of public transport facilities, under passes, trails and tracks etc)
- Parks and Reserves
- Social and Community Infrastructure
- Education
- Network utilities (electricity, gas and telecommunications)

For Council-related services of water supply, wastewater, transport, stormwater and reserves the Council is satisfied:

- 1) That infrastructure exists and has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area or infrastructure is planned or programmed in the Council's Long Term Plan and Development Contributions Policy, and/or
- 2) That infrastructure would be provided and funded by the private sector ahead of the Long Term Plan programmed time at no additional cost to Council, and/or
- 3) Where not planned or programmed in the Council's Long Term Plan and Development Contributions Policy, infrastructure would be fully provided and funded by the private sector at no cost to Council and can connect to existing infrastructure that has additional capacity to accommodate the likely cumulative demand from a qualifying development/s in the special housing area, and
- 4) For stormwater, mitigation will meet the conditions of any relevant consent held by the Council or such other relevant engineering standards that are applicable, and
- 5) That infrastructure will be designed and constructed in accordance with the relevant requirements of the Council's Infrastructure Development Code, and any other specific design, specifications and plans for infrastructure works arising from any consent or infrastructure agreement between the Council and any other party.

For other (non-Council) infrastructure of state highways, public transport, government facilities such as education, or network utilities (electricity, gas and telecommunications) the Council is satisfied that infrastructure exists or is planned by the relevant service provider with additional capacity to accommodate the likely cumulative demand generated from a qualifying development/s in the special housing area.

Attachment C –Quality and Design Outcomes

‘High Quality Residential Development’

What does it mean for QLDC?

Defined as:

Residential development that integrates well into neighbourhoods (acknowledging it may be of significantly higher density), contributes to place making and interacts with the public realm. It comprises well designed, comfortable homes with good amenity and storage, exceeding Building Code requirements wherever possible in terms of environmental performance to minimise ongoing living costs.

It is emphasised that this definition of High Quality Residential Development emphasises good to very good performance across the four facets outlined below. The definition does not tolerate an “Average” performance on any single facet. Similarly, it does not demand a “High” performance on any one facet (recognising that setting the bar too high can impact negatively on housing affordability, and that there can be other site-specific barriers to achieving high performance in one single facet eg. the location may be zoned for urban purposes but located relatively remote from some community services).

It should be noted that ‘High Quality Residential Development’ does not demand high quality materials and finishes. Therefore, the term ‘High Quality Residential Development’ encapsulates affordable housing developments where, for example, less expensive materials are utilised, but where the design quality is good and the development addresses all facets outlined above and below.

Four facets are highlighted:

1. Integrating into the Neighbourhood

a. Connections

Does the scheme integrate into its surroundings by reinforcing existing vehicular, pedestrian and cycling connections and creating new ones; while also respecting existing buildings and land uses along the boundaries of the development site?

b. Facilities and services

Does the development provide (or is it close to) community facilities, such as shops, schools, parks, workplaces, play areas?

c. Public transport

Does the scheme have good access to public transport?

d. Meeting Local Housing Requirements

Does the development have a mix of housing types and tenures that suit local requirements, including the need for lower cost housing options?

2. *Creating a Place*

a. Articulation and Design

Does the scheme provide for a good degree of visual interest and variation, as opposed to blandness and homogeneity?

b. Working with the site and its context

Does the scheme take advantage of existing topography, landscape features, habitats, existing buildings, site orientation and microclimates?

c. Creating well defined streets and places

Are buildings designed and positioned with landscaping to define and enhance streets and public spaces?

d. Easy to find your way around

Is the scheme designed to make it easy to find your way around?

3. *Street & Home*

a. Carparking and Access

Is sufficient – but not excessive – parking and access provided in an integrated manner, in a way that the street and internal site environment is not dominated by it?

b. Public and private spaces

Are public and private spaces clearly defined and designed to be attractive, functional, well managed and safe?

c. Good Quality homes

Are the homes well designed, comfortable, well insulated and practical, optimise solar gain, and provide good storage?

4. Environmental Responsibility

a. Reducing environmental footprint

Does the scheme demonstrate methods for minimising its environmental footprint?

And in particular does the development achieve at least four of the following:

- **Buildings are healthy and comfortable, where it is easy to keep the warmth in and the moisture out**
- **Minimise energy consumption through energy efficient devices, reducing appliance numbers and onsite energy generation**
- **Water efficiency of taps, showers and toilets. Reusing, collecting and treating water onsite.**
- **Systems for reducing waste and increasing recycling**
- **Site and building aspect to maximise passive solar gain**
- **Select sustainable building materials**

Does the scheme provide compact housing in locations near centres or on / near public transport routes and pedestrian and cycle routes, and access to food growing areas?

Attachment D – Ladies Mile Indicative Master Plan, Design Statement, Landscape Strategy and Development Objectives

LADIES MILE INDICATIVE MASTER PLAN DESIGN STATEMENT

The Draft Ladies Mile Master Plan is designed around the key principles of Connectivity, Variation in built form and dwelling type, flexibility of use, and legibility. The design follows recognized urban design principles, based on the seven ‘c’s of the New Zealand Urban Design Protocol*, to development Mixed Use, Residential and Open Space areas with a potential development yield of 2,500-3,000 dwelling units (approximately 2,874 on the current design but this is likely to fluctuate). The principles are designed to encourage walkability, improve the relationship between buildings and the street, recognise CPTED** principles and encourage designs which are future proofed:

CONNECTIVITY

The grid street pattern allows a high level of walkability by minimizing distances between destinations, wherever they maybe, and providing a variety of options to be taken. Design controls would ensure the streetscape is not compromised by developments which do not relate to the street or poor connectivity. Designs should seek to maximise connections through laneways, walkways, shared spaces and barrier free access.

The formal street pattern is recognized to work extremely well with providing Public Transport services, with the main collector street potentially acting as spine road and allowing most residents to be within 100m of a bus stop, thereby reducing travel distances/times. It would be possible for a Queenstown-Arrowtown bus route to move through the indicative master plan picking up and dropping off passengers without having to deviate greatly from the most direct route (SH6), resulting in a relatively efficient trip.

The master plan proposes a hierarchy of street types which relate to their classification and likely use. The design of streets is important to the overall feel of an urban areas, and more importantly how residents and visitors use this space. Street types would vary in modal hierarchy and width, varying from 10m through to 20m. Main streets would allow for public transport, on street parking wider footpaths and street trees, and potentially segregated cycle-lanes. Where possible garages would be removed from the street frontage with the provision of rear lanes. The creation of laneways removes vehicle crossings from the street, a positive design outcome for pedestrians as it removes potential conflict points. It also maximises the ability for street tree planting and maximise the amount of space available for on-street parking. I have reviewed several developments where the road carriageway has been designed to allow for on street parking, but with the number of vehicle crossings in close proximity, on street parking is not possible and results in an unnecessarily wide road surface. Removing garages from the street frontage also allows dwellings to have a better relationship to the street, improving passive surveillance over the public space.

VARIATION OF BUILT FORM AND DWELLING TYPE

The proposed master plan provides 4 different density types being:

- Mixed Use;
- High Density Residential;
- Medium Density Residential; and
- Medium to Low Residential

Each density type proposes different rules for site coverage, height, set-backs and outdoor living space requirements to encourage different building stock to be developed. Diversity and variation are considered important to meet market demands. There is a known shortage of one and two bedroom dwellings in Queenstown and in many other district in New Zealand. Developments should seek to encourage diversity in building stock, unit type and character providing for a wider range of the community (budget and family type) which will encourage intensification and greater community interaction.

a. MIXED USE

While this density type has the ability for retail and office space to be developed, it is considered that the buildings will be predominantly residential in character but with the flexibility to change/adapt over time depending on market conditions and demands. Mixed use areas form the focal point for the design and should include high quality public spaces, plazas and laneways. Some streets would potentially be shared spaces with slow vehicle speeds encouraged and pedestrian priority. The provision of public transport is important to the success of this area. Buildings could be up to 12m high, 3 storeys with a site coverage up to 65%. The key design considerations of the Mixed-Use Activity area are:

- Large front setbacks would be discouraged, being only 0-3m with a maximum setback applied;
- No minimum lot size but likely to be 150-200m²;
- No height recession planes or side yards would apply. No street frontage recession plane will be required; and
- Communal carparking, the creation of laneways and the removal of minimum carparking provision would be permitted to provide for more flexible approaches to residential building types and functionality;
- It is envisaged that the overall density in the Mixed Use area would be +30Hh/Ha.

The current layout allows for 575 dwelling units based on a 3 storey, 360m² building with 5 residential units and one retail/office.

b. HIGH DENSITY RESIDENTIAL

This density type is purely residential and envisioned to be a mix of apartments and terrace houses. Buildings could be up to 12m high, 3 storeys with a site coverage up to 55%. The key design considerations of the High Density Residential Activity area are:

- Large front setbacks would be discouraged, being only 1-3m with a maximum setback applied;
- An average minimum lot size 150m²;
- No height recession planes or side yards would apply. No street frontage recession plane will be required; and
- Communal carparking, the creation of laneways and the removal of minimum carparking provision would be permitted to provide for more flexible approaches to residential building types and functionality;
- It is envisaged that the overall density in the High Density Residential area would be +30Hh/Ha.

The current layout allows for 963 dwelling units based on 64 units per development block ((160x100m).

c. MEDIUM DENSITY RESIDENTIAL

This purely residential area is envisioned to be mostly terrace house developments with vehicle access via a laneway. A second dwelling per lot would be allowed to be developed above the garage subject to design controls. Buildings could be up to 8m high, 2 storeys with a site coverage up to 45%. The key design considerations of the Medium Density Residential Activity area are:

- Large front setbacks would be discouraged, being only 3-6m with a maximum setback applied;
- A minimum lot size of 240m² but a second unit allowed per lot;
- No height recession planes or side yards would apply. No street frontage recession plane will be required; and
- Laneways required;
- It is envisaged that the overall density in the Medium Density Residential area would be +19Hh/Ha.

The current layout allows for 681+553 dwelling units based on 40+40 units per development block ((160x100m).

d. MEDIUM TO LOW RESIDENTIAL

This purely residential area is envisioned to be individual house developments with vehicle access via the street. Buildings could be up to 8m high, 1-2 storeys with a site coverage up to 35%. The key design considerations of the Medium Activity area are:

- Large front setbacks would be discouraged, being only 3-6m with a maximum setback applied;
- A minimum lot size of 400m² but a second unit allowed per lot;
- Height recession planes and side yards would apply.
- It is envisaged that the overall density in the Medium to Low Density area would be +11Hh/Ha.

The current layout allows for 102 dwelling units based on 24 units per development block ((160x100m).

FLEXIBILITY OF USE

Developments should be able to adapt to future conditions in order to provide for continued success. They should be diverse enough to provide for and attract various groups of people and activities to fulfil the needs of a diverse range of users, increasing the resilience of the development over time. This is particularly important in the Mixed-Use areas.

LEGIBILITY AND UNIQUE CHARACTER

While not yet developed for this master plan, developments should create a strong sense of place through the design of unique amenities and buildings in order to provide an identity for the community and encourage respect for the design. Incorporating landmarks and unique spaces into the design will increase the legibility of the development for its users. The use of a grid street pattern allows for vistas to be created, or to align with important landmarks.

Prepared by Dave Compton-Moen

1 June 2017

GLOSSARY OF TERMS

*The seven 'c's of the New Zealand Urban Design Protocol are:

Context, Character, Choice, Connections, Creativity, Custodianship and Collaboration.
These are a combination of design processes and outcomes.

The seven Cs:

- provide a checklist of qualities that contribute to quality urban design
- are based on sound urban design principles recognised and demonstrated throughout the world
- explain these qualities in simple language, providing a common basis for discussing urban issues and objectives
- provide core concepts to use in urban design projects and policies
- can be adapted for use in towns and cities throughout New Zealand.

(Source: NZ Urban Design Protocol, MfE)

** CPTED Principles

Crime prevention through environmental design (CPTED) is a multi-disciplinary approach to deterring criminal behavior through environmental design. CPTED strategies rely upon the ability to influence offender decisions that precede criminal acts. Generally speaking, most implementations of CPTED occur solely within the urbanized, built environment. Specifically altering the physical design of the communities in which humans reside and congregate in order to deter criminal activity is the main goal of CPTED. CPTED principles of design affect elements of the built environment ranging from the small-scale (such as the strategic use of shrubbery and other vegetation) to the overarching, including building form of an entire urban neighbourhood and the amount of opportunity for "eyes on the street". (Source: Wikipedia)

LADIES MILE INDICATIVE LANDSCAPE STRATEGY

LANDSCAPE DESIGN STATEMENT

The following draft Landscape Design Statement relates to the Indicative Master Plan prepared for Ladies Mile in June 2017 by DCM Urban Design Limited. The Indicative Master Plan proposes a 75m landscape strip on either side of the SH6 - Ladies Mile, where possible to retain a high amenity entrance into Frankton and Queenstown. The statement outlines the Master Plan design philosophy; requirements for pedestrian and cycle movement; possible options for providing active recreation facilities; stormwater treatment and low impact design solutions; and possible plant types and species to be considered within the strip.

INDICATIVE LANDSCAPE STRATEGY DESIGN PHILOSOPHY

The 75m landscape strip or green belt on either side of SH6 is an important design element in the Indicative Master Plan design, maintaining an open corridor which affords views through to Slope Hill and the Remarkables for motorists entering and leaving Queenstown. The intention of the green belt is not to screen development in all entirety from the highway but to allow framed and partial views through to well-designed developments.

The green belt provides several key attributes which help to strengthen the intensive residential developments proposed for Ladies Mile, including:

A very legible design which maintains open views to the mountains and slope hill;

Allows views through to future development but with sufficient planting and distance to frame views and create interesting vistas;

Potential for both passive and active recreation opportunities including playing fields;

To provide a physical connection between the Shotover River corridor and Lake Hayes with minimal road crossings;

Stormwater treatment areas to capture and slow runoff

A buffer between highway noise and future residential dwellings;

An internal local road would run along the outer edges of the green belt so that properties face out onto the open space as opposed to backing onto the reserve. The local street would be 10-15m wide and is included in the 75m wide landscape strip.

Where possible, existing trees and vegetation will be retained and mixed with new planting to provide a sense of establishment. Each area will be reviewed on a case-by-case basis depending on the form, species and position of the plants.

REQUIREMENTS FOR PEDESTRIAN AND CYCLE MOVEMENT

The green belt would provide off road routes for cyclist and pedestrians, providing a more direct route for commuters as well as provide an interesting alternative for tourists travelling out to Lake Hayes, AJ Hackett Bungy and Gibbston Valley. The width of the belt also allows

the future design of the SH6 underpasses to be as open as possible (CPTED) and to provide a shallow gradient improving accessibility for all users. Cycle facilities including shelters could be included in the design at key meeting points.

POSSIBLE OPTIONS FOR PROVIDING ACTIVE RECREATION FACILITIES

There are number of different facilities which could be provided in the Green Belt including:

- Sports field(s)
- Playground(s)
- BMX bike track / skate park
- Shelters / toilets
- Walking / running paths and fitness stations
- Shared paths
- Seating / lighting

STORMWATER TREATMENT AND LOW IMPACT DESIGN SOLUTIONS

Landscape materials used for surfacing should be designed with drainage and low impact design solutions in mind, be low maintenance but of a quality and style which enhance the amenity of Ladies Mile. By incorporating low impact design solutions on-site to minimize runoff and peak flows it is possible achieve stormwater neutrality or at least a reduction. All systems are more cost effective if incorporated during the design phase (as opposed to being retrofitted) but require maintenance to ensure their effectiveness is retained. By implementing systems such as those listed below, it is possible to reduce peak flows and peak stormwater discharges reducing the impact on Council owned stormwater infrastructure, subject to on-site solutions being well-designed and maintained.

- Swales alongside streets to collect runoff;
- Rain gardens to collect stormwater in more urban, engineered areas;
- Detention basins;
- Permeable paving and limiting hard stand areas for carparking areas, paths and play areas;
- Avoidance of 'kerb and channel' detailing which appears heavily engineered.

POSSIBLE PLANT TYPES AND SPACES

An important aspect of the green belt will be the species selection and placement of trees to enhance the colour and character of the SH6 road corridor. The Ladies Mile corridor is well known for its rows of deciduous trees on the southern side, and the proposed planting list builds on that theme of exotic deciduous species. The following are suggested tree and shrub species:

Avenue and Street Trees

<u>Botanical Name</u>	<u>Common Name</u>	<u>Botanical Name</u>	<u>Common Name</u>
<u><i>Aesculus hippocastanum</i></u>	<u>Horse Chestnut</u>	<u><i>Platanus orientalis</i></u>	<u>Oriental Plane</u>
<u><i>Carpinus betulinus</i></u> <u>'Fastigiata'</u>	<u>Upright</u> <u>Hornbeam</u>	<u><i>Quercus palustris</i></u>	<u>Pin Oak</u>
<u><i>Fagus sylvatica</i></u>	<u>English Beech</u>	<u><i>Quercus robur</i></u>	<u>English Oak</u>
<u><i>Juglans regia</i></u>	<u>Common walnut</u>	<u><i>Tilia x europaea</i></u>	<u>European Lime</u>
<u><i>Liquidamber styraciflua</i></u>	<u>Liquidamber</u>	<u><i>Ulmus procera</i></u>	<u>Green English Elm</u>

Amenity / Orchard Trees

<u>Botanical Name</u>	<u>Common Name</u>	<u>Botanical Name</u>	<u>Common Name</u>
<u><i>Acer davidii</i></u>	<u>Snakebark Maple</u>	<u><i>Prunus 'Awanui'</i></u>	<u>Sweet Cherry</u>
<u><i>Acer rubrum</i></u>	<u>Maple</u>	<u><i>Prunus 'Thunder Cloud'</i></u>	<u>Flowering Cherry</u>
<u><i>Magnolia 'Little Gem'</i></u>	<u>Evergreen Magnoli</u>	<u><i>Malus x domestica</i></u>	<u>Apple</u>
<u><i>Prunus avium 'pendula'</i></u>	<u>Flowering Plum</u>	<u><i>Prunus species</i></u>	<u>Flowering cherry species</u>

Hedging

<u>Botanical Name</u>	<u>Common Name</u>	<u>Botanical Name</u>	<u>Common Name</u>
<u><i>Griselinia littoralis</i></u>	<u>Broadleaf</u>	<u><i>Prunus lusitanica</i></u>	<u>Portuguese laurel</u>
<u><i>Carpinus betulinus</i></u>	<u>Hornbeam</u>		

Prepared by Dave Compton-Moen

7June 2017

GLOSSARY OF TERMS

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The Urban Design Protocol identifies seven essential design qualities that create quality urban design: the seven Cs. They are: Context, Character, Choice, Connections, Creativity, Custodianship and Collaboration. These are a combination of design processes and outcomes.

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(Source: NZ Urban Design Protocol, MfE)

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Ladies Mile Development Objectives

Land use

- A comprehensive and integrated development based in general accordance with an indicative master plan to provide for Queenstown's future urban growth
- Development is based on a grid layout to facilitate public transport, walking and cycling and reduce dependence on private vehicle use.
- A central small format retail area shall provide a village centre and focus for the wider Ladies Mile area including Shotover Country and Lake Hayes Estate.
- A predominance of medium and high density residential (attached, two-three storey) is desired to ensure valuable land suitable for urban development is used efficiently.
- Ensure standard engineering and planning solutions are applied to address any likely geotechnical issues or hazards that may arise.

Landscaping / Reserves

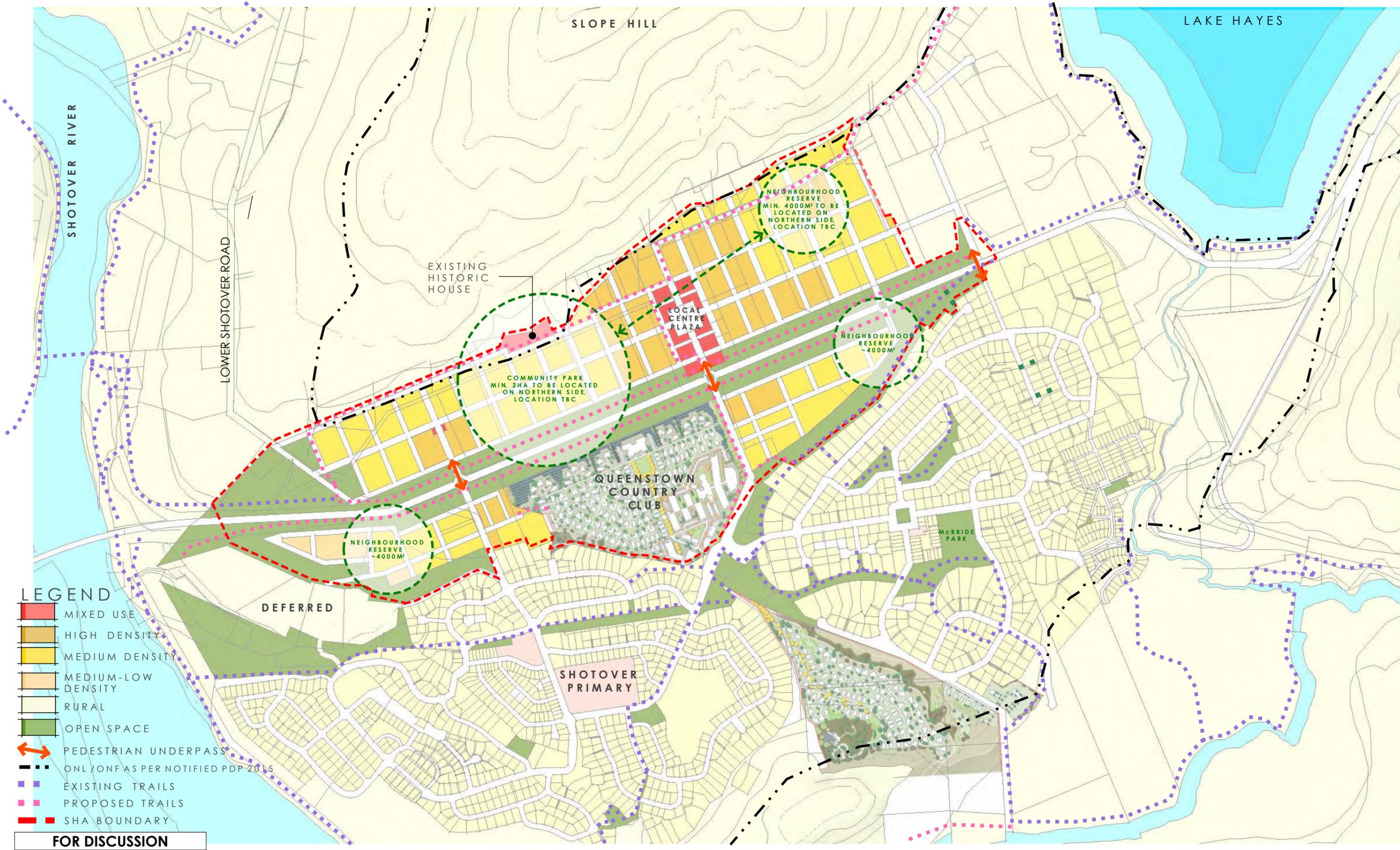
- A landscaped set back along the Ladies Mile is required, consistent with the 'Indicative Master Plan' and 'Indicative Landscape Strategy', to ensure high amenity levels along the Ladies Mile as a key entranceway to Queenstown, without trying to hide development behind mounds.
- Locality based reserves are required in accordance with Councils Parks and Open Space Strategy 2017 (rather than a series of minor reserves).

Transport

- Vehicle and pedestrian access points to, and across the State Highway shall be defined and restricted to a limited number of points (but recognising some temporary access arrangements will be necessary to facilitate out of sequence developments)
- New walking and cycling trails are required and need to integrate with existing trails and link under / across the State Highway.
- Trails need to be suitable for commuters as well as for recreational purposes.

Infrastructure

- Infrastructure and specifically stormwater requires a holistic approach across the whole of the Ladies Mile.
- Key wastewater and potable water network elements require definition and funding.



2. INDICATIVE MASTER PLAN

**QLDC Council
23 June 2017**

Report for Agenda Item: 1

Department: Planning & Development

Proposed amendments to the Council's Lead Policy for Special Housing Areas to include the Ladies Mile

Purpose

- 1 The purpose of this report is to recommend that public feedback be sought on a proposal to amend the Council's Lead Policy for Special Housing Areas to include a defined area of the Ladies Mile within Category 2, where expressions of interest for Special Housing Areas would be encouraged.

Executive Summary

- 2 The district's housing affordability problem, and the high levels of growth being experienced, require the Council to consider how it can enable and provide more land for housing. This is reinforced by a number of drivers from central government including the Housing Accord and the National Policy Statement on Urban Development Capacity.
- 3 Council resolved on 26 May 2016, when deciding to recommend the Queenstown Country Club Special Housing Area to the Minister, to seek a report on the issues and options to master plan the development of the Ladies Mile area. If the area is to be developed, a range of options are available to the Council from rural residential through to high density residential. A variety of mechanisms are available to Council including a potential variation to the Proposed District Plan or through an amendment to the Lead Policy for Special Housing Areas.
- 4 This agenda item reports back on the issues and options as requested by the Council. The agenda item recommends that public feedback be sought on a proposal to amend the Lead Policy to include the Ladies Mile area as an area where SHA applications would be considered, based on an Indicative Master Plan that enables a mixture of housing densities around a small commercial core, to provide a heart for the combined Ladies Mile, Lake Hayes Estate and Shotover Country areas. Development would be required to be in accordance with an Indicative Master Plan, Indicative Landscape Strategy and the Ladies Mile Development Objectives.

Recommendation

That Council:

1. **Note** the need to provide more land for residential development arising from the:
 - a. unaffordable nature of the Districts rental and housing markets

- b. the National Policy Statement on Urban Development Capacity, and
 - c. the Housing Accord targets.
2. **Seek** public feedback on the proposed addition of the Ladies Mile Area into Category 2 of the Housing Accords and Special Housing Areas Act 2013 Implementation Policy ("**Lead Policy**"), including the inclusion of:
- a. an Indicative Master Plan; and
 - b. an Indicative Landscape Strategy and
 - c. the Ladies Mile Development Objectives

Prepared by:



Blair Devlin
Manager, Planning Practice
13/06/2017

Reviewed and Authorised by:



Tony Avery
General Manager, Planning &
Development
13/06/2017

Background

- 5 The background to this agenda item is covered under seven topic headings. The first five relate to the need to provide more land for housing:
- a. The National Policy Statement on Urban Development Capacity
 - b. The Dwelling Capacity Model
 - c. The Housing Accord and its targets
 - d. The Housing Infrastructure Fund
 - e. Housing affordability
- 6 The last two relate to the setting:
- a. The Queenstown Country Club Special Housing Area (SHA); and
 - b. The Wakatipu Basin Land Use Study
- 7 Consultation undertaken to date is also covered.
- The National Policy Statement on Urban Development Capacity (NPSUDC)*
- 8 The NPSUDC requires the Council to recognise the national significance of:
- a. *Urban environments and the need to enable such environments to develop and change and*

b. *Providing sufficient development capacity to meet the needs of people and communities and future generations in urban environments.*

- 9 The NPS-UDC requires the analysis of “sufficient” development capacity. This should account for the likelihood that not all capacity will be developed and, therefore, requires provision of an additional margin of 20% over and above the projected short and medium-term residential business demand, and 15% over and above the projected long term residential and business demand.
- 10 The sufficient development capacity referred to above “*must be feasible, zoned and serviced with development infrastructure*” in the short term (1-3 years) and medium term (3-10 years):

PA1: Local Authorities shall ensure that at any one time there is sufficient housing and business land development capacity according to the table below:

Short term	Development capacity must be feasible, zoned and serviced with development infrastructure.
Medium term	Development capacity must be feasible, zoned and either: <ul style="list-style-type: none"> serviced with development infrastructure, or the funding for the development infrastructure required to service that development capacity must be identified in a Long Term Plan required under the Local Government Act 2002.
Long-term	Development capacity must be feasible, identified in relevant plans and strategies, and the development infrastructure required to service it must be identified in the relevant Infrastructure Strategy required under the Local Government Act 2002.

- 11 The work undertaken to date to assess what meeting the NPSUDC requirements means for the District indicates that Council will need to provide land for approximately 9158 additional dwellings by 2028 (medium term) and 17,462 by 2048 (long term).

	2028		2048	
	Projected Additional dwellings	Additional dwellings required by NPS 20%	Projected Additional dwellings	Additional dwellings required by NPS 15%
Wakatipu	4623	5548	9,630	11,556
Wanaka	3008	3610	4,922	5,906
District Wide	7631	9158	14,552	17,462

- 12 The dwelling capacity model considers how Council is placed with responding to the requirements of the NPSUDC.

The Dwelling Capacity Model

- 13 Council’s dwelling capacity model is under review as part of the Proposed District Plan, and also to inform the Council’s planning response to the NPSUDC.

Results are still being reviewed and more detailed information will be available shortly.

- 14 Initial findings of the DCM identify that there is adequate and feasible residential capacity within the urban growth boundary for Queenstown to provide for projected growth in the short, medium and long term.
- 15 However, analysis of this data indicates that approximately 56% of this capacity is contained in three ownerships, specifically within the Low Density Residential zone at Kelvin Heights, Jacks Point / Hanley Downs, and the Remarkables Park zone.
- 16 Therefore while an initial review of the DCM would suggest that while Council has zoned enough land, having over half of the supply in three ownerships is problematic because:
- a. Little residential development has occurred within the Low Density Residential zone at Kelvin Peninsula over the last ten years
 - b. Little *residential* development has occurred at Remarkables Park over the last ten years
 - c. Some residential development is occurring at Jacks Point and residential development is underway at Hanley Downs
- 17 Queenstown therefore does not have a shortage of zoned land but rather an extremely low uptake of the land that is zoned for development. This is constraining the market as indicated by the unavailability of land for housing at the present time.
- 18 Under the NPSUDC, Council is required when making planning decisions to have particular regard to *“limiting as much as possible adverse impacts on the competitive operation of land and development markets”*. Facilitating residential development on the Ladies Mile will help limit the small number of owners slowing releasing the zoned land which is having an adverse impact on the operation of the land and development markets.
- 19 Growth projections show we need to plan for an almost doubling of the number of existing residential units in Queenstown and Wanaka over the next 30 years. A key question arises as to where they will be serviced. Estimated dwelling needs by 2048 are set out in the table below:

	Wakatipu	Wanaka	Total
Current Dwellings (2016)	10,631	6,412	17,043
Projected Additional Dwellings Needed by 2048 (NPSUDC)	9,630 to 11,556	4,922 to 5,906	14,552 To 17,462
% Increase	91%	77%	85%

The Housing Accord and its targets

- 20 In recognition of the high growth and unaffordable housing in the Queenstown Lakes District, the Council and the Government signed the Housing Accord on October 2014. The Housing Accord includes targets for new sections and dwellings that to date, Council has been able to achieve. In response to the high growth the district continues to experience, a new Housing Accord has been discussed between the Council and Minister Nick Smith. A separate agenda item covers proposed revisions to the Housing Accord targets.
- 21 In 2016, 760 new sections and dwellings were consented by QLDC. The revised 'stretch targets' subject to Council consideration are for a significant increase and will require the council to take action to ensure an ongoing supply of land for residential development.

The Housing Infrastructure Fund (HIF)

- 22 Council has submitted an application to the Governments HIF. This is a billion dollar interest free (for ten years) loan facility available to local government to help fund infrastructure associated with enabling residential development. Four Queenstown proposals were put forward in the final application to Central Government, including the Ladies Mile. The criteria for assessing applications to the fund are tightly linked to enabling land for housing development, and therefore intentionally favour greenfield proposals over intensification.
- 23 The Indicative Business Case seeks formal approval to provide infrastructure that will bring forward the supply of developable land within the Queenstown Urban Area. One of the applications was for the three waters and roading infrastructure to supply core services for just over 1,000 medium density residential units within the Ladies Mile development corridor, should the Council decide to amend its Lead Policy or change the current zoning.
- 24 A summary of the four HIF proposals were considered at Full Council on 24 March 2017. Council lodged its application to the HIF on 31 March 2017 and this is currently being assessed by an independent panel. A decision is expected by 30 June 2017.

Housing Affordability

- 25 Housing affordability and an adequate supply of suitable housing are key elements to maintaining a well-functioning, dynamic community with a strong economy. Currently the District's housing market is experiencing issues with the supply, affordability, and suitability of housing.
- 26 Businesses report difficulties attracting and retaining long-term and short-term staff due to a lack of affordable or suitable housing. This issue may become more pronounced if housing supply does not respond adequately to housing demand, especially demand for more compact and affordable housing closer to employment. Unaffordable homes contribute to increased pressures on families, communities, the social housing system, and on Government and Council support.

- 27 Average house prices in the district have increased by 29.5% over the last year as shown in the table below:

	Average House Price
Queenstown Lakes District February 2017	\$1,039,434
Queenstown Lakes District February 2016	\$802,634
Auckland – February 2017	\$1,043,680
New Zealand average house price	\$631,349

- 28 In January 2017, average weekly rents in Queenstown were the highest in the country at \$550, up 22.8 percent from \$448 in January 2016 and above average rents in Auckland (at \$518).
- 29 The median multiple (the ratio of median house prices to median incomes) for Queenstown was the highest in the country in February 2017 at 10.71; above the North Shore (10.04), Auckland Central (9.45), and the wider Auckland metropolitan area (8.84).
- 30 As a tourist area, the District also has a high proportion of holiday homes and visitor accommodation which adds further pressure to the housing market and residential land supply. The increasing prevalence of existing housing stock used for short-term rental through websites like Airbnb (due to the higher rental returns) further constrains the local rental market.
- 31 While increasing land supply is only one element to addressing the housing affordability problem the country is facing, it is an element within the control of Council (unlike say, the tax treatment of property) and an important element in Queenstown given that local geography limits the opportunities for urban development.

The Queenstown Country Club

- 32 When considering the expression of interest (EOI) for the Queenstown Country Club (QCC) retirement village SHA on Ladies Mile, Full Council resolved on 26 May 2016 to:

“4. Recognise the consequences should this development proceed [which is detailed in Paragraphs 90, 98, 99, 105, 106 and 119 of the report] which includes setting a precedent for future development on this portion of Ladies Mile Highway.

5. Instruct Council officers to report back to Council on issues and options to master plan the development of the Ladies Mile area including a potential variation to the Proposed District Plan.”

- 33 Since the above resolution was made, the Minister did approve the QCC as a SHA and resource consent under the Housing Accords and Special Housing Areas Act (HAASHA) was granted on 4 April 2017.

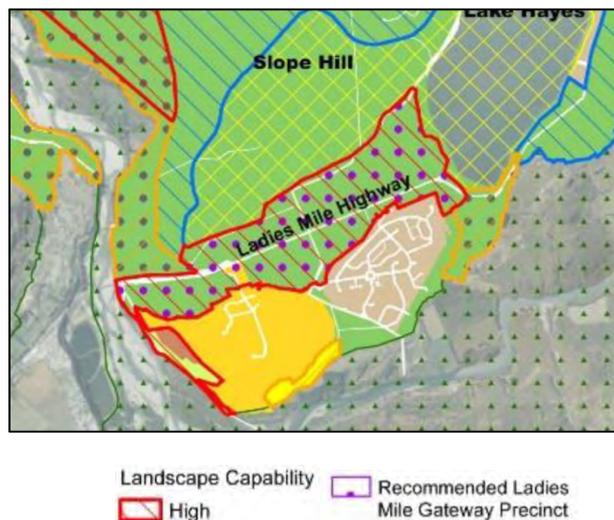
- 34 This agenda item relates to the required report back on issues and options to master plan the development of the Ladies Mile, as required under resolution (5) above.

The Wakatipu Basin Land Use Study (WBLUS)

- 35 The report back, requested by the Council in its May 2016 resolution on the Queenstown Country Club decision, was delayed following the release of a Minute on 1 July 2016 from the Chair of the Proposed District Plan Hearings Committee requesting Council consider undertaking a study of the Wakatipu Basin. The WBLUS was required because the Hearings Panel had reached the preliminary conclusion that:

“continuation of the fully discretionary development regime of the Rural General Zone of the ODP, as proposed by the PDP, was unlikely to achieve the Strategic Direction of the PDP in the Wakatipu Basin over the life of the PDP”.

- 36 Council agreed to undertake the study in a response to the Minute on 8 July 2016. The results of the WBLUS were reported to Full Council on 20 April 2017. The WBLUS concluded that the Ladies Mile does have a high capacity to absorb development relative to the Wakatipu Basin overall, in terms of different areas capacity to absorb further development, primarily because of the approval of the QCC.



- 37 The WBLUS recommends for the Ladies Mile:

- A Ladies Mile Gateway Precinct (LMGP) which may achieve a density of development at the same level as the PDP’s Low or Medium Density Residential zones, is subject to a 75m building setback control (from the highway), and assumes an ‘urban parkland’ type development character. The LMGP trumps the underlying WBRAZ provisions. A Structure Plan process will be required to address amenity, landscape and infrastructure issues.

- 38 The WBLUS is not Council policy, and how the recommendations are responded to in terms of planning provisions (including the method for responding e.g. a Variation to the Proposed District Plan) is still being determined. The response will need to align with any decision to add the Ladies Mile into the Lead Policy.

Ladies Mile Proposal

- 39 The Council resolution in paragraph 32 above asked staff to investigate issues and options associated with master planning the development of the Ladies Mile area. For the reasons outlined above, the Council does need to consider how it is going to provide and plan properly for the growth needs of the district, in terms of making sufficient land available to meet that demand in a way that assists to address both the District's housing affordability problems and future residential housing needs overall.
- 40 The following part of the agenda item comments on:
- a. Why the Ladies Mile and not other growth options?
 - b. What style of development is possible on the Ladies Mile?
 - c. What options does Council have to enable urban development on the Ladies Mile?
 - d. The Indicative Ladies Mile Masterplan
 - e. Entrances to Queenstown
 - f. Transport implications
 - g. If the resolution is adopted, what are the next steps?

Why the Ladies Mile and not other growth options?

- 41 Officers have not prepared or commissioned a high level growth options study for Queenstown for the purposes of this agenda item. Similarly, with regard to the Proposed District Plan, a high level growth options study was not provided due to additional greenfield zoning being provided in discrete areas, e.g. adjoining SH6 near Quail Rise. When the PDP was notified in 2015, the zoned capacity being provided for within the proposed urban growth boundaries and the more enabling provisions for infill development within existing zoned areas was considered to be enough supply without large additional greenfield areas.
- 42 As noted above, the sole reliance on existing zoned land to meet Queenstown's housing needs is now considered unlikely to meet the growth needs of Queenstown or meet the NPSUDC requirements which include consideration of how much land is 'sufficient' and how 'feasible' it is that land will be released for housing. The very low uptake of zoned land is also problematic.
- 43 In terms of urban growth, the opportunities for urban growth are largely contained in four geographic areas:
- a. The Ladies Mile adjacent to Lake Hayes Estate, Shotover Country and the QCC
 - b. The valley between the Kawarau River and Jacks Point / Hanley Downs
 - c. Along Malaghans Road from Arthurs Point
 - d. Intensification of existing urban areas (as per PDP)
- 44 With regard to Option (d), providing for intensification in existing urban areas is being addressed through the Proposed District Plan process. While this will likely

provide additional housing units, experience shows that the delivery of additional units can be limited due to a range of economic and existing land use reasons.

- 45 With regard to Options (a) – (c), officer's consider the Ladies Mile is best placed to accommodate urban development given it is directly adjacent to existing urban development in the form of Lake Hayes Estate, Shotover Country and the QCC. The Ladies Mile is also physically close to the major employment area of the Frankton Flats and its industrial zones.
- 46 The area can also be serviced with infrastructure more readily, due to the proximity of the Council's wastewater treatment plant and bore field, and the existing reticulated networks in Lake Hayes Estate / Shotover Country. Generally speaking there are few natural hazards other than known alluvial fans which can be managed.
- 47 The land along Malaghans Road still has strong rural character and little development, and the WBLUS identified it as having a low capacity to absorb development.
- 48 The land between the Kawarau River and Jacks Point / Hanley Downs is also being considered, however it is less readily serviced from an infrastructure perspective and would therefore take longer to be enabled.
- 49 Council is required under the NPSUDC to prepare a 'Future Development Strategy' by 31 December 2018. This will better articulate where future development should occur. However the 'Future Development Strategy' will inevitably be influenced by the Proposed District Plan rezoning requests, and associated appeals, and while it is an option to wait for those processes to work through, they do not prevent a decision being made on the Ladies Mile now to facilitate land for housing. It is anticipated that over the next 10-20 years, some or all of the options identified above will need to be considered in order to provide the additional land capacity.

What Style of Development is Possible on the Ladies Mile?

- 50 With regard to resolution 5 from 26 May 2016 (paragraph 32 above), should the Council seek to enable further development on the Ladies Mile, a range of development options are available as set out in Table 1 below:

Table 1: What Sort of Urban Development is possible on the Ladies Mile?

	Approximate Yield for whole Ladies Mile Study Area* (136 ha)	Examples of similar development	General Comment
Rural Residential (1 per 4000m²)	340 residential units	North of Lake Hayes	Entirely car orientated, very low density, but maintains a sense of being less urban / green / open
Rural Lifestyle (Minimum of 1 per 1 hectare, average of 2ha)	68 residential units	Dalefield	Entirely car orientated, very low density, but maintains a sense of being less urban / green / open

	Approximate Yield for whole Ladies Mile Study Area* (136 ha)	Examples of similar development	General Comment
Low Density (assume 1 per 700m²)*	1165 residential units*	Lake Hayes Estate	Not well suited to passenger transport. Car orientated
Medium Density (assume 1 per 250m²)*	3264 residential units*	Bridesdale	Better suited to passenger transport, walkable urban style development.
High Density (assume 1 per 150m²)*	5440 residential units*	Around the Queenstown Town Centre (apartment style 3 storey)	Well suited to passenger transport and walkability. Multi storey means more expensive to build and potentially harder to sell.
Mix of Low, Medium and High (as above)*	2224 – 2874 (as per Indicative Master Plan yield analysis)	e.g. Indicative Ladies Mile Master Plan	Mixes all of the above with higher densities centrally located around a retail core. Well suited to passenger transport and walkability.

*using a formula of subtracting 40% for roads, reserves and the 75m SH setback for LDR, MDR, HDR & Mix.

- 51 When considering the above table, it is important to consider Queenstown has limited growth corridors and relatively scarce areas of land suitable for urban development that are flat, accessible and not within an Outstanding Natural Landscape. Officers consider that using the land for Rural Residential or Rural Lifestyle would not be an efficient use of the land when looking over a 20 to 30 year time frame and the history of Queenstown's growth.
- 52 Similarly, Queenstown is already well supplied by Lake Hayes Estate and Shotover Country with low density residential development, i.e. one large house per section. This type of development is popular but expensive, and does not work well for public transport, a key consideration given the limited transport corridors available. The Ladies Mile could quickly be covered in large dwellings on large sections, which are not at the more affordable end of the housing spectrum.
- 53 Given the scarcity of land suited for urban development, it is recommended that a mixture of high, medium and low density development is provided for, as shown in the bottom row of Table 1.

What options does Council have to enable urban development on the Ladies Mile?

- 54 There are also a variety of high level options that Council has to enable development on the Ladies Mile. These options include:

Table 2: High Level Options available to Council to enable development on the Ladies Mile

	Option 1 – Add to Category 2 of SHA Lead Policy and require development to be in accordance with an Indicative Master Plan	Option 2 – Variation to the PDP for just Ladies Mile, separate to WBLUS Response	Option 3 – Variation to PDP as part of full WBLUS Response	Option 4 – Do nothing and await decisions on submissions on the Proposed District Plan as notified (i.e. Rural zoning)
Estimated timeframes for paperwork	<ul style="list-style-type: none"> 6-12 months minimum – 3 – 6 months to receive an EOI, report to Council, make recommendation to Minister and for gazettal as a SHA. – Resource consents then lodged. 	<ul style="list-style-type: none"> – 12 - 15 months plus appeals – Prepare variation & s.32 cost benefit analysis, notify for submissions and further submission, go through RMA hearings and appeals process. – Decisions on submissions including possible Wakatipu Basin variation due 3rd quarter 2018 then appeals (refer separate agenda item) – Resource consents then lodged. 	<ul style="list-style-type: none"> – 12 - 15 months plus appeals – Prepare variation & s.32 cost benefit analysis, notify for submissions and further submission, go through RMA hearings and appeals process. – Decisions on submissions including possible Wakatipu Basin variation due 3rd quarter 2018 then appeals (refer separate agenda item) – Resource consents then lodged. 	<ul style="list-style-type: none"> 12 - 15 months plus appeals – Resource consents then lodged.
Estimated minimum timeframes for occupation of first houses	1.5 – 2 years	3 years but depends on number of appeals	3 years but depends on number of appeals	3 years but depends on number of appeals
Pro's	<ul style="list-style-type: none"> – Fastest option – Developers can be required to meet master plan and infrastructural obligations or no recommendation to the Minister – Limited appeals / litigation – Council seen as proactive – Can require a 10% contribution to QLCHT 	<ul style="list-style-type: none"> – Greater public input – Could be based around a structure plan setting out development bones – Separates Ladies Mile from other WBLUS issues 	<ul style="list-style-type: none"> – Greater public input – Could be based around a structure plan setting out development bones – Enables comprehensive look at entire Wakatipu Basin including Ladies Mile 	<ul style="list-style-type: none"> – Full public input through submission, further submissions and a hearing – Sticks to the Proposed District Plan as notified – Would retain generally open character of the Ladies Mile
Con's	<ul style="list-style-type: none"> – Limited public input – Council may have to help fund some 	<ul style="list-style-type: none"> – Slow – Subject to appeals / litigation (and submissions 	<ul style="list-style-type: none"> – Slow – Subject to appeals / litigation (and submissions 	<ul style="list-style-type: none"> – Does not provide land for housing – Could

	<p>infrastructure to ensure services put in are adequate for whole Ladies Mile not just the individual developers EOI</p>	<p>extending scope) - Would allow landowners to drive their own development agenda through submissions e.g. Rural Residential is easy to do but not necessarily what the district needs - Contribution to QLCHT required on a voluntary basis only</p>	<p>extending scope) - Would allow landowners to drive their own development agenda through submissions e.g. Rural Residential is easy to do but not necessarily what the district needs - Would get bogged down in wider WBLUS appeals - Contribution to QLCHT required on a voluntary basis only</p>	<p>jeopardise future use of the land for urban development through construction of expensive rural residential style homes</p>
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55 This report recommends that subject to consideration of public feedback, Council use the Lead Policy to enable expressions of interest for development on the Ladies Mile under the HASHAA (Option 1) because it will result in the right type of houses being built sooner. If the Lead Policy is amended, expressions of interest would be considered by Council and a recommendation made to the Minister to create a special housing area. Resource consents could then be lodged under the HASHAA and processed either non-notified or with notice to adjoining properties only.

56 The Government deliberately established the HASHAA to fast track housing and it is not subject to the same appeal rights afforded under the Resource Management Act (RMA). Officers consider the HASHAA is also more effective at requiring developers to build the appropriate infrastructure and in terms of making a contribution to the Queenstown Lakes Community Housing Trust (QLCHT).

57 The amended Lead Policy in **Attachment A** proposes requiring a 10% contribution of the developed value contribution to the QLCHT. A higher contribution is proposed in recognition of the benefits of the SHA process to developers in that they could go from lodging an expression of interest to obtaining resource consent within 12 months, as occurred with the Queenstown Country Club, whereas the Variation or rezoning process takes many years, is likely to involve expensive litigation and has a less certain outcome.

58 While the RMA processes involve more public input, the timeframes associated with submissions, further submissions, a hearing and then appeals means the provision of more housing can be delayed for many years.

The Ladies Mile Indicative Master Plan

59 It is recommended that expressions of interest for SHAs broadly align with the Indicative Master Plan, is appended as part of **Attachment A**. A design statement is also included which sets out the rationale for the design of the Indicative Master Plan. It is based on a grid layout to achieve an efficient use of this piece of land, and is based around the key principles of variation in built form

and dwelling type, flexibility of use, connectivity, and legibility. These principles in turn encourage the use of public transport, walking and cycling.

- 60 The Indicative Master Plan covers an area of 136ha and if fully utilised would enable a yield of 2224-2874 residential units. The maximum yield is highly unlikely to be achieved, as not all landowners will want to or be able to develop, and the HASHAA legislation is due to expire in less than three years.
- 61 The Indicative Master plan provides four different density types from low through to high density. While templates for each density type have been provided to give Councillors and landowners an indication of the type of development that would result, the Indicative Master Plan specifies densities to be achieved and how that is actioned is up to individual developers. i.e. a developer can come up with their own design to achieve medium density, which will be subject to review.
- 62 In addition to the Indicative Master Plan, a series of broad objectives have been developed that would guide future development of the area. These have been included as an Annex within the updated Lead Policy appended as **Attachment A**).

Entrances to Queenstown

- 63 The Ladies Mile is considered by many in the community to be the entrance to Queenstown. Others view the Amisfield Winery area to be the entrance to Queenstown, as this is the location of the first obvious residential development and views of the mountains surrounding Lake Wakatipu. Council's 2007 Growth Management Strategy indicated that the Shotover River was the edge of Queenstown, however since that document was prepared, Shotover Country and the QCC have been approved.
- 64 The Indicative Master Plan seeks to provide an attractive, landscaped entrance along the Ladies Mile, with a consistent theme regardless of who the developer is. The Indicative Landscape Strategy document is included within the amended Lead Policy in **Attachment A**.
- 65 Under this proposal, EOIs for SHA development would need to be consistent with the Indicative Landscape Strategy before Council would recommend them to the Minister, and this should ensure a consistently high level of amenity along the Ladies Mile. The Indicative Landscape Strategy does not seek to hide away urban development but rather have well designed urban environments that are softened by pleasant amenity plantings.

Transport Implications

- 66 Modelling of the transport implications was undertaken by Abley Consultants Ltd as part of the indicative business case for the Housing Infrastructure Fund application.
- 67 A specific assessment of the impacts from the Indicative Master Plan on the capacity of the Shotover Bridge has also been undertaken, as the Shotover Bridge has been identified as a key capacity constraint. The capacity of the existing bridge has been calculated as having a peak hour capacity of 1590 vehicles per lane.

- 68 Based on *current* QLDC growth forecasts published in 2016, the bridge will reach capacity when operating during the evening peak in 2035, which will extend out to 2044 if 10% of vehicle drivers shift to public transport or other alternative modes.
- 69 Additional residential development on the Ladies Mile brings forward the time at which the bridge reaches capacity. If an additional 1000 medium density dwellings were developed by 2025 the bridge will reach capacity at 2025 (or 2032 if a 10% shift to alternative modes is achieved).
- 70 A further scenario was assessed with 2000 medium density households developed by 2025 and it was concluded that the bridge would reach capacity well before the additional development was completed, irrespective of any additional uptake of alternative modes.
- 71 The New Zealand Transport Agency (NZTA) was involved at the very initial stages when the concept of medium density residential over the whole area was first proposed. The Indicative Master Plan is still broadly based on a medium density concept. The NZTA has only recently been provided with the results of the modelling, and at the time of the agenda cut-off, were still considering the implications.
- 72 Under either scenario, it is clear enabling further residential development on the Ladies Mile will bring forward the date at which the Shotover Bridge reaches its capacity.

If the Amendments to the Lead Policy are Adopted, what are the Next Steps?

- 73 If the Ladies Mile is added into Category 2 of the Council's Lead Policy, the following steps would occur:
- i. Expressions of interest (EOIs) are submitted*
 - ii. Report to Full Council (no further public feedback sought if consistent with the Indicative Master Plan)*
 - iii. Should the EOI be accepted in principle, negotiate an appropriate Stakeholder Deed*
 - iv. Once the development agreement is agreed and signed, the special housing area will be recommended to the Minister.*
 - v. Minister makes decision whether to approve as a SHA*
 - vi. Subdivision and resource consents lodged and processed under HAASHA framework.*

Options

- 74 High level options for the Ladies Mile are set above. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 75 Option 1 – Enable development on the Ladies Mile through an amendment to the Lead Policy in a comprehensive manner in general accordance with an Indicative Master Plan

Advantages:

- 76 Is most likely to deliver housing quickly in a comprehensive and integrated manner
- 77 Enables Council to set the development agenda and require developers to align with an Indicative Master Plan.
- 78 Developers can be required to meet the Indicative Master Plan and infrastructural obligations or no recommendation to the Minister
- 79 Limited appeals / litigation
- 80 Council seen as proactive rather than reactive to development pressure
- 81 Can require a 10% contribution to QLCHT

Disadvantages:

- 82 Likely to be seen by many as an unacceptable development in an area seen as an important gateway
 - 83 Public input at the resource consent stage is limited to adjoining properties
 - 84 No appeal rights from the resource consent decision
 - 85 Council may have to help fund some infrastructure to ensure services put in are adequate for whole Ladies Mile not just the individual developers EOI
 - 86 Timing and sequencing of development could be challenging from an infrastructure perspective
- 87 Option 2 – Undertake a variation to the proposed district plan for the Ladies Mile separate from the results of the WBLUS

Advantages:

- 88 Greater public input
- 89 Could still be based around a Structure Plan for the 'Ladies Mile Gateway Precinct' setting out development bones
- 90 Separates Ladies Mile from other WBLUS issues

Disadvantages:

- 91 Slow as subject to appeals / litigation
 - 92 Would allow landowners to drive their own development agenda through submissions e.g. Rural Residential is easy to do but not necessarily what the district needs
 - 93 Contribution to QLCHT required on a voluntary basis only rather than mandated
- 94 Option 3 – Undertake a variation to the proposed district plan for the Ladies Mile as part of the response to the WBLUS

Advantages:

- 95 Greater public input

- 96 Could still be based around a Structure Plan for the 'Ladies Mile Gateway Precinct' setting out development bones
- 97 Enables comprehensive look at entire Wakatipu Basin, including Ladies Mile

Disadvantages:

- 98 Slow as subject to appeals / litigation
 - 99 Would allow landowners to drive their own development agenda through submissions e.g. Rural Residential is easy to do but not necessarily what the district needs
 - 100 Would get bogged down in WBLUS appeals
 - 101 Contribution to QLCHT required on a voluntary basis only
- 102 Option 4 – Treat the Ladies Mile separately to the Wakatipu Basin and do nothing and wait till 'decisions on submissions' are issued on the Proposed District Plan as notified (Rural Zoning)

Advantages:

- 103 Would retain generally open character of the Ladies Mile
- 104 Least cost / effort.
- 105 Sticks to the approach as set out in the notified Proposed District Plan.
- 106 Full public input through submission, further submissions and a hearing

Disadvantages:

- 107 Land may be rezoned to Rural Lifestyle (1 dwelling per 1-2 hectares) rather than a more efficient use that creates land for Queenstown's long term growth in an integrated manner.
 - 108 A Rural Lifestyle Zoning would result in large lots with large expensive houses that would be more difficult to enable urban development on at a later date.
 - 109 Relies on land already zoned coming on stream to address demand, whereas experience is that despite having a sizeable amount of zoned land, it is not being developed.
 - 110 May not result in a comprehensive development of the area that best provides for Queenstown's growth.
 - 111 Potential for piecemeal development without any connections between neighbourhoods.
 - 112 Environment Court will set direction for the Ladies Mile rather than QLDC.
- 113 This report recommends **Option 1** for addressing the matter because it will:
- a. Make the best use of the scarce land available for long term urban development in proximity to Queenstown's existing urban residential and employment areas.

- b. Makes use of the tools the Government has put in place to address housing affordability.
- c. Provides a structured approach that enables development to be comprehensively guided in accordance with an Indicative Master Plan, rather than a series of individual developer led projects.
- d. Provides a large area of land for residential development, to address the pressing need for more land for urban development to help combat the housing affordability challenges.

Public Feedback Proposal

114 In the past Council, has not sought feedback on changes to the Lead Policy. However given the strong degree of public interest in the area, the following programme to seek feedback is proposed:

- a. Prepare discussion document summarising the issues in this agenda item
- b. Prepare media advisory / Council website and Facebook page
- c. Seek public feedback on Ladies Mile proposal
- d. Following public feedback, consider proposed amendments to Lead Policy on or before the Full Council meeting of 17 August.

Significance and Engagement

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

- a. Importance: The Ladies Mile area could provide a large amount of new land supply for much needed residential housing. The area is considered by many to be the entrance to Queenstown and has high amenity values.
- b. Interest: For the reasons above the matter is of high interest to the community as evidenced by the feedback received and media publicity.
- c. Existing Policy and Strategy: The proposal is not consistent with the Operative and Proposed District Plans, or the 2007 Growth Management Strategy. The Lead Policy does anticipate areas being added into Category 2 and by definition, special housing areas tend to be contrary to district plans, otherwise resource consent would be sought like normal.
- d. Capability and Capacity: There is a significant impact on the Council's intended level of service provision as the Ladies Mile area is not currently in the Long Term Plan as an area where infrastructure development is intended. While the developer would provide the required infrastructure for their particular area, Council's role is to ensure the capacity is adequate to service the whole Ladies Mile area in a comprehensive fashion.

Risk

- 116 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as high.
- 117 This matter relates to this risk because the supply of housing is central to the current and future development needs of the community.

Financial Implications

- 118 Under the HASHAA, developers are required to provide the necessary infrastructure to service their developments. Council negotiates Stakeholder Deeds to ensure the necessary infrastructure is provided. The addition of the Ladies Mile area into the Lead Policy will likely lead to requests from Council to finance the additional infrastructural capacity required to service the wider 'Ladies Mile Study Area', beyond the demand generated by the individual expression of interest. This will have budgetary implications for Council.
- 119 Currently there is no budget for capital works on the Ladies Mile. The work is not included in the Long Term Plan. However as noted above, the Council has applied to the Governments HIF for formal approval to invest in infrastructure that will bring forward the supply of developable land for housing. The HIF is an interest free loan for ten years. The decision is expected by the end of June 2017. Should the application be successful, the HIF monies could fund the required capital works and be recouped through development contributions.
- 120 A parallel amendment to the development contributions policy would also be required to recoup the money as development occurs over the whole area over the next 10 – 20 years.
- 121 Should the HIF application not be successful, further work would be required with developers to better understand the component of their infrastructure investment that is required for their individual expression of interest and what is required to service the wider area. At that point budgets could be re-assessed to prioritise infrastructure spending where new housing is being developed, rather than in areas that are zoned but where little residential development is occurring.

Council Policies, Strategies and Bylaws

- 122 The following Council policies, strategies and bylaws were considered:
- a. The Operative District Plan
 - b. The Proposed District Plan
 - c. Growth Management Strategy 2007
 - d. Long Term Plan
 - e. Lead Policy for SHAs
- 123 The recommended option is not consistent with the first four named policies, but is consistent with the Lead Policy which envisages areas being added into Category 2.

124 This matter is not included in the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

125 This item relates to an amendment to the Council's Lead Policy for Special Housing Areas. The proposed resolution accords with Section 10 of the Local Government Act 2002, in that it fulfils the need for good-quality performance of regulatory functions.

126 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by utilising the HASHAA to enable residential development on the Ladies Mile;
- Cannot currently be implemented through current funding under the 10-Year Plan and Annual Plan, but can be implemented should the Council's application to the Housing Infrastructure Fund be successful;
- Is not consistent with the Council's plans and policies; and
- Would alter significantly the intended level of infrastructural service provision undertaken by or on behalf of the Council.

Consultation: Landowner views

127 No consultation with the general public has been undertaken. In the past, the Council has not consulted the public when amending its Lead Policy. When it was last amended in October 2016 there was no public consultation. However given the high level of interest in the Ladies Mile area, the resolution sought is to seek public feedback on this change to the Lead Policy before making a decision on adoption.

128 A meeting was held with landowners on the northern side of Ladies Mile on 22 May 2017, and the southern side on 29 May 2017. Not all landowners were able to attend but a high proportion did attend or sent a representative. Written communications were also undertaken with some parties unable to attend the meeting. Written feedback was received from those meetings and resulted in a number of amendments to the Indicative Master Plan.

129 There was a range of views expressed by the landowners from complete opposition to full support. There was broad support for the concept of a comprehensive and integrated approach to the long term development of the area by the landowners, if the area is to be developed.

Legal Considerations and Statutory Responsibilities

130 The Council's Lead Policy relates to the application of HASHAA in the Queenstown Lakes District. The purpose of HASHAA is:

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

- 131 HASHAA provides limited guidance as to the role of a Lead Policy, or to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however the Council's legal advice is that these are relevant considerations and this has been confirmed by the recent High Court decision on Ayrburn Farm. The weight to be given to these matters is at the Council's discretion, having regard to the overall purpose of HASHAA. These matters have been considered in this report.
- 132 The Council will need to consider the consistency of any decision to amend the Lead Policy and its decision in July 2015 to notify the PDP, which maintains the sites as Rural zoning. However since the PDP was notified, the Government has issued the NPSUDC has been issued, which requires greater assessment of the feasibility of zoned land coming on stream. This has been a fundamental change, particularly with regard to consideration of whether it is feasible the zoned capacity we have in certain areas will be released for development.

Attachments

- A. Proposed amendments to the Council's Lead Policy including Annexure D
- B. Indicative Master Plan



ConnectBetter

SH6 Shotover River Bridge Capacity Analysis

Prepared for: Blair Devlin, QLDC
Job Number: QLDC-J015
Revision: 1
Issue Date: 8 June 2017
Prepared by: Dave Smith, Associate
Reviewed by: Robyn Hyde, Senior Transportation Analyst

1. Introduction

There is the potential for more residential and mixed-use development to become available along the SH6 Ladies Mile corridor to the east of the Shotover River bridge. Queenstown-Lakes District Council (QLDC) have commissioned Abley Transportation Consultants to consider the implications of additional residential development on the Shotover River bridge. This technical note presents the methodology and outcomes of a high level capacity analysis focusing on when the existing structure will reach its theoretical capacity and how this would be affected by any additional development along the Ladies Mile corridor.

2. Calculating the bridge capacity

The capacity of the existing bridge has been calculated using the procedure specified in the NZ Transport Agency Economic Evaluation Manual (2016) for two-lane rural roads. Based on an approximate 65/35 directional distribution of traffic during peak hours, a total roadway width of eight metres, and 4% and 7% heavy vehicles in morning and evening peak hours respectively, the capacity is calculated as 1590 vehicles per lane per hour.

This figure has been validated using the methodology in Austroads Guide to Traffic Management Part 3 for uninterrupted flow facilities which equates to 1560 vehicles per lane per hour in the evening peak hour. For the purposes of this assessment a peak hour capacity of 1590 vehicles per lane (from the NZ Transport Agency methodology) has been applied.

3. Capacity analysis methodology

The capacity analysis considers traffic generated under a selection of future growth scenarios to determine the year at which the Shotover River bridge will reach its theoretical capacity. The scenarios consider the expected future growth under current zoning provisions as well as exploring the impact of any additional residential growth to the east of the bridge over and above the current QLDC growth projections.

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The following assumptions have been made in the technical analysis:

- the current traffic volumes on the bridge have been estimated based on NZ Transport Agency average weekday traffic counts from March 2016 at site 00600991 (SH6 to east of Lower Shotover Rd) and adjusted up based on the QLDC Tracks Transportation Model flows from Stalker Road and Lower Shotover Road.
- Background growth in traffic volumes out to 2045 have been assumed based on modelled growth in traffic from the QLDC Tracks Transportation Model and are informed by QLDC's Queenstown Lakes District Growth Projections 2018-2058 published by Rationale in 2016.
- Additional household growth is assumed to be medium density based on 0.55 trips per dwelling in peak hour which is consistent with the RTA Guide to Traffic Generating Developments Version 2.2. It is noted that if any development were low or high density, the trip generation rate would be higher or lower (respectively) than this.
- The assumed distribution of traffic growth from the additional households is informed by the QLDC Tracks Transportation Model.

4. Findings

The calculated capacity of the Shotover River bridge is 1590 vehicles per lane per hour and currently the highest hourly demand is in the eastbound direction during the evening peak hour (1181 vehicles). Based on current growth forecasts which are consistent with QLDC's Queenstown Lakes District Growth Projections 2018-2058 published in 2016, the bridge will reach capacity when operating during the evening peak in 2035 which will extend out to 2044 if 10% of vehicle drivers shift to public transport or other alternative modes. These results are graphically depicted in Attachment A.

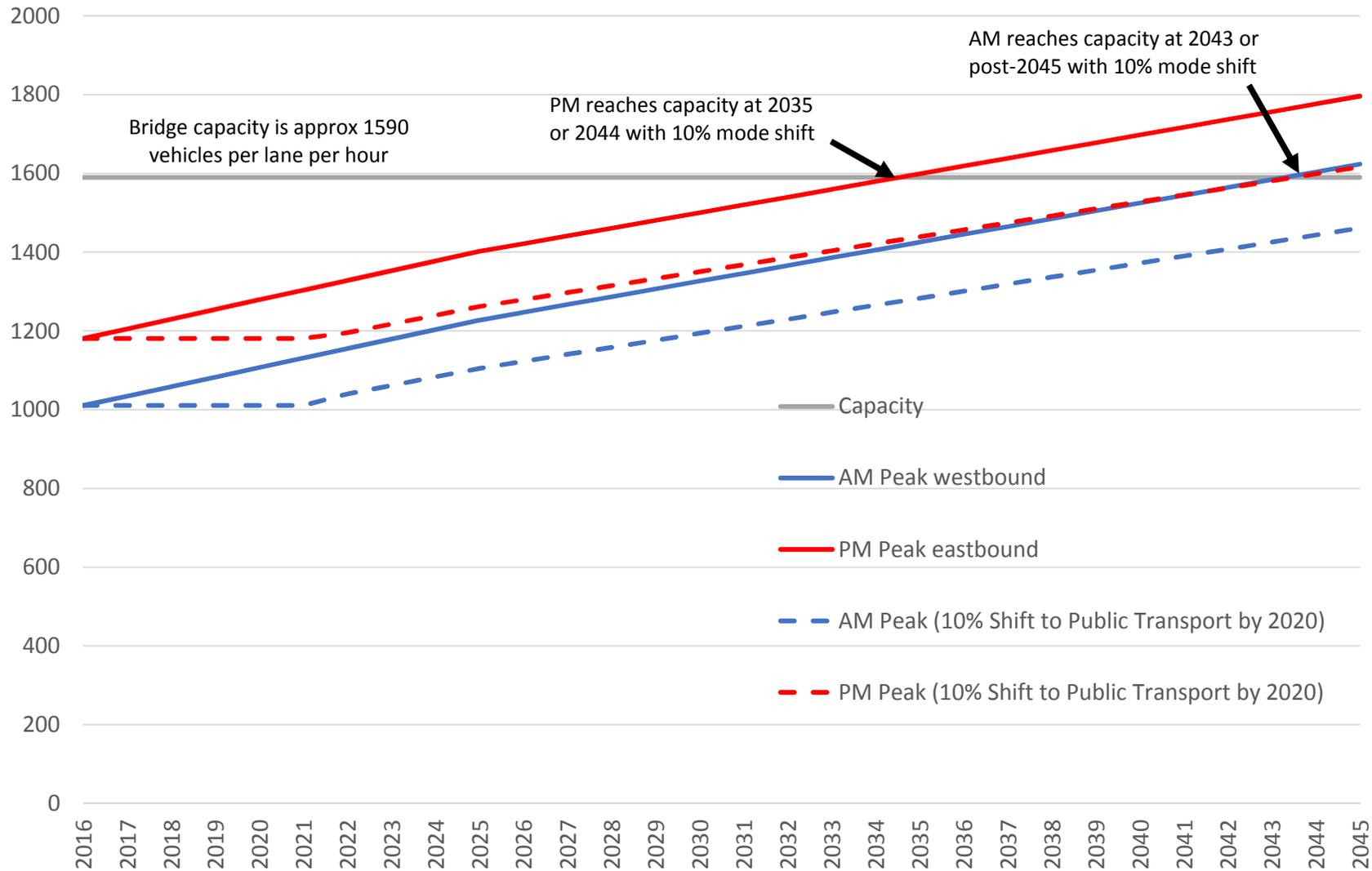
Additional growth in residential development to the east of the Shotover River bridge brings forward the time at which the bridge reaches capacity. If an additional 1000 medium density dwellings were developed by 2025 the bridge will reach capacity at 2025 (or 2032 if a 10% shift to alternative modes is achieved). A further scenario was assessed with 2000 medium density households developed by 2025 and it was concluded that the bridge would reach capacity well before the additional development was completed, irrespective of any additional uptake of alternative modes. These results are graphically depicted in Attachment B.

The year at which the evening peak hour flows exceed capacity are summarised in the below table.

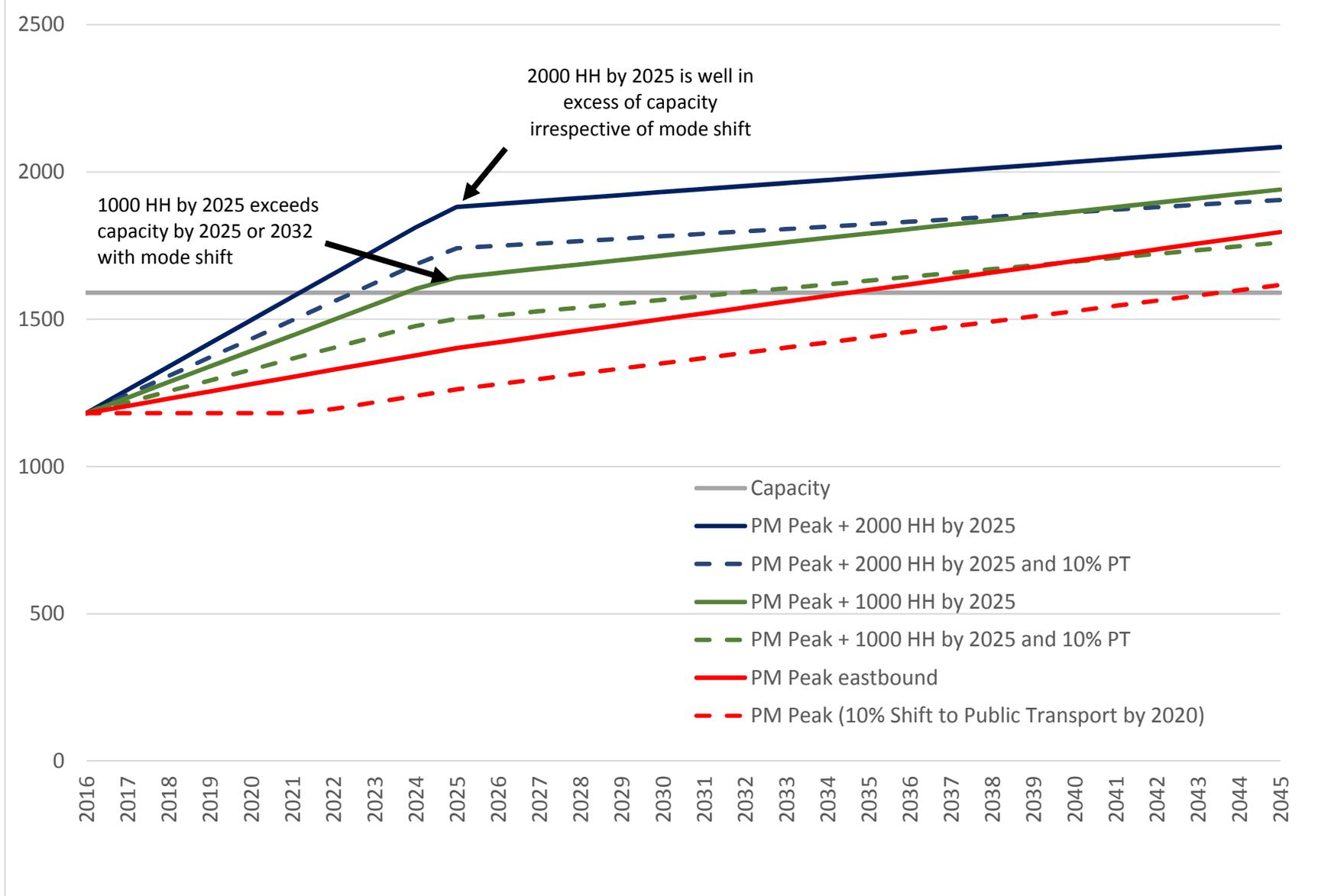
Scenario	Current Mode Share	+ 10% Uptake of PT
Current growth	2035	2044
+ 1000 Households	2024	2032
+ 2000 Households	2022	2023

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Attachment A: Shotover River Bridge capacity analysis



Attachment B: Capacity analysis with additional development



LADIES MILE - YIELDS BY AREA

- AREA 1 Area to the south of SH6 and to the west of the Country Club. There is a 75m strip to the north of this area with developable land positioned over two terraces, immediately to the north of Shotover County
- AREA 2 Area to the south of SH6 and the east of the Country Club, immediately to the east of Howards Drive extending east to where the existing escarpment meets the state highway.
- AREA 3 Area to the north of SH6 and to the west of the Pet Lodge, extending from Lower Shotover Road east towards Lake Hayes as far as the western edge of the Pet Lodge.
- AREA 4 Area to the north of SH6, extending from the western boundary of the Pet Lodge (including the Pet Lodge) to the east towards Lake Hayes but stopping short of Lake Hayes by 300-400m

AREA	AREA 1 (m ²)		AREA 2 (m ²)		AREA 3 (m ²)		AREA 4 (m ²)	
Stage Area	97,728.00		91,672.00		315,481.00		275,726.00	
Developable Area	65,265.00	67%	59,148.00	65%	183,358.00	58%	173,561.00	63%
Open Space	4,000.00	4%	4,000.00	4%	23,000.00	7%	4,000.00	1%
Roading and landscape strip and historic house (in Area 3)	32,463.00	33%	32,524.00	35%	132,123.00	42%	98,165.00	37%
Mixed Use (180m2)	-	0%	-	0%	14,432.22	9%	11,869.27	7%
High Density Lots (200m2)	7,964.45	13%	9,926.64	18%	54,521.72	34%	54,259.52	32%
Medium Density Lots (350m2)	38,596.95	63%	45,221.36	82%	91,404.06	57%	103,432.21	61%
Medium - Low Density Lots (600m2)	14,703.60	24%	-	0%	-	0%	-	0%
	0		0		-			

AREA	AREA 1 (m ²)		AREA 2 (m ²)		AREA 3 (m ²)		AREA 4 (m ²)		TOTALS
Mixed Use (180m2)	0		0		401		330		731
High Density Lots (200m2)	40		50		273		271		633
Medium Density Lots (350m2)	110		129		261		296		796
Medium - Low Density Lots (600m2)	25		0		0		0		25
TOTALS	175		179		935		897		2185

**QLDC Council
17 August 2017**

Report for Agenda Item: 2

Department: Planning & Development

Mayoral Housing Affordability Taskforce Update

Purpose

1. The purpose of this report is to provide an update to the Council on the work of the Mayoral Housing Affordability Taskforce.

Executive Summary

2. The Mayoral Housing Affordability Taskforce was set up in April 2017 by the Mayor, Jim Boulton to investigate new ways of addressing housing availability and affordability in the district with membership being drawn from a wide range of parties with an interest or involvement in the supply of housing within Queenstown Lakes area.
3. This report provides an update to Council on the outcomes of the first three and a half months of work by the taskforce and describes the current proposals on the following:
 - Develop a new Queenstown Lakes Affordable Ownership Programme (AOP)
 - Establishing a pool of affordable longer-term rentals
 - Source additional more accessible funding models
 - Provide more land and increasing density
 - Addressing funding support

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Note** this update from the Mayoral Housing Affordability Taskforce.

Prepared by:

Reviewed and Authorised by:



Tony Avery
General Manager Planning and
Development
08/08/2017

Mike Theelen
Chief Executive
08/08/2017

Background

3. The Mayoral Housing Affordability Taskforce was set up in April 2017 by the Mayor, Jim Boulton to investigate new ways of addressing housing availability and affordability in the district.
4. Membership of the Taskforce is drawn from a wide range of parties with an interest or involvement in the supply of housing within Queenstown Lakes area. The members and their affiliations are:

Name	Affiliation/Company
Bill Moran	Formerly Chief Operating Officer for New Zealand Treasury
Ian Adamson	Warren & Mahoney Architects - Principal
Ian Bayliss	QLDC – Planning Policy Manager
Ian Greaves	Southern Ventures – Development Manager
Jim Boulton	QLDC - Mayor
John MacDonald (Chair)	QLDC Councillor & Taskforce Chair
John May	Southern Ventures – Director
Julie Scott	QLCHT - Executive Officer
Kirsty Sinclair	Harcourts Real Estate Agent
Mike Theelen	QLDC - CE
Paul Croft	Infinity Investment Group - Chief Executive Officer
Paul Munro	Christchurch City Holdings Limited – Chief Executive
Ross McRobie	QLDC - Councillor
Sally Mingaye-Hall	Shotover Country Primary School – Board of Trustees and SIT Facilitator
Scott Figenshow	Community Housing Aotearoa - CEO
Shaun Drylie	SBS Bank - Group Chief Executive
Stephen Brent	Cavell Leitch Lawyers – Principal Partner & former QLCHT Acting Chairperson
Steve Evans	Fletcher Building – Chief Executive Land & Residential Development
Tony Avery	QLDC – GM Planning & Development
Trent Yeo	Ziptrek EcoTours - Director

Housing Affordability in Queenstown Lakes

5. The issue of housing affordability is well known in the Queenstown Lakes area and there have been a variety of attempts over the years to try and address the issue. There are a variety of statistics, official reports and media reports that tell the story of the current situation, which some have said has reached crisis point.

The reality is that housing costs in the district have risen at the highest rates across the country and on almost any measure the district is one of the most unaffordable places to live. So far the market has not been able to deliver sustainable affordable housing for the district in a manner that maintains the affordability of properties in the long term.

6. Considering that, the workings of the Taskforce have been based on a number of assumptions as follows:
 - a. The affordable housing ideal for Queenstown Lakes workers and families has not been achieved under current market responses;
 - b. Home ownership rates are dropping right across the country;
 - c. Queenstown Lakes District is now the most unaffordable place in the country and is likely to stay that way:
 - Fastest growing area in NZ in 2016, and unlikely to abate in the next 10 years
 - Ratio for house value to annual earnings is 20.6 compared to 16.6 for Auckland and 10.9 for NZ
 - Ratio of rent to income of 0.51:1 compared to 0.40:1 for Auckland.
 - People on average incomes cannot afford to own a house
 - People on average incomes cannot afford to rent long-term
 - The district needs to attract and retain key skills (education, health, police, management, administration)
 - The district needs to ensure locals can stay in the community
 - Average Incomes, which increase by CPI or thereabouts each year, cannot keep pace with the accelerating cost of owning and renting.
 - d. The gap is likely to widen over the next 10 years, as the price of land is driven up by the demand for high quality dwellings by retiring baby-boomers and high-income millennials, as well as foreign investors looking for safe havens;
 - e. Short of a significant market crash brought about by external factors, house prices are not likely to retreat to any significant extent;
 - f. Visitor accommodation needs will continue to limit the housing stock available to first home buyers and long-term renters, and will only get worse with increasing visitor numbers;
 - g. Therefore, can expect that we are going to see increasing uncertainty for long term stable accommodation to be provided:
 - Many will never achieve (be able to afford) home ownership here, meaning that they will continue to have to rely on the rental market
 - Rents will continue to go up in order to make a return, particularly for investors newly buying into the market
 - Airbnb and similar peer-to-peer providers will make it more likely that long term rentals will become less available, given the increased returns available on the short-term VA market.
7. The outcome of the above is anticipated to result in a very uncertain rental market where long-term residents cannot be certain of future rentals or availability, at a time when the cost of purchasing a house continues to become even more unaffordable for many of the district's residents.

Housing Affordability Taskforce

8. The Taskforce has met a number of times to discuss the current situation and to consider what could be done about it. Many cities across New Zealand and the world have grappled with the problem and a variety of solutions have been used to try and address the imbalance that results in many communities facing unaffordable properties and rental costs. Many of those attempted solutions have failed to address the long term affordability issues overall but have made a difference to aspects of their local situations. There have been a number of attempts in the past in Queenstown Lakes through a variety of approaches but, for whatever reason, affordability has continued to get worse over time.
9. The Taskforce has been exploring a range of options because it recognises that there is not going to be one single solution that will address all aspects, recognising that the market is quite diverse and people are looking for a variety of mechanisms that can meet their particular circumstances. It also recognises that, at the moment, there are really only two broad options available to people wanting to reside in the Queenstown Lakes area on a long-term basis:
 - Short term rentals where there is uncertainty about length of tenure and increasing rent costs over time as determined by the market
 - Buying a property which for many of the district's residents is now well beyond their means
12. While there is still further work to be done, there are a number of options being considered and developed by the Taskforce:
 - Develop a new Queenstown Lakes Affordable Ownership Programme (AOP)
 - Establishing a pool of affordable longer-term rentals
 - Source additional more accessible funding models
 - Provide more land and increasing density
 - Addressing funding support

Affordable Ownership Programme (AOP)

13. One new option that has been developed by the Taskforce is that of an affordable ownership programme, which would be innovative and new for New Zealand. The proposed delivery mechanism for this new approach would be through a new product for the QLCHT who have been considering it more fully.
14. The QLCHT has had a shared equity ownership programme for many years with an emphasis on the needs of families and long-term residents. As house prices have increased though, there are fewer and fewer people able to meet the criteria in terms of savings, and the maximum amount the Trust is able to contribute is not sufficient to achieve buy at current market prices.
15. The new programme being considered, and still under development, would result in an entirely new offering which would be targeted at key workers, families and long-term residents. There are two main components of the new programme that differ from other offerings, and which represent an innovative and new way of providing and retaining long term affordability:

1. The ownership of the land and of the housing unit is separated out:
 - a. QLCHT would retain ownership of the land in trust in perpetuity and lease the land at a concessional rental rate to the household
 - b. The housing unit would be purchased by the household, at an affordable price based on its improvement value or build-cost
 2. The future value of the housing unit is controlled:
 - a. Households would only be able to sell the property back to someone in the AOP pre-approved registered pool of buyers.
 - b. The price of the housing unit would be limited to an annual increase in line with CPI or something similar.
16. The Taskforce believe that this programme would help achieve affordable housing units that remain affordable for the long term. There are a variety of overseas examples where this sort of approach has been adopted, with Whistler being one similar area where they have been able to build a stock of 2000 affordable housing units strictly for resident workers and retirees to occupy.
17. Under this programme, households would still need to meet the QLCHT standard eligibility criteria, and would need to arrange their own mortgage with a market bank (or another funding mechanism). Initial discussions with banks through the Taskforce is that banks would likely provide mortgages for the above because the Trust would effectively be standing behind the programme as a result of having a waiting list of people able and willing to buy any defaulting property and, over time, the open market value of the property is likely to exceed the controlled price.
18. The advantages of AOP are seen as:
- Provides a house cost at substantially less than the current open market price;
 - Builds up and retains an affordable housing stock for sale or long-term rent over time as stock is not sold and lost into the open market;
 - Ownership confers and instils permanency that rentals do not achieve, giving an ownership interest and incentive to remain, encouraging long term certainty and commitment to the district.
19. The disadvantages of AOP are seen as:
- It is a new way of looking at property ownership and there may be resistance to, and a lack of understanding of, what is proposed.
 - Does not provide the same ability to enter into open market if prices continue to escalate away from the AOP market price
20. More work is being done by the QLCHT to further develop this programme and to work through the details of how it would work.

Establishing a pool of affordable longer-term rentals

21. At the moment, there are very few long-term rental options available throughout the Queenstown Lakes District, and there is consequently a high degree of uncertainty about rental availability and prices. The QLCHT is looking to provide longer term rentals that provide certainty and security to renters through their operations. Around half of the 40 units in their recent Shotover Country development for example are tagged for long term rentals.
22. The constraints on this are the supply of sufficient land and capital with which the QLCHT can then develop such properties. Further work is needed on how this situation can be improved.
23. There are currently very few (or no) other providers of long-term rentals in the Queenstown Lakes District, other than market providers.

Source additional more accessible funding models

24. The Taskforce was approached by a third party with a proposal for a “Shared Home Equity Product” (SHEP). No decision has been made on the proposal which is being considered by the Taskforce. Noting that there is still further analysis to be done by the Taskforce and given that the proposal is still commercially sensitive it is not possible to provide further detail at this time. However this is potentially an additional funding product that could assist people into the open market offering long term accessible finance and incentivising them to stay in the district.

Provide more land and increasing density

25. The lack of available land for developments that deliver houses into the market over the short to medium term is seen nationally as a significant reason behind the current affordability problems across the country. Queenstown Lakes is no different on that issue except that it is further exacerbated by the growth that is being experienced, with the district being one of the fastest growing areas in the country. The Council’s current growth predictions mean that the district is going to continue to be under pressure to provide land for future housing. Current predictions based on updated growth projections and updated assessment of available zoned capacity within the district indicates:

2048 Dwelling needs	Wakatipu	Wanaka	Total
Current Dwellings	12,128	7,590	19,718
Additional homes needed by 2048	9,500	5,000	14,500
% increase	78%	66%	74%
Zoned Feasible Capacity	20,500	10,000	30,500
Zoned Realisable Capacity	15,100	5,200	20,300

26. Over the next 30 years, there will therefore need to be almost as many housing units built as there are currently available. As part of that, the Taskforce considers that there will need to be a sizable increase in the provision of affordable units as the district's population increases.
27. Initial findings of the Council's Dwelling Capacity Model indicate that there is sufficiently zoned residential land within the urban growth boundaries of the Queenstown Lakes District to provide for projected growth in the short, medium and long term. However while there appears to be sufficient zoned land, given current market friction driven by a range of factors including land banking by current land owners and the time it takes to get land to the market, unless substantially more land is provided, the cost of sections as they are slowly released onto the market will likely continue to increase. The market is currently constrained as indicated by the unavailability of land for housing at the present time.
28. So while the Proposed District Plan in theory provides sufficient zoned land for growth as well as providing for increased densities in existing zones, as a means of trying to increase the supply of housing units, further consideration to the identification of and enabling further greenfield land does need to be considered. Further consideration also needs to be given to the option of the Council requiring a contribution from developers to go towards its long term affordable housing proposals at the time of major development such as plan changes or major subdivisions. This technique is used in many jurisdictions around the world as a means of providing land or developments to go to a Trust for long-term affordable housing options that also recognises the often significant increase in value associated with such developments.
29. In addition to the current District Plan review, the Council has also undertaken a number of initiatives designed to bring more houses to the market, reduce supply pressure, and drive down costs for residential developments:
- A successful application to the government's Housing Infrastructure Fund (HIF), which creates a loan facility to fund infrastructure associated with enabling residential development, for three areas.
 - Working with the government's Special Housing Area (SHA) programme under the Housing Affordability and Special Housing Area Act (HASHAA) to bring more residential developments to the market:
 - Seven SHA areas have been previously approved by the Council and six are now under development
 - Council are currently seeking feedback on a proposal to add Ladies Mile to the Council's Lead Policy which would then enable SHA applications to be received
 - Council officers have had discussions with 4-6 other parties about further SHA proposals both in the Wanaka and Wakatipu Basin areas

Addressing funding support

30. As part of its workings, the Taskforce was made aware that the housing accommodation supplement provided by the government to eligible Queenstown Lakes residents was geographically determined and that the boundaries of the current areas have not been updated for some time and do not reflect more recent residential development areas.
31. The effect of this is that residents in the areas of Lake Hayes Estate, Shotover Country, Quail Rise, Jacks Point and other areas such as Dalefield, Glenorchy and Kingston are not able to access the maximum supplement that those living in other residential areas within the Queenstown Lakes District can access. On a rental comparison basis, there is ample evidence that the rental costs in those areas are similar, if not greater than other areas of the District such as Fernhill, Sunshine Bay, Queenstown Central, Frankton and Arrowtown, where those eligible to receive the supplement can access the maximum amount.
32. Clearly an increase in the available supplement would assist those families on lower wages who are having to deal with the effects of high rental costs. Approaches have been made to government to have the residential areas identified as being eligible for the maximum supplement available from the government for those that qualify.

Conclusion

33. It has been recognised for many years that there is a housing affordability problem in Queenstown Lakes District, something which has become particularly evident in the last few years as the pricing of housing has shown the greatest increase across New Zealand. The Taskforce recognises that there is no simple solution to this problem and that a variety of approaches need to be considered.
34. The Taskforce has identified a number of possible approaches that it is investigating further, all of which are aimed at improving aspects of the current situation. Further work is required to test and develop those approaches and to report back on a plan that will ensure the momentum is maintained and to get the approved approaches to a point where the respective agencies can make a decision on implementing them.

Options

35. This report is for noting only, so there are no options to be considered.

Significance and Engagement

36. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it is only reporting on progress of a Taskforce and no decisions are required at this time.

Risk

37. This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as high.

38. This matter relates to this risk because the supply of housing is central to the current and future development needs of the community.

Financial Implications

39. There are no operational or capital expenditure requirements or other budget or cost implications resulting from this report.

Council Policies, Strategies and Bylaws

40. The following Council policies, strategies and bylaws were considered:

- a. The Operative District Plan
- b. The Proposed District Plan
- c. Growth Management Strategy 2007
- d. Long Term Plan
- e. Lead Policy for SHAs

41. The workings of the taskforce and any outcomes it delivers will be considered within the framework provided by the above documents.

42. This matter is not included in the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

47. The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by helping to address the current housing affordability within the District;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

48. There has been no consultation to date on any proposals other than with the taskforce members who are drawn from wide range of parties with an interest or involvement in the supply of housing within Queenstown Lakes area.

**QLDC Council
17 August 2017**

Report for Agenda Item: 3

Department: Planning & Development

Making Private Plan Change 44: Hanley Downs – Operative

Purpose

The purpose of this report is to make private Plan Change 44 – Hanley Downs, operative.

Recommendation

That Council:

1. **Note** the contents of this report and;
2. **Authorise** officers to amend the Operative District Plan to incorporate the changes made through Plan Change 44, as set out in the Environment Court Consent Order.
3. **Approve** public notification of the date on which Plan Change 44 shall become operative.

Prepared by:



Blair Devlin
Manager, Planning Practice

3/08/2017

Reviewed and Authorised by:



Tony Avery
General Manager Planning &
Development

4/08/2017

Background

- 1 Plan Change 44 (“PC44”) originally sought to re-zone approximately 520 hectares of land at the northern-most (currently undeveloped) part of the ‘Resort Zone’ at Jacks Point as a new ‘Hanley Downs Zone’. The re-zoning proposed to expand the urban area and enable a higher density of residential development; remove the requirement to create a commercial village within the Hanley Downs area; and retain the surrounding land as predominantly rural.

- 2 Plan Change 44 was 'accepted for processing' by Council's Strategy Committee on 19 March 2013. It was then publicly notified for submissions on 27 March 2013. The hearing began in November 2013 but was adjourned almost immediately at the request of the Requestor, RCL Queenstown Pty Ltd ("RCL"). The hearing was halted due to concerns raised by other Jacks Point landowners / submitters (the "Jacks Point entities") whose land was affected by PC44 as notified.
- 3 During the period of adjournment the Requestor worked with the "Jacks Point entities" to revise PC44. The hearing recommenced on 1 July 2015 and continued until 3 July 2015. The proposal was substantially different from what had been publicly notified. Significantly, an arrangement had been reached between RCL and the Hanley Downs entities where the parties came together, rather than the Hanley Downs entities opposing the RCL proposal.
- 4 Commissioners issued their recommendation on 28 January 2016 and the decision to adopt the Commissioners recommendations was made by full Council in February 2016.
- 5 Three appeals were received. One from Scope Resources Ltd was later withdrawn, and the two remaining appeals from the Jacks Point entities and the Jacks Point Residents and Owners Association have been resolved through the Consent Order issued by the Environment Court.

Comment

- 6 PC44 can now be made operative. A plan change can only be made operative by the Council when there are no outstanding submissions or appeals. The three appeals have now been resolved. A copy of the Consent Order will be made available at the Council meeting.
- 7 Following a resolution to notify, the plan change becomes operative five working days after the date of the public notice. The schedule of amendments is contained in **Attachment A**.

Options

- 8 The Council does not have any other options on this matter.

Significance and Engagement

- 9 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because it has a high degree of community interest, as witnessed by the submissions and further submissions received on PC44, plus the appeal proceedings.
- 10 Compliance with the decision making requirements in sections 76-78 of the Local Government Act 2002 has been achieved through the public participation process of the Resource Management Act (RMA), including calling for submissions, holding a hearing, and the right of appeal that was exercised to the Environment Court.

Risk

- 11 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as low. This matter relates to this risk because the rezoning will make a small contribution towards the residential and industrial development needs of the district that will affect the current and future development needs of the community.
- 12 This matter does not have significant risk. It is following the statutory process set out in the RMA for making plan changes operative. The appeals have now been resolved and a Consent Order issued. The recommended option mitigates the risk by following the statutory process set out in the RMA.

Financial Implications

- 13 None

Council Policies, Strategies and Bylaws

- 14 The following Council policies, strategies and bylaws were considered:
- Operative District Plan
- 15 The recommended option is consistent with the principles set out in the named policy/policies.
- 16 This matter is not included in the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

- 17 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by simplifying the earthworks provisions;
 - Can be implemented through current funding under the 10-Year Plan and Annual Plan;
 - Is consistent with the Council's plans and policies; and
 - Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 18 The Council has already consulted on PC44 and submissions and further submissions were received. A public hearing was also held.

Legal Considerations and Statutory Responsibilities

- 19 Making the plan changes operative is in accordance with Clause 17 of the First Schedule of the RMA.

Attachments

- A Schedule of amendments to the Operative District Plan
- B Environment Court Consent Order (presented separately)

SCHEDULE OF A PLAN CHANGE TO BE MADE OPERATIVE IN ACCORDANCE WITH CLAUSE 17 OF THE FIRST SCHEDULE OF THE RESOURCE MANAGEMENT ACT 1991

This following table records the provisions that are no longer subject to submissions or appeals, and accordingly can be made operative under Clause 17 of the First Schedule of the Resource Management Act 1991.

Plan Change	Provision	Status
Plan Change 44 – Hanley Downs	Chapter 12 – Special Zones, 12.1. Resort Zones Insert new section of text in 12.1.1i.	Environment Court Consent Order ### issued on ### 2017.
	Chapter 12 – Special Zones, Add new section 12.1.3viii	
	Chapter 12 – Special Zones, amend Objective 3 – Jacks Point Resort Zone	
	Chapter 12 – Special Zones, amend Policy 3.8, third bullet point	
	Chapter 12 – Special Zones, Add new Policies 3,16 – 3.34.	
	Chapter 12 – Special Zones, add final paragraph to the 'Explanation and Principal Reasons for Adoption'	
	Chapter 12 – Special Zones, add new explanatory text to section 12.2.1.	
	Chapter 12 – Special Zones, amend Rule 12.2.3.2vii(c).	
	Chapter 12 – Special Zones, amend Rule 12.2.3.2viii to exclude Hanley Downs	
		Chapter 12 – Special Zones, add Rule 12.2.3.2ix(b)
	Chapter 12 – Special Zones, amend Rule 12.2.3.2xi.	
	Chapter 12 – Special Zones, amend Rule 12.2.3.2xii.	
	Chapter 12 – Special Zones, add rule 12.2.3.2xiii.	
	Chapter 12 – Special Zones, amend Rule heading 12.2.3.3.	
	Chapter 12 – Special Zones, amend Rule 12.2.3.3(a)	

	Chapter 12 – Special Zones, add Rule 12.2.3.3(b)	
	Chapter 12 – Special Zones, add Rule 12.2.3.3(c)	
	Chapter 12 – Special Zones, amend Rule 12.2.3.4i(d)	
	Chapter 12 – Special Zones, amend Rule 12.2.3.4 v (b)	
	Chapter 12 – Special Zones, amend Rule 12.2.3.4 v (c)	
	Chapter 12 – Special Zones, amend Rule 12.2.3.4viii	
	Chapter 12 – Special Zones, amend Rule 12.2.3.4x	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xii	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xiii	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xii	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xiii	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xiv	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xv.	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xvi.	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xvii.	
	Chapter 12 – Special Zones, add Rule 12.2.3.4xviii.	
	Chapter 12 – Special Zones, amend Rule 12.2.3.5iii	
	Chapter 12 – Special Zones,	

	amend Rule 12.2.3.5vii(b)	
	Chapter 12 – Special Zones, add Rule 12.2.3.5xi	
	Chapter 12 – Special Zones, add Rule 12.2.3.5xii	
	Chapter 12 – Special Zones, add Rule 12.2.3.6ii	
	Chapter 12 – Special Zones, add Rule 12.2.4(c)	
	Chapter 12 – Special Zones, amend Rule 12.2.5.1i(a)	
	Chapter 12 – Special Zones, Add Rule 12.2.5.1i(b)	
	Chapter 12 – Special Zones, Add Rules 12.2.5.1i(j) – (m)	
	Chapter 12 – Special Zones, Add Rules 12.2.5.1ii	
	Chapter 12 – Special Zones, amend Rules 12.2.5.1iii(a)(i) and (ii)	
	Chapter 12 – Special Zones, add Rule 12.2.5.1iii(c)	
	Chapter 12 – Special Zones, add Rule 12.2.5.1iii(d)	
	Chapter 12 – Special Zones, amend and add Rule 12.2.5.1iv – Access Jacks Point Resort Zone	
	Chapter 12 – Special Zones, add Rule 12.2.5.1v – Outdoor Living Space	
	Chapter 12 – Special Zones, add Rule 12.2.5.1vi(b)	
	Chapter 12 – Special Zones, add Rule 12.2.5.1vi(c)	
	Chapter 12 – Special Zones, add Rule 12.2.5.1vii(ii)	
	Chapter 12 – Special Zones,	

	amend Rule 12.2.5.1viii1(a) and (b) – Earthworks	
	Chapter 12 – Special Zones, amend Rule 12.2.5.1ix(a) Density (Jacks Point Resort Zone)	
	Chapter 12 – Special Zones, amend Rule 12.2.5.1ix(c) (Jacks Point Resort Zone)	
	Chapter 12 – Special Zones, amend Rule 12.2.5.1x	
	Chapter 12 – Special Zones, amend Rule 12.2.5.1xii	
	Chapter 12 – Special Zones, add Rule 12.2.5.1xiv – Building Coverage – Hanley Downs	
	Chapter 12 – Special Zones, add Rule 12.2.5.1xv – Building Colours	
	Chapter 12 – Special Zones, amend rule 12.2.5.2ii(c)	
	Chapter 12 – Special Zones, add rule 12.2.5.2ii(e)	
	Chapter 12 – Special Zones, amend Rule 12.2.5.2iv – Glare	
	Chapter 12 – Special Zones, amend Rule 12.2.5.2v	
	Chapter 12 – Special Zones, amend Rule 12.2.5.2vi(a)	
	Chapter 12 – Special Zones, amend Rule 12.2.5.2ix(f)	
	Chapter 12 – Special Zones, add Rule 12.2.5.2xv	
	Chapter 12 – Special Zones, add Rule 12.2.5.2xvi	
	Chapter 12 – Special Zones, add Rule 12.2.5.2xvii	
	Chapter 12 – Special Zones, add Rule 12.2.5.2xviii(a) and	

	(b)	
	Chapter 12 – Special Zones, add new Structure Plan – Jacks Point Resort Zone – Hanley Downs and Jacks Point	
	Chapter 15 – Subdivision, Development & Financial Contributions, add Rule 15.2.3.3(ix) – (xi)	
	Chapter 15 – Subdivision, Development & Financial Contributions, add Rule 15.2.6.2iv(d) – Lot Averages	
	Chapter 15 – Subdivision, Development & Financial Contributions, add Rule 15.2.6.2vii(a) – (d) – Hanley Downs Structure Plan	
	Chapter 15 – Subdivision, Development & Financial Contributions, amend Rule 15.2.6.3i(a)	
	Chapter 15 – Subdivision, Development & Financial Contributions, amend Assessment Matter 15.2.6.4 (i)	
	Chapter 15 – Subdivision, Development & Financial Contributions, amend Assessment Matter 15.2.7.3(iv)	
	Chapter 15 – Subdivision, Development & Financial Contributions, add Assessment Matter 15.2.7.3(xiii)	
	Chapter 15 – Subdivision, Development & Financial Contributions, add Rule 15.2.10.1(iii)	
	Chapter 15 – Subdivision, Development & Financial	

	Contributions, amend Rule 15.2.17.1 fourth bullet point.	
	Chapter 15 – Subdivision, Development & Financial Contributions, add Assessment Matter 15.2.17.4(xi)	

**QLDC Council
17 August 2017**

Report for Agenda Item: 4

Department: Property & Infrastructure

Adoption of Coronet Forest Management Plan 2017

Purpose

The purpose of this report is to consider the proposed Coronet Forest Management Plan 2017 for adoption.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Adopt** the Coronet Forest Management Plan 2017;
3. **Direct** Council staff to undertake an Outline Plan to harvest Coronet Forest in accordance with Designation 375 of the QLDC Partially Operative District Plan; and
4. **Direct** Council staff to seek agreement from Central Otago District Council to harvest Coronet Forest and delegate the terms of this agreement to the Chief Executive Officer.

Prepared by:



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(Forestry)
19/07/2017

Reviewed and Authorised by:



Stephen Quin
Parks and Reserves Planning
Manager
1/08/2017

Background

- 1 The Coronet Forest is located on the lower slopes of Coronet Peak close to Arrowtown. The forest consists of 172 hectares of Douglas fir (*Pseudotsuga menziesii*) which was planted between 1984 and 1996. The land is owned by the Council. The forest resource is managed and owned under a joint venture arrangement between the Queenstown Lakes District Council (QLDC) (75%) and the Central Otago District Council (CODC) (25%).

- 2 The QLDC and CODC agreement is a joint venture for one rotation of the forest. There is no obligation for CODC to remain in partnership with QLDC post-harvest or to re-establish or revegetate the land. Revegetation of the site is subject to conditions under the Emissions Trading Scheme and also the Operative and Proposed District Plans.
- 3 The Coronet Forest land is zoned Rural General under the QLDC Partially Operative District Plan, and the forest has been designated (375) for the purpose of forestry operations. This means use of the land is primarily for the purpose of planting, tending, managing and harvesting of trees for timber or wood production.
- 4 Douglas fir is considered a wilding species in the Wakatipu and aggressively establishes in areas of un-grazed tussock land. The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub and communities, and the effects of the Coronet Forest on this land are now becoming more and more visible.
- 5 The Wakatipu Wilding Conifer Strategy 2013-17 documents that the Wakatipu is now experiencing the consequences of forests that were planted close to areas of Outstanding Natural Landscape and Ecological Value. The strategy's work program is to target and remove seed sources or coning trees that are causing on-going wilding issues on vulnerable land.
- 6 In 2014 the Wakatipu Wilding Conifer Control Group (WCG) and members of the community approached QLDC with their concern about the increasing spread of wilding conifers from the Coronet Forest. Around the same time forestry companies contacted QLDC with proposals for the milling of the forest as Douglas fir log prices were favourable.
- 7 It was decided that a review of the forest should be undertaken. Forme Consulting was selected to review the current management plan and it recommended that a full harvest inventory of the forest was required to understand the available yield, so that the data could be utilised in planning and decision-making for the future of the forest. The Council passed a resolution in October 2015 to carry out a full harvest inventory on the forest to understand the current potential resource and create a detailed harvest plan.
- 8 The inventory and harvest plan were considered at the March 2016 Council meeting, and it was decided that the Council would seek feedback on the future of the forest from the community. A consultation document was prepared in May 2016 on whether or not the forest should be harvested early.
- 9 248 submissions were received with 85% advocating the early harvest of the forest, 10% opposing an early harvest and 5% of responses being neutral. Most responses stated they were in favour of an early harvest due to the wilding spread from the forest. Many submissions commented that they supported re-establishing the site in natives rather than exotics.
- 10 Following that consultation, on 30 June 2016, QLDC agreed to a recommendation to conduct an early harvest of Coronet Forest, subject to updating the Coronet Forest Management Plan in accordance with the District

Plan Designation and consideration of the updated Coronet Forest Management Plan in the 10-Year Plan (2015-2025).

- 11 The Designation requires consultation using the Special Consultative Procedure for updates to the Coronet Forest Management Plan.
- 12 The draft Coronet Forest Management Plan 2017 (**CFMP**) includes a revegetation plan prepared by Davis Consulting Group. The Davis revegetation plan details replanting of the area with a combination of grasses and indigenous beech and shrub, following the timber being harvested.
- 13 CODC agreed to QLDC consulting on the updated Coronet Forest Management Plan as required under the Designation. In agreeing, CODC reserved its rights in terms of the joint forest agreement. CODC is obtaining peer review advice in order to take a position on options.
- 14 The draft CFMP was publicly notified on 29 March 2017 and submissions closed on 8 May 2017.

Submissions

- 15 A total of 86 submissions were received. Two questions were asked of submitters and comments were provided.

- 16 Question 1: Do you support the draft Coronet Forest Management Plan 2017?

86 submissions were received:

- 72 (84%) submissions were in support of the plan,
- 11 submissions (13%) did not support the plan,
- 3 submissions (3%) were neutral.

- 17 Question 2: Do you support natives and grey shrub-land revegetation of the site after harvest?

79 submitters responded to this question:

- 70 (89%) submissions were in support
- 9 (11%) did not support this revegetation option.

- 18 A hearing was held on 29 May 2017 in Queenstown before the hearings panel of Councillors Scott Stevens (Chair), Penny Clark and Craig Ferguson.

- 19 A total of 12 individuals and companies spoke on behalf of their submissions.

Comment

- 20 The draft CFMP was prepared in accordance with designation 375. The designation contains various requirements for updating the Forest Management Plan, including that the updated plan must include details of reestablishment or revegetation plans (as applicable). This includes the detail of plant schedules, density of planting and maintenance programs. The designation also states that

management of wilding regeneration should be addressed following a harvest operation.

- 21 Under designation 375 an Outline Plan is required for harvesting the trees prior to any harvesting taking place. An Outline Plan shall have regard to the relevant objectives and policies of the QLDC District Plan and will meet the conditions stated in designation 375. Should the Council resolve to adopt the CFMP, a draft Outline Plan will be prepared and consulted on.
- 22 The submissions on the draft CFMP have been grouped into themes below and associated comments added.
- 24 Forest is a wilding seed source and needs to be removed to prevent further spread
- a. More than 65% of submissions stated that they were supporting the draft CFMP because the forest is a wilding seed source and faces behind the forest are now infested with young Douglas fir.
 - b. Douglas fir is considered a wilding species in the Wakatipu and aggressively establishes in areas of un-grazed tussock land. The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub and communities, and the effects of the Coronet Forest on this land are now becoming more and more visible.
 - c. Several submissions noted that Douglas fir is found for many kilometres in the direction of the prevailing wind.
 - d. Some submissions stated that while QLDC contributes to the WCG wilding control program, QLDC is also one of the major polluters of wilding seed while it has a stake in the Coronet Forest. The WCG spends \$1.4 million annually on wilding control in the Wakatipu. QLDC contributed \$438,063 last season (2016/17) to the program.
 - e. Many submissions commented that removing the source now will cost less than managing and dealing with the ongoing wilding spread from the forest, if the forest is left to mature before harvesting.
 - f. Soho Properties Limited manages the land behind the forest and in the direction of the prevailing wind. \$1.9 million has been spent on wilding control on Soho Properties in recent years. This investment could be lost if wilding control behind the forest is not undertaken.
 - g. The draft CFMP explains the history of wilding control in the area and sets out in detail the wilding control program going forward.
- 25 Removing the Forest will set an example to private landowners. Others may follow if Council takes the lead.

- a. Should the forest be removed, some private landowners (who own sizable wilding plantations) who are currently reluctant to participate in removal programs due to the presence of the Coronet Forest may change their minds.
- b. As Council is a wilding seed contributor, landowners with seeding trees may be willing to remove their trees if Council takes the lead.

26 Coronet Forest is not the only wilding source in the surrounding area

- a. Bringing forward the harvest date to remove the wilding pine source, and incurring the corresponding loss in earnings from harvesting less mature trees would be acceptable if it was part of a holistic approach to remove all seed sources on the faces from Bobs Peak to Arrowtown, and below the forest.
- b. The WCG and QLDC are working with many landowners around the district to remove seeding trees through education and partnership. Landowners neighbouring the forest are also working to remove their seed sources (such as Soho Properties and Mt Dewar).
- c. If the forest is removed there may be incentive for smaller landowners with isolated trees and small forestry blocks to remove their trees as well.

27 Delaying the harvest until a Regional Wilding Policy is introduced

- a. A number of submissions suggested that the harvest should be delayed until a Regional Wilding Policy is introduced. The submissions noted that the policy could apply to everyone with seedling trees causing spread, and all tree owners would have to contribute to fund wilding control as part of a region-wide strategy and would act as an incentive for landowners to remove trees that are a source of wildings.
- b. A region-wide policy would require some time to implement. At present, there is no legislation that would enforce this. ORC will be updating their Regional Pest Management Strategy shortly, and there will be provisions for specifying certain species as a pest.

28 The commercial forest was always intended to be harvested

- a. Several submissions stated that the forest was planted as a commercial forest and was always intended to be harvested. They state that objections to the draft CFMP based on the negative visual impact that harvesting will have are not valid, because it has always been intended that the forest will be harvested – the only question is timing.

29 The Outstanding Natural Landscape (ONL) Objectives and Policies

- a. Harvesting of the forest will temporarily have an effect on the ONL, but leaving the forest until harvest will also change the surrounding ONL with an increase of wildings due to the forest seed source.

- b. One submission argued that it would not be possible for the Council to comply with the requirement under the designation that the Outline Plan (which must be prepared for detailing the harvesting operations) shall have regard to the relevant objectives and policies of the QLDC District Plan – specifically, the ONL objectives and policies. That is on the basis that the draft CFMP is inconsistent with the ONL objectives and policies.
- c. The submission does not explain how the draft CFMP is so inconsistent with the ONL objectives and policies (which includes wilding control) that it will not be possible to prepare an Outline Plan that has regard to the ONL objectives and policies, among the other relevant parts of the District Plan.

30 Logging traffic

- a. Both the immediate and potential impacts of logging traffic from harvesting now or at maturity are referred to in the report. The detail of managing traffic from harvesting operations will be addressed in the Outline Plan to be prepared in accordance with the designation.

31 Volunteer Support

- a. Several submissions suggested that volunteer groups could continue to fight the ongoing wilding battle. Currently volunteer individuals and groups are doing a fantastic job at little cost to ratepayers, but if the wildings continue to grow in cleared areas due to re-seeding from the plantation, volunteers could soon become disheartened.
- b. It was suggested that volunteers could raise further public awareness which would result in additional volunteer involvement in the program. But again, this can only be sustained if the volunteers can see gains in a program or results in what they are working towards.

32 Wilding Control should continue on land surrounding the forest.

- a. There was support for wilding control beginning at the same time as the harvest, if not before, and for wilding control programs to be on-going. It was suggested that all land surrounding the forest including the faces in front and behind are included in any wilding control plan.
- b. This plan could be led by the WCG with funding support from QLDC. The program could work with landowners on a cost share basis, similarly to the current government funding policy where landowners contribute at least 30% to the program.

33 The harvest should wait until maturity as new technology is progressing all the time

- a. It was stated in submissions that wilding control could become cheaper and more effective with advances in technology, and that additional tools for control and mapping may become available. It was suggested that the harvest be delayed as wilding tools advance technologically.

- b. There may also be new technology advances for harvesting on steep country. Waiting until the forest reaches maturity might enable this technology to be utilised.

34 Harvest Plan

- a. The draft CFMP has been prepared in accordance with the designation 375 requirements. All harvest operational details will be set out in the Outline Plan.
- b. One submitter suggested that a staged approach should be adopted so that scarring is limited to smaller blocks of forest at a single time. The staging of harvesting over the two year period will be addressed through the Outline Plan.

35 Emissions Trading Scheme liability

- a. One submission considered it was unlikely that the Council would be able to avoid liability under the Emissions Trading Scheme (**ETS**) for harvesting the forest on the basis of the revegetation plan and budget.
- b. Harvesting the Coronet Forest will give rise to liability under the ETS unless the area is replanted in accordance with the requirements in the Climate Change Response Act 2002. Changes were made to the revegetation plan after receiving feedback and submissions, and Parks and Reserves staff are now confident that under the revegetation plan (and existing budget) the harvesting and subsequent revegetation will comply with the Act.
- c. The updated landscape plan was reviewed by the Manager of Climate Change Operations at the Ministry for Primary Industries.

36 Revegetation of the site after harvest

- a. Submitters stressed that wilding control on the site after harvest and surrounding the site is very important for the success of the project. Some submitters stressed the need for a pest control program to establish a successful second rotation crop. This was addressed in the plan though the recommendation of a goat and rabbit proof fence surrounding the planting block.
- b. As the Coronet Forest is very prominent within the Wakatipu Basin, one of the key objectives of the revegetation program within the draft CFMP is to ensure revegetation of the site occurs as soon as possible after harvest, to reduce the visual disturbance. The Coronet Forest was planted for the sole purpose of future forestry activity, and has been managed as a production crop. This hillside will therefore inevitably be subject to the adverse effects associated with harvesting at some point, but it is important that these be minimised where possible.

- c. Under the draft CFMP, blocks will be over-sown with pasture grasses during the first spring or autumn after a block is harvested, ensuring that the area returns to a natural green slope quickly. This will minimise the inevitable visual impact associated with harvesting, and will also help with wilding control. Pasture grasses will help suppress Douglas fir regrowth. A targeted herbicide which affects Douglas firs (but not grasses) will be used to further assist in controlling Douglas fir and wood weed establishment on the site.
- d. Planting of native shrubs and trees will occur as soon as possible once the wilding threat is reduced by the combination of sowing with grasses and using targeted herbicide, so that the subsequent crop of indigenous plants can successfully establish itself.
- e. A submission from Millbrook referred to the requirement in the designation that *'beech species are to be planted (adjacent to beech remnants)*. There are no beech remnants adjacent to the forest (the Coronet Forest is a monoculture of Douglas firs) and so there are no beech remnants to plant adjacently to.
- f. The same submission also noted the designation requirement that “*...planting programs for the establishment of indigenous Beech species shall run concurrently with harvesting programs*”, and that revegetation of harvested areas must occur no later than two years after the completion of harvesting operations. As discussed above, the planting program for establishing indigenous Beech includes an initial phase of planting with grasses and using targeted herbicide, which will begin shortly after harvesting, for controlling wilding regrowth and preparing the ground for planting with indigenous Beech. The revegetation (initially by grasses) will also therefore occur within the required two years of the completion of harvesting as well.

37 Arrowtown Irrigation Race

- a. The Arrowtown Irrigation Race is located below the forest on private land. It was requested that before any harvesting is carried out the Race Manager is contacted and the infrastructure there protected from any damage. This request will be addressed at the Outline Plan stage, although it is noted that the race location is well outside the forest boundary.

38 Species Selection

- a. The site is designated as a forestry site and a few submitters suggested that it should be replanted in a forestry species that could provide a future income for the community. One option would be a non-invasive hybrid forestry species.
- b. It was also suggested that there is an opportunity to use exotic non-wilding species that could add colour and possible future income to the community while providing attractiveness similar to Arrowtown's autumn colours.
- c. However, the majority of submitters requested the site be planted in native species. The draft CFMP provides for the site being replanted with Mountain

Beech and a mixture of other natives. Native grey shrubs will also be planted within the site. Many submitters agreed that this option would provide an increase in biodiversity and habitat for native insect and birdlife.

- d. It was noted that the word 'native' should be used to describe the grey shrub species in the report. A botanical list of species which make up native grey shrub is now included in the draft CFMP.

39 Land preparation before planting

- a. Some submitters objected to windrowing on the site after harvest, due to the visual character of windrows which may take many years to breakdown. All reference to windrowing has now been removed from the draft CFMP.

40 Recreation opportunities

- a. Many submitters stressed the importance of recreation on the site after the harvest. Harvest tracks and roads could be utilised for horse and bike tracks, as currently the only official recreational use in the forest is a horse licence over the forestry road. During harvest, tracking can be planned for future recreational opportunities.
- b. Recreation on the site could be an amazing resource and attraction for the community and tourists.
- c. It was suggested that tracks are kept away from property boundaries for privacy reasons. A plan could be developed in conjunction with the harvest tracking to this effect.

Options

23 Option 1 Do nothing.

Advantages:

- 24 There will be no visual disturbance to the landscape from the adverse effects associated with harvesting.

Disadvantages:

- 25 Under the designation the current CFMP shall be reviewed and updated by 31 December 2012, and thereafter every 5 years. The current plan was written in 2001 and is therefore out of date.
- 26 The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub. The effects of the Coronet Forest on this land are now becoming more and more visible. Future regulation arising from initiatives such as the Regional Pest Management Strategy (RPMS) may require the Council and CODC to mitigate the spread of Douglas fir from the forest. This includes potentially being liable for lands outside the forest affected by infestations.

27 Option 2 Re-adopt the current Management Plan (2001) and harvest at age 45.

Advantages:

- 28 There is opportunity for future log markets or advances in steep harvest technology to develop providing a higher than expected rate of return.
- 29 The increased growth and maturity of the forest are likely to produce higher volumes and timber quality, realising the asset's commercial potential.

Disadvantages:

- 30 The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrub. The effects of the Coronet Forest on this land are now becoming more and more visible. Future regulation arising from initiatives such as the Regional Pest Management Strategy (RPMS) may require the Council and CODC to mitigate the spread of Douglas fir from the forest. This includes potentially being liable for lands outside the forest affected by infestations.
- 31 There is inherent volatility in log markets and the risk from increased transport costs and environmental damage cannot be controlled or anticipated.
- 32 Continued involvement in a commercial forestry operation is not consistent with the provisions of Section 10 of the Local Government Act (LGA).

33 Option 3 Adopt the CFMP 2017

Advantages:

- 34 The wilding threat would be mitigated by removing the exponential maturing seed source.
- 35 Current market prices for Douglas fir are favourable and known.
- 36 Revenue could be used to offset part of the forest re-establishment costs.
- 37 This would meet relevant objectives and policies of the District Plan particularly nature conservation and natural landscape values.
- 38 Existing commercial forestry activity is consistent with the purposes of the LGA.
- 39 Adopting the Management Plan will comply with the designation conditions.

Disadvantages:

- 40 The full commercial value of the forest may not be realised.
- 41 The site will be subject to the adverse effects associated with harvesting, which will result in some temporary visual disturbance to the landscape.

42 This report recommends **Option 3** as it will address the wilding conifer problem, comply with the conditions under designation 375 and provide a clear direction for revegetating the harvested area.

Significance and Engagement

43 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy, due to the extent that the matters being considered impact on the environment of the Queenstown Lakes District and the extent to which organisations in the community are affected by the decision.

Risk

44 This matter relates to the strategic risk SR1 - Current and future development needs of the community (including environmental protection) and Strategic Risk SR6b - Assets critical to service delivery (property) as documented in the Council's risk register. The recommended option mitigates this risk as it aims to have environmental benefits and positive effects on a community asset and Council expenditure.

Financial Implications

45 The recommended option for an early harvest can be met within existing operational budgets identified in the Draft 2017/18 Annual Plan.

46 Depending on the selected re-vegetation option this funding will need to be considered in the 10-Year Plan (2018-28).

47 The eventual position of Central Otago District Council as joint venture partner will need further consideration in the 10-Year Plan (2018-28).

Council Policies, Strategies and Bylaws

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

- Operative District Plan
- Coronet Forest Management Plan (2001)
- Wakatipu Wilding Conifer Control Strategy 2013-2017
- Significance and Engagement Policy
- Draft 2017/18 Annual Plan

Local Government Act 2002 Purpose Provisions

49 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing environmental benefits in a way that does not incur significant costs to residents/ratepayers;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 50 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes District community as a whole and the properties which neighbour the forest.
- 51 The Council has previously consulted with the community. In May 2016 a consultation document was prepared on whether or not the forest should be harvested early. In total 248 submissions were received. 85% advocated the early harvest of the forest, 10% did not agree with an early harvest and 5% were neutral. Most responses stated they were in favour of an early harvest due to the wilding spread from the forest.
- 52 The Council consulted with CODC and it is obtaining a peer review on the plan in order to take a position on their options in respect of its agreement with QLDC.
- 53 The Council publicly notified the draft CFMP 2017 and a public hearing was held on 29 May 2017.
- 54 The Council will carry out consultation on the harvesting process as part of preparing the Outline Plan. The draft Outline Plan will be sent out to all neighbouring properties as well as those required to be consulted with under the designation.

Legal Considerations and Statutory Responsibilities

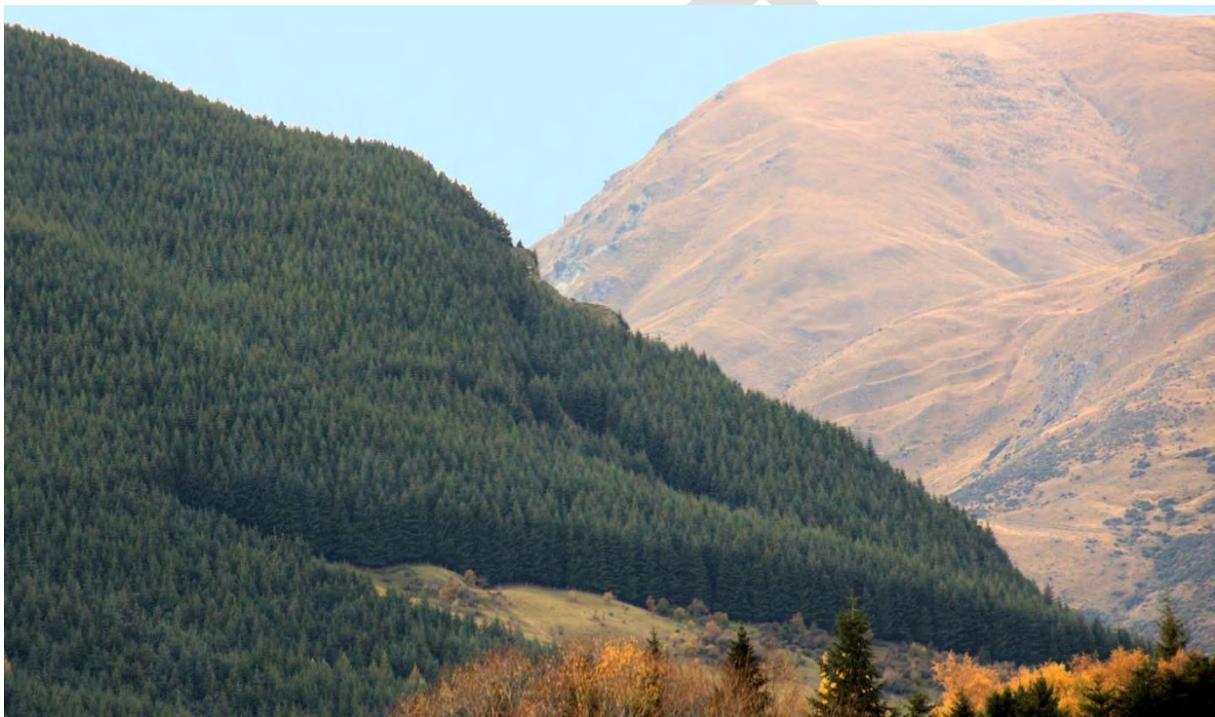
- 55 QLDC's liability under the Emissions Trading Scheme (ETS) is that once the forest has been harvested, it must be revegetated with a crop which meets the definition of a forest. The proposed revegetation option in the plan meets this definition.
- 56 The development of the CFMP 2017 was completed in accordance with designation 375.

Attachments

- A Draft Coronet Forest Management Plan 2017
- B Coronet Forest Revegetation Proposal



MANAGEMENT PLAN FOR CORONET FOREST ARROWTOWN



JANUARY 2017

Prepared for: Queenstown Lakes District Council & Central Otago District Council

Prepared By: Briana Pringle, BForSc, Parks and Reserves Officer (Forestry), Queenstown Lakes District Council.

DRAFT

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DRAFT

SUMMARY

This management plan has been prepared by QLDC and describes the management proposals and revegetation recommended for a 2017 harvest. This plan uses estimates based on recent industry averages, conventional harvest engineering methodology and current knowledge.

The QLDC and CODC have an opportunity to harvest the Coronet Forest before full maturity, in order to mitigate the wilding threat and re-establish the site with more suitable vegetation. A full harvest now is a solution for dealing with the wider wilding spread that retention of the Forest will inevitably continue to contribute. Just harvesting the oldest stands will not solve the problem as the younger stands at the top of the Forest will continue to spread seed in high winds.

The Forest remains a significant seed source and contributor to the wilding pine issue. Future regulation arising from initiatives such as the Regional Pest Management Strategy (RPMS) may require the QLDC and CODC to reduce or eliminate the spread of Douglas fir from the Forest. This includes potentially being liable for lands outside the Forest now affected by infestations.

Some private landowners who own sizable wilding plantations are reluctant to participate in programs to remove the trees on the grounds that the Council is a massive wilding seed contributor. If a harvest now is implemented, these landowners may be willing to remove their trees.

In 2016 a more detailed survey of the wilding spread from the Coronet Forest was completed, this report increased the control area from 4km behind the Forest to 10km (and now included Crown Peak and the faces along the Crown Range). The cost to control the spread from the Forest if it was harvested at maturity (youngest stands in 2039) has increased to an estimated \$8.5 million to control around 5,500 ha of infested land.

The harvest plan provides a breakdown of staging within the Forest and gives an overview of the proposed road and landing locations as well as the harvest method throughout the Forest (ground based or cable) and direction of extraction. It has been projected that the harvest will produce 67,940 m³ of recoverable log product from the Forest. The duration of the harvest has been estimated to be around a two-year duration, given the current market and the economics of harvesting most of the crop may be destined for an export market.

There is an opportunity for the community to realise additional valuable products from the Forest such as firewood, bio fuels and essential oil. The expected volume and log grade output calculated from the pre harvest inventory did not assess these products as the current local market is unknown. This management plan primarily investigates the log resource which the forest was grown for and there will be opportunities to investigate these markets further.

The agreement between QLDC and CODC is a joint venture for the one rotation of the forest, there is no obligation for CODC to remain in partnership with QLDC post-harvest or to re-establish or revegetate the land. Revegetation of the site is subject to conditions under the Emissions trading scheme and also the Operative and Proposed District Plans.

As the Coronet Forest is very prominent within the Wakatipu Basin, one of the key objective of the revegetation program is to promote vegetation the site as soon as possible after harvest to reduce the visual disturbance of the site. Another is to prevent the establishment of competing woody weeds, especially Douglas fir seedlings.

The plan is to establish 30% the site with planted beech forest, a further 10% of the site will be planted in native grey shrub-land species and at higher altitudes tussock alpine species. The remaining 60% of the site will be revegetated with introduced grasses initially to supress woody weeds, but to promote the establishment of a vegetation cover across the site.

Control of Douglas fir on the site is key in establishing a second rotation crop, not only does Douglas fir have to be controlled within the harvested area, but all seeding sources surrounding the forest will need to be removed to create a successful indigenous vegetation cover.

The planting will occur over three to four years and the plan is to carry out weed control over a ten year period from harvest.

DISCLAIMER

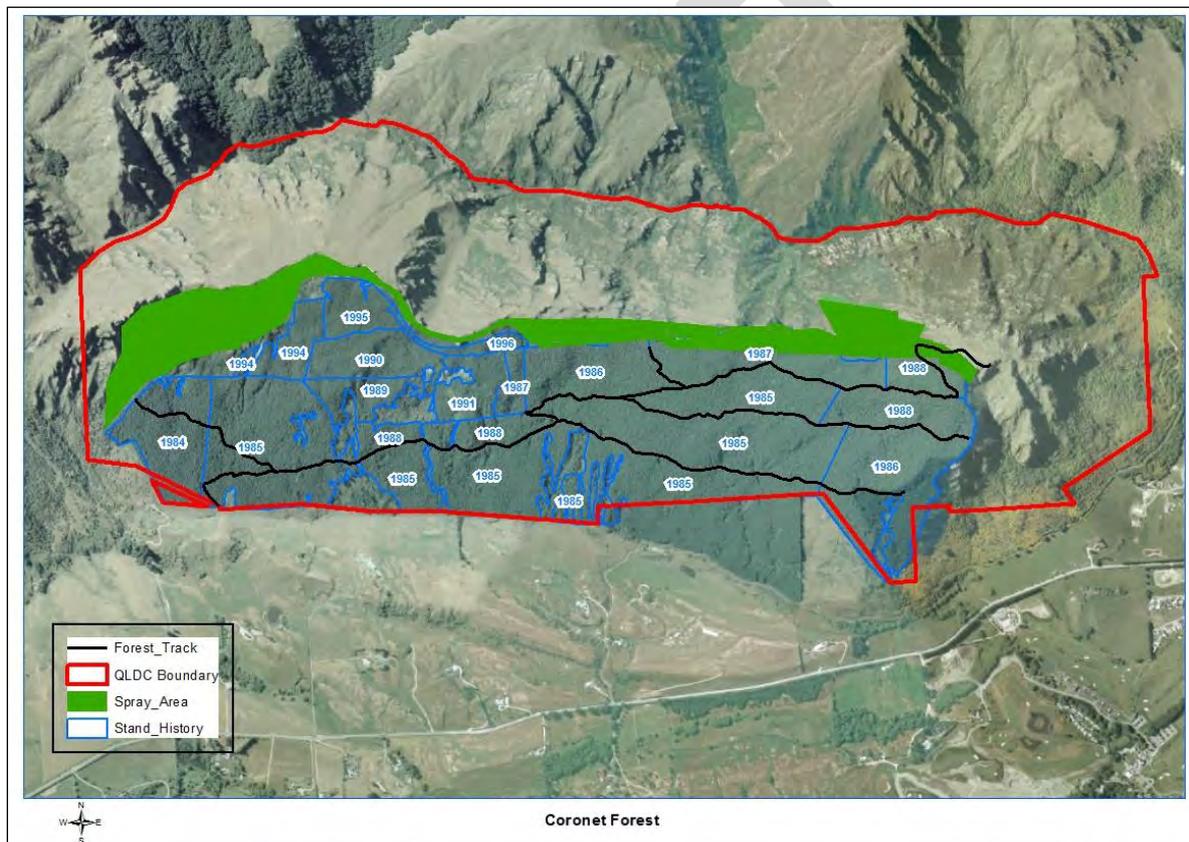
QLDC has compiled this plan and its associated financial analysis. Much of the information used to calculate costs and revenues is best estimate of what will be incurred or earned in future years. These estimates are based on recent industry averages, conventional harvest engineering methodology and current knowledge. Actual returns from this investment may be different from the returns calculated in this plan due to uncontrollable events.

BACKGROUND

LOCATION

Coronet Forest is located on the lower slopes of Coronet Peak close to Arrowtown. The site is steep with a southerly aspect and rises to about 929 meters above sea level. The Forest is accessed by Alan Reid Road which is a metalled public road off Malaghans Road. The land adjoins pastoral lease land to the north, run by Coronet Peak Station, and rural residential land to the south. Arrowtown Township is 1 km to the east. The Forest is highly visible throughout the Wakatipu Basin (Figure 1).

Figure 1: Aerial of Coronet forest



LEGAL DESCRIPTION/JOINT VENTURE

The trees occupy an effective Net Stocked Area of approximately 172 ha on four separate Titles with a combined total area of 422.08 ha.

The legal description of the land the Forest occupies is:

Lot 1 DP 24277 and Lots 1 and 2 DP 21922 and Section 24 Block XVII and Section 23 Block XVIII Shotover Survey District, comprised within Certificate of Title 16B/451 of the Otago Registry.

The land is encumbered by lease 617100 to the Central Otago District Council (CODC) and Queenstown Lakes District Council (QLDC) for a term of 60 years from the 1st April 1983. The registered owner of the property is QLDC¹.

The agreement between the QLDC and CODC is a joint venture and the asset is shared 75% with the QLDC, and 25% with CODC. The lease shall continue until the joint venture property is sold or otherwise disposed of, current management costs are split 75/25 between the QLDC and CODC.

LAND RENTAL

The land is owned by the Queenstown Lakes District Council, and is under rental to the joint venture.

The most recent valuation at 13th March 2008 valued the current market rental value of the land at \$20,000 per annum.

The area of land rented is 413ha (Figure 1), only the southern face contains forest, the remainder of the land is not currently administered. The land has an east to west ridgeline running through it; the unplanted land is north facing falling towards Bush Creek, and is now populated with scattered young wilding Douglas fir. The land directly to the east has wilding Larch, Douglas fir and Sycamore present.

SITE CHARACTERISTICS

Soils: The south facing slope has Brown Dunstan soils, with moderate fertility, but are very good forest soils. The north facing slope consists of Pallic Arrow soils with low fertility. The soils are prone to wind and sheet erosion, severe frost heave, and some landslides.

Climate: The average rainfall is 901-1,250 mm and the average air temperature is 8.5 -9 degrees Celsius (Otago Grow 2016).

Altitude: The Forest lies between an altitude of 500 metres and 1100 metres above sea level.

Topography: The topography of this Forest is a relatively uniform lower mountain slope of moderate to steep contour, and with a number of shelves of easy contour. There is an historic slip near the middle of the Forest which is slowly being stabilised by the trees. Rock outcrops occur on some ridges and spurs, but the site is not excessively rocky.

Geology: Coronet Forest is close to a number of smaller fault lines such as the Shotover fault. The underlying rock formation on Coronet Forest is metamorphic rock of the Haast Schist Group –

¹ The lease was originally between the Arrowtown Borough Council (as Lessor), the Alexandra Borough Council, the Arrowtown Borough Council, and the Queenstown Borough Council (as lessees). A deed dated 1993 transferred the ownership to QLDC and lessee to QLDC & CODC.

Chlorite subzone 4, which is coarsely foliated schist including some biotite schist, from the Permian to Carboniferous periods.

VEGETATION

The original vegetation (before planting) was a mixture of tussock and introduced grasses, some native shrub species including Matagouri and Tutu, with and extensive cover of the introduced weed Sweet Briar, and Broom in the lower altitudes. In addition to tussocks and some introduced grasses, snow berry, Dracophyllum spp, wild Spaniard and sub-alpine herbs at the higher altitudes. It is highly likely that native beech forest – especially mountain beech – clothed the lower slopes until destroyed by early European or pre- European fires (Guild 2001).

CURRENT USE OF THE FOREST

The Forest has several recreational uses such as horse riding, hunting and walking, but the only formal agreement is with the Wakatipu Riding Club, this was recently renewed in 2015 for another term of five years till 31 October 2020.

Under the licence the Wakatipu Riding Club must be given two weeks' notice in writing to cease using the facility whilst forestry operations take place and the licensee can resume operations when written confirmation is received that operations have ceased.

There are spectacular views from the top of ridge and the Forest has potential for greater recreational use, such as mountain biking and walking tracks, authorised horse trekking activities, or a loop track to Bushy Creek connecting to Arrowtown.

DISTRICT PLAN & DESIGNATION

The zoning of the land under the QLDC Operative District Plan is Rural General, and the Forest has been designated for the purpose of forestry operations, which means the use of the land primarily for the purpose of planting, tending, managing and harvesting of trees for timber or wood production.

Designation 375 allows QLDC to carry out forestry operations in the area known as Coronet Forest.

In summary QLDC is required to undertake these operations under the following conditions:

Operations must be undertaken in accordance with best management practices as specified under the NZ Environmental Code of Practice for Plantation Forestry Operations. For reference the current version of this is dated May 2008 and is readily available on the NZ Forest Owners website

<http://www.nzfoa.org.nz/resources/file-libraries-resources/codes-of-practice/44-environmental-code-of-practice/file>

The designation specifies that all management plan updates shall address re-establishment of forest following harvesting operations. This includes the detail of plant schedules, density of planting, and maintenance programs. The designation also states that management of wilding regeneration should be addressed following a harvest operation.

Under the designation an Outline Plan is required for harvesting the trees prior to any harvesting taking place. The Outline Plan shall have regard to the relevant objectives and policies of the Queenstown Lakes District Council District Plan and will meet the conditions stated in designation 375.

EMISSIONS TRADING SCHEME (ETS)

The Emissions Trading Scheme (ETS) is New Zealand's main tool for reducing emissions. Forestry was brought into the ETS on the 1st January 2008.

Forestry is New Zealand's largest potential carbon 'sink'. As trees grow, they absorb carbon. When trees are harvested, carbon that is stored is released back into the atmosphere as the wood decays. At present, all harvested wood taken off site is assumed to be immediately released back into the atmosphere.

The emissions trading scheme has two classes of forests Non-Kyoto Forests (pre-1990 forests) and Kyoto Forests' (post-1989 forests).

Non-Kyoto Forest Land - Owners of pre-1990 Forest Land are automatically entered into ETS, and incur obligations under the scheme if they deforest, they also receive a one-off allocation of NZUs to help offset the decrease in land value due to decreased land-use flexibility. In 2013 due to the loss in land value, QLDC as the landowner was allocated NZ units/carbon credits for 84% of the Coronet Forest.

QLDC's liability under the ETS is that once the forest has been harvested it must be revegetated with a crop which meets the definition of a Forest², or submit an emissions return to Ministry for Primary Industries (MPI), and pay units for deforestation (at age 33, this equates to around 763 Carbon units per ha, *MPI- carbon stock look-up tables*). At a carbon price of \$17.50 in January 2017 (www.comtrade.co.nz), this liability equates to \$13,352 per ha.

Kyoto Forest Land - Owners of post-1989 Forest Land - can choose to enter the scheme and earn New Zealand Units (NZUs) as their forests grow. QLDC as landowner decided not to enter any of the Coronet Forest post-1989 land into the scheme as these trees are situated at a higher altitude where carbon sequestration is slower, and due to siting and prevailing wind direction these trees can displace seed for many kilometres onto susceptible land.

² The ETS defines a forest or forest land as; At least 1.0 hectare of trees which have (or will have) tree crown cover from forest species of more than 30% in each hectare, with an average width of at least 30 metres, which is capable of reaching five metres in height at maturity in the place they are growing.

MANAGEMENT

MANAGEMENT OBJECTIVES

The management objectives of the Forest, is to grow a crop of Douglas fir for maximum profitability within the constraints of:

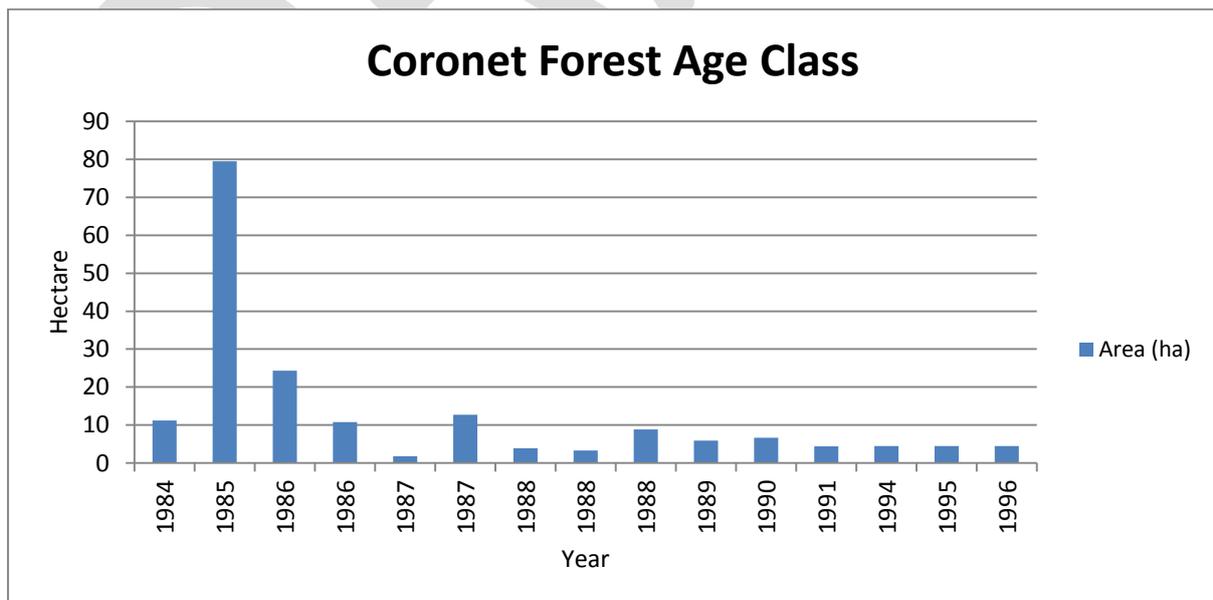
- Good forestry practice
- Sustainable land use, and
- Respecting the wider social objectives (of landscape and public use) of the Queenstown Lakes District Council as contained in the District Plan.

FOREST AREA

QLDC GIS Team have access to aerial photography and the net stocked area of the forest is updated from this. The aerial photography has enabled the Forest stand boundaries to be mapped. All forest operations (planting, thinning etc) have been digitised and are stored in a database which provides a history of all events in the forest as well as stocking and area (Figure 1: Aerial of Coronet Forest).

The Coronet plantation is a monoculture of Douglas fir (*Pseudotsuga menziesii*), the oldest stand was planted in 1984 and the youngest stand was established in 1996 (Figure 2).

Figure 2: Coronet Forest Age Class



The stands were planted at stockings between 2,000 and 1,667 stems per hectare (SPH). A blanking occurred in 1999 and 300 seedlings were planted in gaps caused by mortality.

Within the Forest there were a high proportion of malformed trees due to genetic problems such as double leaders, ramicorn branches, stem wobble and coarse branching. Some trees in the Forest had been damaged by wind and snow causing broken tops and butt sweep. The proportion of malformed trees was what would typically be expected in a stand and scheduled thinning operations removed most of the malformations so that the best formed trees now remain as the final crop.

PRE-HARVEST INVENTORY - YIELD ANALYSIS/EXPECTED YIELD

A review of the management of the forest was carried out by Forme Consulting in June 2014, this review recommend a full inventory to enable more robust modelling to understand the available yield in a “harvest now” situation for planning, log markets and decision making.

A full inventory is a vital tool in estimating the total stem volume and also the mix of log products that could be expected when the Forest is harvested. This is referred to as the yield from the Forest and is based on a sample of the trees, taken from plots established throughout the forest.

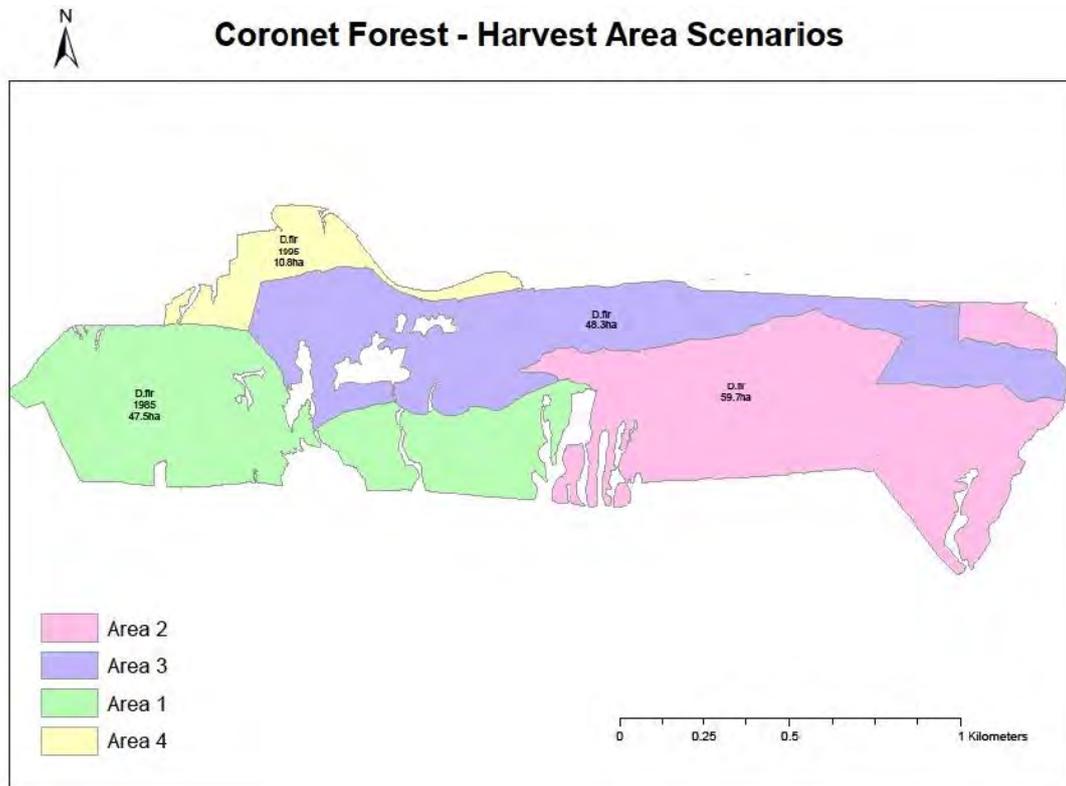
Establishing plots throughout the Forest provides a sample of the stand, enabling a visual assessment of the external tree characteristics such as their dimensions (DBH and HT), straightness, branching, malformation etc. This data can then be assessed using growth models and anticipated market log specifications for varying clearfell ages.

The first step in deriving estimates of future volume is to stratify the forest into crop types. Each crop type is then clearly defined, and mapped. Crop types may be distinguished from one another by species, age class, silvicultural treatment, or productivity. Coronet Forest is remarkably uniform, being just one species, and of similar growth throughout.

Interpine Forestry Innovation carried out an inventory of the Coronet Forest in January 2016, the forest was stratified into four sampling/crop types areas based upon planting age, tending history and stocking (Figure 5 – Coronet Forest Harvest Area Scenarios). The three larger areas were measured as pre-harvest inventory and the youngest stands at the top of the forest were measured as mid rotation inventory. Area 1 had received two thinning to waste operations and Areas 2, 3, 4 had only received a single thin to waste³ operation.

³ ‘Thin to waste’ is the silvicultural practice of removing selected trees to promote the rapid growth of the crop trees, to waste is where the trees are left on the forest floor, production is where the trees are removed for use

Figure 5: Coronet Forest by Crop Type – Harvest Area Scenarios



A total of 112 plots were [set up and](#) measured across all areas. The plots were sized to allow the measurement of 17-20 trees per plot which meant the average plot size was between 0.03 ha and 0.04 ha.

The data recorded in the inventory was entered into YGen (Yield Table Generator) software which generates the expected yield tables for a harvest using the South Island Douglas Fir 1 (SIDFIR_1) Growth Model. It combines the process of growing and projecting tree volumes with log bucking algorithms to model tree merchandising through to log products.

In order to generate the expected volumes by log grade, a cutting strategy is devised. The cutting strategy utilised the current Douglas fir log prices obtained from exporters in the Southern South Island outlined below in Figure 6.

Figure 6: Export Log Grade Specification Utilised in the Cutting Strategy

	Min. SED	Max. SED	Max. LED	Lengths	Branch size	\$/m3 JAS
CF+	30	N/A	N/A	3.9, 5.9	<= 12 cm	135
CF-	20	N/A	N/A	3.9, 5.9	<= 12 cm	125
CF16	16	45	45	3.9	<= 22 cm	112

The yield analysis prepared by Interpine were reviewed and summarised (Forme 2016), Figure 7 below shows the total volume of recoverable wood product for the whole forest is 67,940 m³.

Please note that no allowance for firewood volume has been included at this stage. The analysis below only details log products produced in the cutting strategy detailed in Figure 6.

Figure 7: The expected volume and grade output at 2017

Population	Established	Current Age	Area (ha)	Recoverable Volume m ³ /ha	Total Recoverable Volume m ³
				2017	2017
Area 1	1984, 1985	30.9	47.5	509.3	24,192
Area 2	1986, 1987	30	59.7	446.6	26,662
Area 3	1986, 1987 1988, 1999 1990, 1991	27.4	48.3	325.3	15,712
Area 4	1994, 1995 1996	20.7	10.8	127.2	1,374
Total			166.3	408.5	67,940

The estimates produced from the inventory are only as good as the data being used, and the models themselves, nevertheless, the information provided by such programs is of immense value in providing a base on which to plan the harvest.

Notes:

1. Current age assumed as average at each age classes in population.
2. Recoverable volumes at 2017 as per Interpines yield analysis
3. The area stated in Figure 7 is less than the reported stocked area due to the trees that are not of size to be classified as merchantable and exclusion of trees affected by wilding spray.

FOREST VALUE

The Forest is valued annually for the purposes of reporting the value of the asset in the respective owners' accounts. The value represented in the current accounts is the "current" value or value that the Forest is worth if it's sold in its immature state. The valuation is for the trees only, as the land is not for sale.

The valuation at the 30th of June 2016 was \$1,149,695, this was calculated by Laurie Forestry Ltd a Forestry Consultant Group registered by the NZ Institute of Forestry Inc.

WILDING CONTROL

Douglas fir is considered a wilding species in the Wakatipu and aggressively establishes itself in areas of native alpine tussock land. Wilding spread especially occurs in the direction of the prevailing wind. In 2005 and 2006; 8.8ha of planted trees at the top of the Forest in the bush creek catchment area were cleared, this was undertaken to reduce the risk of wilding spread.

A containment line was boom sprayed across the top of the Forest in 2010, the idea behind this was to help prevent seedling take off along the ridge of the Forest by creating a wall of standing dead trees which would act as a barrier to the spreading seed. However due to the increase in seed below, and prevailing wind direction, seed is continually blown up the faces and deposited many kilometres over the land behind the Forest.

Wilding conifers can grow well above the natural beech tree line, which is between 900 and 1,100 meters in Otago. Wilding Douglas firs have been found above 1,400m on the range behind the Coronet Forest.

A visual inspection of the land behind the Forest indicates the significant population of young seedling reappearing in the open tussock land. As the Forest, has matured a significant number of wilding Douglas fir seedlings are now appearing on Coronet Peak Station, and up above the Crown terraces on the Crown Range as high as Crown Peak (Figure 8).

As altitude increases so does wind speed, the Douglas fir planted along the top ridges of Coronet Forest disperse seed vast distances due to the increased wind speed at these altitudes. Seed dispersal is mainly by wind. While much of the seed falls within about 60m of the parent on flat sites, dispersal distances of several km are common in the South Island (Hunter & Douglas 1984).

Distances of up to 40km are possible in very strong winds (Ledgard 2001, 2009). If left undisturbed these outlier trees can produce seed within ten years and masses of consequent wildings within 15 years.

Figure 8: Crown Peak and Crown Range above Arrowtown, taken from the top of the Forest



Figure 9 below shows the average annual maximum wind speed around the Forest, the darker colour represents the highest wind speed (115-120 km/hr) and is located along the top of ridges. Coning windings positioned at on ridge tops will disperse seed vast distances due to the increased wind speed at these altitudes.

Figure 9: Average annual maximum wind speed on Coronet Forest (Otago Grow, 2016)

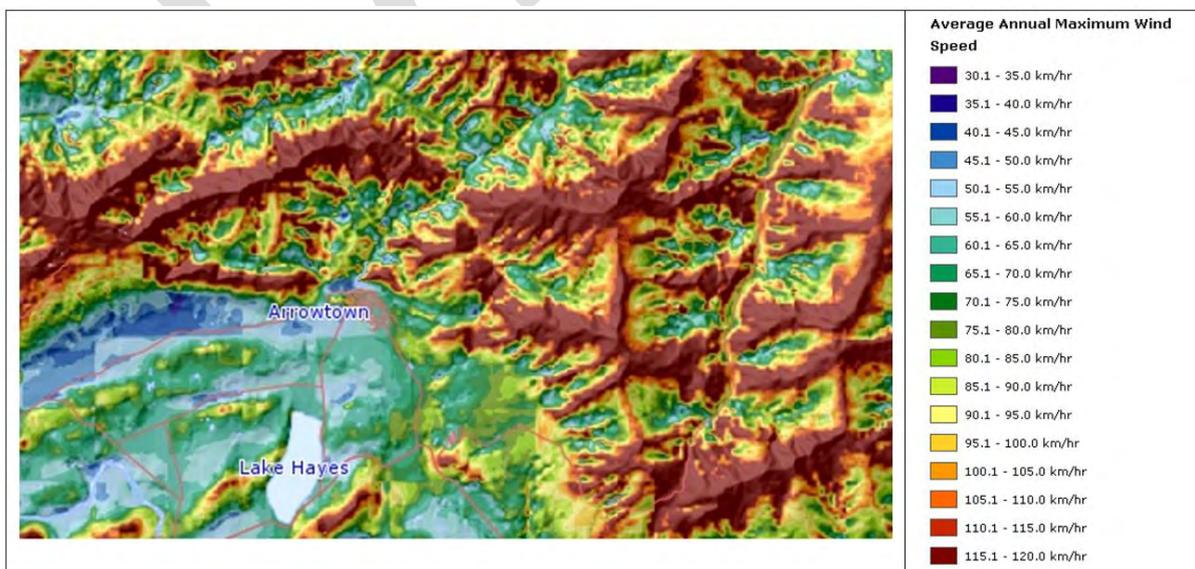


Figure 10: Wilding Spread below Brow Peak behind the Forest



Figure 11: Wilding Spread from Coronet Forest in Sawpit Gully



The Coronet Forest will produce constant seed rain onto neighbouring land until harvest, the amount of seed produced from the Forest will continue to increase as the tree crop matures, so there will be an exponential increase of seed produced as the forest ages.

If the Forest is left to maturity without a wilding control program the faces on Coronet Peak Station up behind Arrowtown, areas such as German Hill, Brow Peak and Big Hill, will become exotic forests in a very short time (Figure 10 and 11). A large investment in wilding control in terms of both professional contractor time and volunteer time has already been spent in these areas and in some cases volunteers are now returning to clear an area for a third and fourth time.

The eastern steep faces of the Forest that used to be covered in tussock are now visually a bright green slope, this is a new population of thousands of Douglas fir seedlings, which are growing as thick as grass.

The Wakatipu Wilding Conifer Control Group (WCG⁴) was created in 2009 and along with Coronet Peak Station and Volunteers has invested many hours of control on the faces behind the Forest.

In 2010 it was decided by the WCG executive to discontinue control work up behind the Forest until a commitment to clear the Forest was made. Any wilding free areas behind the Forest in the direction of the prevailing wind are clear (wilding free) as a result of control by local volunteers.

This season wilding conifers are now visible in large numbers up along all of the Crown Terrace faces below Crown Peak. While some of the spread may have come from a number of shelter belts below and single mature conifers, in a recent aerial survey of the area it was clear the majority of the wildings spread would have come from Coronet Forest.

The Douglas fir seed from the Coronet Forest is also affecting the faces directly above Arrowtown, which are recognised internationally for their autumn colours. Douglas fir is a dominant shade tolerant species and the golden colours are gradually changing to dark green (Figure 12).

Figure 12: Arrowtown Autumn Colours



⁴ WCG is a community, not-for-profit organisation created in April 2009. It is focused on protecting biodiversity and the remarkable landscape of the Wakatipu for the benefit of residents, users, tourists and particularly, future generations.

The Wakatipu Wilding Conifer Strategy 2013-17 explains that the Wakatipu is now experiencing the consequences of forests that were planted close to areas of Outstanding Natural Landscape with ecological value. It is from these and other smaller scale plantations, shelter belts or pockets of established wildings that further wilding conifers will emanate if containment or removals are not undertaken.

The WCG's strategy work program is to target and remove seed sources or coning trees that are causing on-going wilding issues on vulnerable land, and implements the following 5x5 plan:

- **ALERT** – the community to the exponential spread and cost of wilding control
- **COMMUNICATE** – the WCG programme of control and the projected effects of no control.
- **ERADICATE** – all seeding trees where possible
- **CONTAIN** - non-removable wilding areas and planted forests
- **HAND BACK** - control maintenance to landowners, DOC and QLDC

The legislative framework required to support wilding conifer management is in place through the RMA 1991 and the Biosecurity Act 1993. QLDC has strict rules on new plantings of wilding species under the RMA, but there is nothing that can be done about spreading forestry blocks that were planted prior to the RMA (Coronet Forest is one of these blocks).

The only wilding species that is classified as a 'pest' in Otago under the Bio Security Act is Contorta Pine. The NZ Wilding Conifer Management Strategy 2015-30 released by the Ministry for Primary Industries, suggests good neighbour rules in regards to wilding conifer plantings, but none of these rules are statutory.

The National Wilding Conifer Management Strategy led to \$16 million of new national operating funds being made available in the 2016 Budget to tackle wilding conifers. Approximately \$2.6 million of this funding has been allocated to the Wakatipu over the next four years.

QLDC contributes \$438,063 (increasing to \$500k in 2017/18 long term plan) to the WCG annually to fight the wilding battle. The wilding spread from the Coronet Forest compromises QLDC polices for the maintenance and values of the outstanding natural landscape.

The WCG will spend approximately \$1.4 million dollars on wilding control in the Wakatipu during the 2016/17 season; this includes contributions from QLDC, DOC, ORC, Landowner's, MPI, Business owners and from funding agencies such as Central Lakes Trust and the Lotteries Grants Board.

The cost to control identified land surrounding the Forest up to 4km in distance (aligning with natural boundaries such as Brow Peak and Big Hill) from now until maturity was conservatively estimated and reported to QLDC in 2015 as \$3 million over the life of the Forest. In 2016 a more detailed survey of the area was completed which increased the control area to include the Crown Range to Crown Peak (Figure 8), the cost of control a larger area up to 10 km from the Forest is now estimated at \$8.5 million to control 5,500 ha of land (Appendix 1, Coronet Forest Wilding Work Plan 2017-2039).

The assessment excluded the mature trees on the faces directly behind Arrowtown, the larch up on German Hill or any mature shelter belts, the control program is essentially dealing with the younger spread from the Forest.

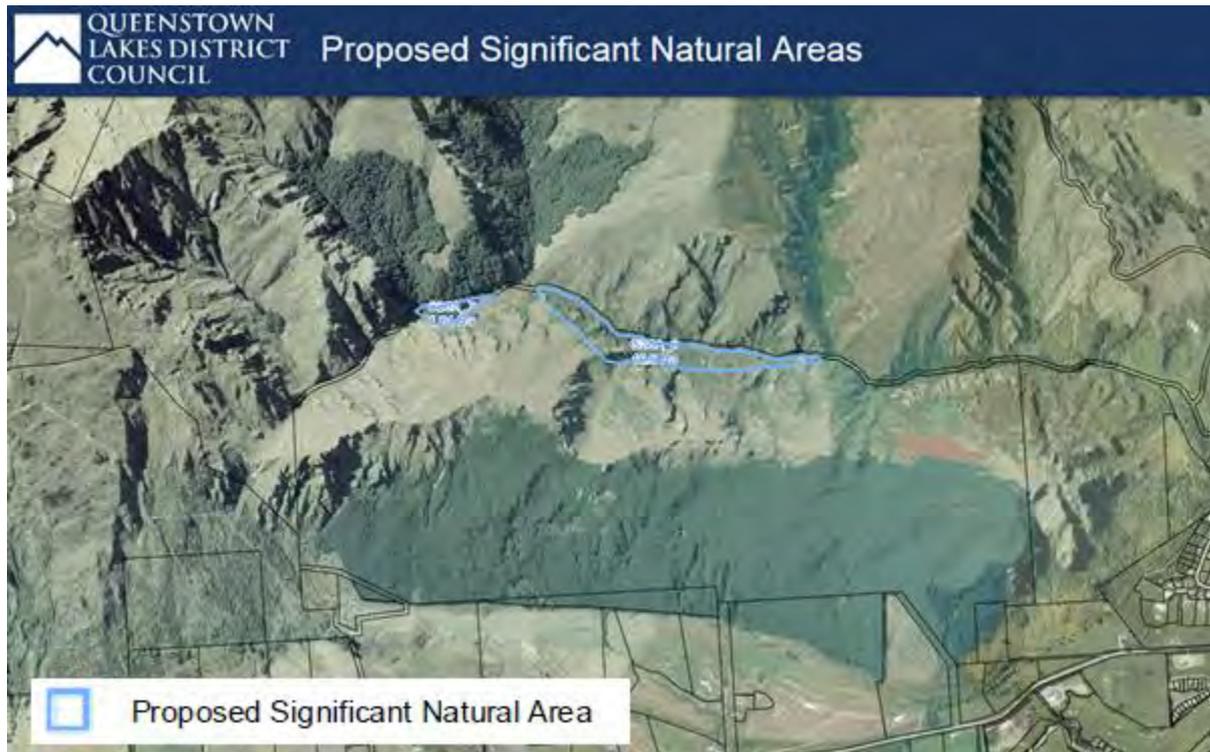
The objectives of the management plan are:

- Remove all Douglas fir wildings from the area surrounding the Forest before they reach coning at around 14-16 years.
- Remove scattered wilding outliers from areas of open tussock grasslands and sub-alpine shrublands before they are able to produce cones and seeds and /or establish significant sites for further spread, thus protecting large areas of clear land from the probability of being infested.
- Containment of denser infestations using tools such as sprayed buffer zones
- Create buffers around native beech forest
- Remove conifers from within pockets of native beech forest
- To remove trees from take-off sites such as ridge tops. Take-off sites are a common source of distant spread, as high winds speeds on ridge tops escalate seed spread.
- The management plan recommends boom spraying large tracks of land behind the forest in the direction of the prevailing wind due to the density of seed on the ground. Boom spraying is significantly cheaper than ground control, but covering large areas of land with herbicide will affect woody native species.

PROPOSED SIGNIFICANT NATURAL AREAS

Behind the Coronet Forest in the Bush Creek catchment on Coronet Peak Station and QLDC administered land are two 'proposed significant natural areas' (Figure 13) which are documented in the QLDC Proposed District Plan. These areas are noted as "critically under protected" and "chronically threatened" and contain Mountain Beech forest remnants exhibiting a high degree of representativeness. These areas contain the only remaining examples of beech forest on Coronet Peak Station, and within the Shotover Ecological District which survived Polynesian and European fires.

Figure 13: Shows the location of proposed significant natural area G28A_7 and G28A_6



- G28A_7 & G28A_6 - Beech Forest Remnants– partially within QE2 area

The noted threatened species in the proposed areas are:

- *Falco novaeseelandiae* "eastern" (eastern NZ Falcon), at risk but recovering.
- *Acanthistta chloris* (Rifleman)- At Risk - Declining

The proposed significant natural areas are under threat from wilding conifer seed from the Coronet Forest as low stature native vegetation /ecosystems are particularly vulnerable to wilding conifers. Douglas fir will establish in native beech forests with an open or thinning canopy and can lead to the local extinction of native plant communities (Froude 2011).

FIRE

Fire Control rests with Otago Rural Fire Authority as the Forest is in a rural fire fighting area. Due to the value of the forest the trees are covered by a fire insurance policy.

FENCING, TRACKING AND ROADING

There is a boundary fence around the older plantings (1984 to 1991), this area was fenced to protect the young trees from sheep browsing. There is no fence around the younger planting at the higher altitude.

The only tracks/roads on the property are the establishment tracks formed at the time of planting. These have been repaired from time to time but would not be suitable in their current form for any logging traffic. A major upgrade is required before harvest can be carried out. This upgrade will require widening, some realignment, re-culverting, application of base course and metalling.

DRAFT

HARVEST PLAN

BEST PRACTICES, HEALTH AND SAFETY

Objective: To ensure all forestry operations are carried out in accordance with industry best practice and in a way that ensures the health and safety of all involved.

All forestry operations will be carried out using Best Management Practices under the New Zealand Environment Code of Practice for Plantation Forestry. Second Edition May 2008 (<http://www.fitec.org.nz/Resources/NZ-Environmental-Code-of-practice-for-Plantation-Forestry/>).

The code should be referenced and industry expertise sought to plan and implement the correct mitigation methods available so that minimal environmental disturbance occurs on the site. Regular monitoring or auditing of all operations should be written into Health and safety plans to ensure all consent conditions and best practice are implemented and followed.

All harvest operations in the forest will comply with the relevant sections of the Health and Safety at Work Act 2015 (including subsequent regulations and guidelines) for all persons involved in the work and at the work site.

The Health and Safety Act now places greater responsibility on all participants in an employment relationship which means QLDC, CODC, as well as contracted harvesting, cartage and stumpage sale parties have a critical role to play. All health and safety operating systems should be audited and regular monitoring of these systems should be carried out to ensure a high-performance delivery is achieved.

All operations must comply with the requirements of the Resource Management Act 1991.

All high-risk jobs must be notified to the Worksafe New Zealand.

All contracted third party service providers for harvesting and re-vegetation of the site should have sound accredited health and safety records and industry expertise, as many operations such as aerial spraying, harvesting and log cartage areas are classified as high risk operations.

Strategies for mitigation of harvest risks will not vary significantly within the Forest but everyone will need to remain vigilant throughout the duration of the harvest operation.

HARVEST PLAN

A harvest plan will be prepared by a suitably qualified expert prior to harvest of the Forest, this plan will detail the harvest extraction methodology (a mixture of ground based and cable) and include the proposed road and skid site location to process the logs.

The harvest plan will address the following objectives:

- To identify the optimal harvesting methodology for the Forest including and assessment of value recovery.
- To identify the extent of infrastructure required to enable the preferred harvesting methodology to take place.
- To identify key environmental risks associated with harvesting and recommend strategies for the management/mitigation of these.
- To identify key community risks associated with harvesting and recommend strategies for the management/mitigation of these.

HARVESTING AND MARKETING OF THE FOREST

The Coronet Forest will be managed through a Graded Log Sale, this means the contracted forestry company will manage the entire harvesting and transportation roles and will sell the logs to customers as an agent for the Forest owner.

The harvest plan will be used to procure a forest company to carry out both the harvest operation and sale of the timber on behalf of QLDC and CODC.

Revenues will be dependent on the market conditions monthly. QLDC and CODC may implement a third party audit process over the top of the log sale agreement to provide additional transparency that the accounting and operational monitoring processes systems are robust.

The harvest will place large volumes of Douglas fir into the market and the economics of harvesting may mean that most of the crop is destined for an export market.

Many risks are involved in forestry as future log prices are uncertain, also the Coronet Forest is located some distance to ports and the domestic markets, and the future price of fuel is unknown.

DOUGLAS FIR ESSENTIAL OIL & BIO FUELS

Wood fuels are a cost-effective and sustainable source of energy. Modern wood-fired burners are clean burning and highly efficient offering instant benefits over fuels such as coal and oil, wood energy and its production can also bring considerable economic benefits to the supply chain.

Forest harvest residues at landings and skid sites could be considered as potential sources of bio fuels. If a viable method for removing the wood is available.

There is an opportunity for the community to realise additional valuable products from the Forest such as essential oil and bio fuels. This management plan primarily investigates the log resource

which the forest was grown for. After the forestry company is appointed there may be opportunities to extract bio fuels and essential oils from the residue of the Forest, if there is commercial interest in these products the operational detail can be included in the day to day planning and log recovery.

DRAFT

REVEGETATION

REVEGETATION OBJECTIVES

The agreement between QLDC and CODC is to establish, maintain and develop the Coronet Forest for eventual harvest and sale of the timber, after which the joint venture is dissolved. There is no obligation for CODC to remain in partnership with the Council (post-harvest) and re-establish/or re-vegetate the land.

Coronet Forest is subject to provisions of the ETS and the Operative and Proposed District Plans, and both require the revegetation of the site following the harvest of the plantation.

The key project objectives that the revegetation must achieve are:

- To revegetate the site as soon as possible after harvesting to ensure landscape values are improved as efficiently as possible.
- To revegetate the site in a manner that promotes the natural regeneration of native vegetation and provides habitat for native wildlife (e.g. birds, lizards and invertebrates);
- To establish native plantings that are self-sustaining within the site.
- To meet the ETS requirements – greater than 30% coverage per ha of the site by trees greater than five metres in height.
- To promote sustainable use of the site by members of the public via establishment of walkways, biking tracks, horse trekking trails and picnic areas.
- To prevent the establishment of weedy species, e.g. especially Douglas fir seedlings and a range of woody weeds such as briar, hawthorn, sycamore, rowan, broom and gorse.
- To establish an area of biological diversity to help restore the native biodiversity values within the Wakatipu Basin.

QLDC commissioned Davis Consulting Group Ltd (DCG) to prepare a proposal for the revegetation of the Coronet Forest post-harvest with natives (Appendix 2).

In addition, the following options were investigated in the preparation of this plan:

- Natives and native grey shrub-land with a predator free fence
- Natives and native grey shrub-land
- Mixture of Natives and Exotic Forestry Species
- Exotic Forestry Species

Native and native grey shrub-land restoration is the preferred approach to achieve the revegetation objectives as detailed below. A detailed re-vegetation plan will be prepared as part of the outline plan process in accordance with the objectives and detail set out in this plan.

NATIVE/GREY SHRUB LAND RESTORATION - GOAT FENCE

A detailed proposal for this option is attached in Appendix 2. The proposal should be referred to in detail for the planning of the revegetation project.

The concept is to create a landscape level ecological restoration of the site, with a vision of re-establishing indigenous ecosystem values and also providing a recreational space for the local community and visitors.

The proposal includes the pricing of a goat fence to remove the predator threat and protect the plantings. The most practical fencing approach was to construct a perimeter deer fence around the site with gates at the top and bottom for future public access.

In order to meet obligations under the ETS 145 hectares will be planted in indigenous community capable of providing more than 30% tree crown cover and reaching five meters in height at maturity. Mountain beech (*Fuscospora cliffortioides*) is to be the dominant species planted on the site as it will exceed the requirements of height (approx. 10-15 m at maturity) and historically would have been the vegetation that would have been found on this slope. Other species such as kowhai (*Sophora microphylla*), cabbage tree (*Cordyline australis*), kohuhu (*Pittosporum tenuifolium*), ribbonwood (*Plagianthus regius*), lancewood (*Pseudopanax crassifolius*), broadleaf (*Griselinia littoralis*) and mountain lacebark (*Hoheria lyallii*), will also exceed the requirements of height at maturity and grow well in the Wakatipu.

Restoration plantings are normally completed at one metre centres, which allows plants to provide shelter to one another and control weeds efficiently. To achieve a coverage of at least 30% of the site, approximately 521,100 native forest species will be planted into the established pasture grass. In addition to this, 173,700 native grey shrubland and tussock species will be planted at one meter centres, in a 12-metre-wide, continuous strip along all the proposed trails (Davis 2017)

The native grey shrubland will increase biological diversity and the range of habitats for native wildlife species. Native grey shrubland is a key habitat for a number native passerine bird species (e.g. fantail and grey warbler), which in turn provides prey for the 'At Risk' New Zealand falcon. In order to achieve a native shrubland cover of 10% a total of 173,700 plants will be required to be installed (David 2016).

Species to be planted in the grey shrubland and tussock grassland habitat include, but are not limited to: *Coprosma propinqua*, *Coprosma rugosa*, *Coprosma rigida*, *Coprosma virescens*, *Coprosma intertexta*, *Leptospermum scoparium*, *Sophora microphylla*, *Discaria toumatou*, *Olearia bullata*, *Olearia fragrantissima*, *Olearia fimbriata*, *Olearia hectorii*, *Olearia lineata*, *Olearia odorata*, *Corokia cotoneaster*, *Ozothamnus leptophyllus* var. *vauvilliersii*, *Pittosporum tenuifolium*, *Cordyline australis*, *Leptecophylla juniperina* subsp. *juniperina*, *Melicope simplex*, *Melicytus alpinus*, *Hoheria lyallii*,

Hoheria sexstylosa, *Plagianthus regius*, *Chionochloa rubra*, *Poa cita*, *Austroderia richardii*, *Carpodetus serratus*, *Podocarpus laetus*, *Veronica cupressoides**, *Veronica salicifolia**, *Veronica odora**, *Carmichaelia petriei**, *Hoheria glabrata**, *Coprosma lucida**, *Olearia avicenniifolia**, *Olearia arborescens**, *Myrsine divaricate**, *Myrsine australis**, *Chionochloa rubra**, *Festuca novae-zealandia**, *Griselinia littoralis**, *Aristotelia fruticosa**, *Aristotelia serrata** and *Pseudopanax crassifolius**. Plants with an asterisk are to be planted in lower numbers and only in suitable habitats. This list is to be reviewed once harvesting has been completed and the range of habitats available has been assessed (Davis 2017).

A revegetation landscape plan has been developed for the site Figure 15 and provides a graphical presentation of the proposed vegetation units, and details the self-sustaining native forest species, native grey shrubland and tussock grassland across the site.

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Figure 15: Coronet Forest, Revegetation Landscape Plan

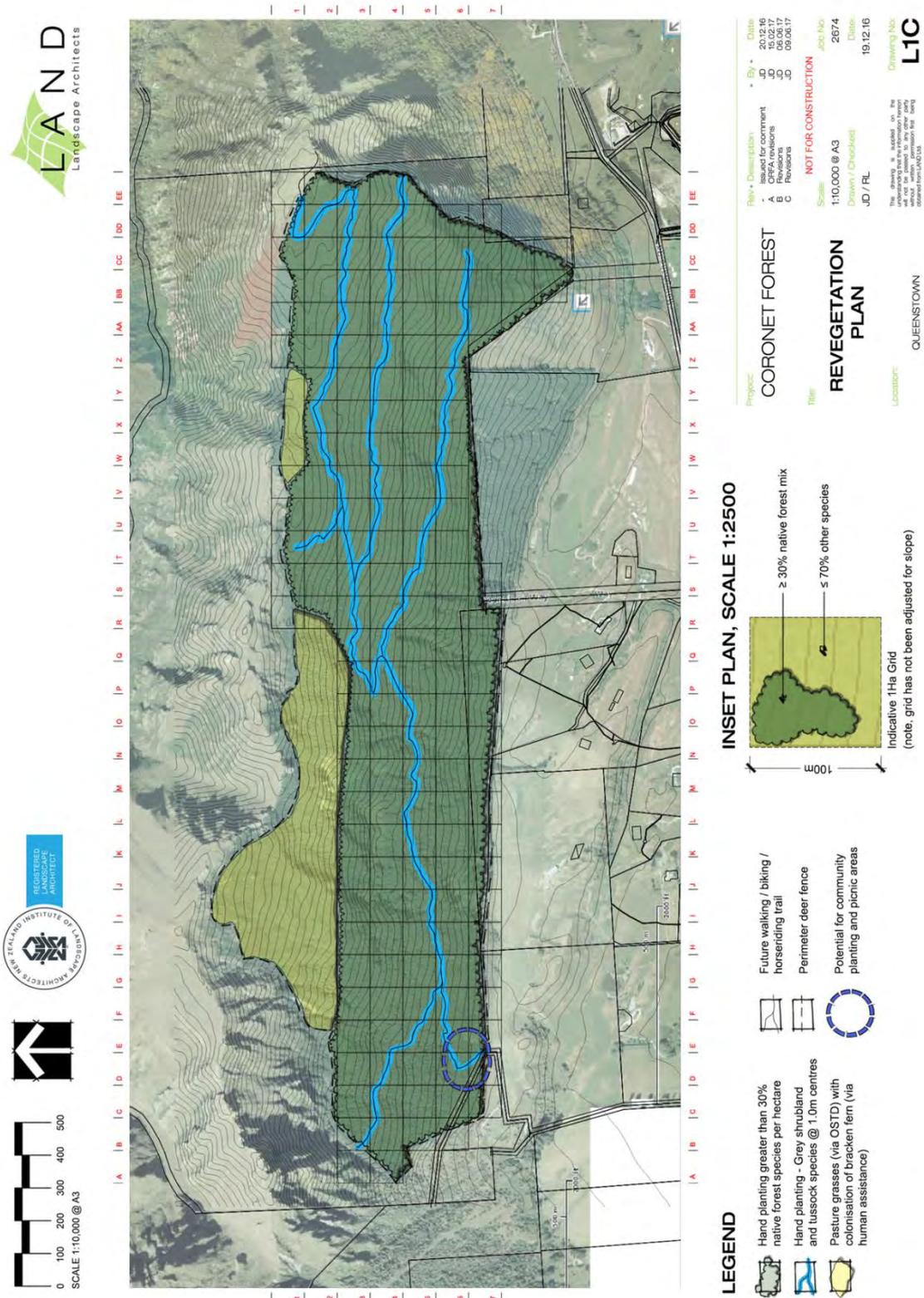
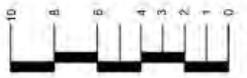
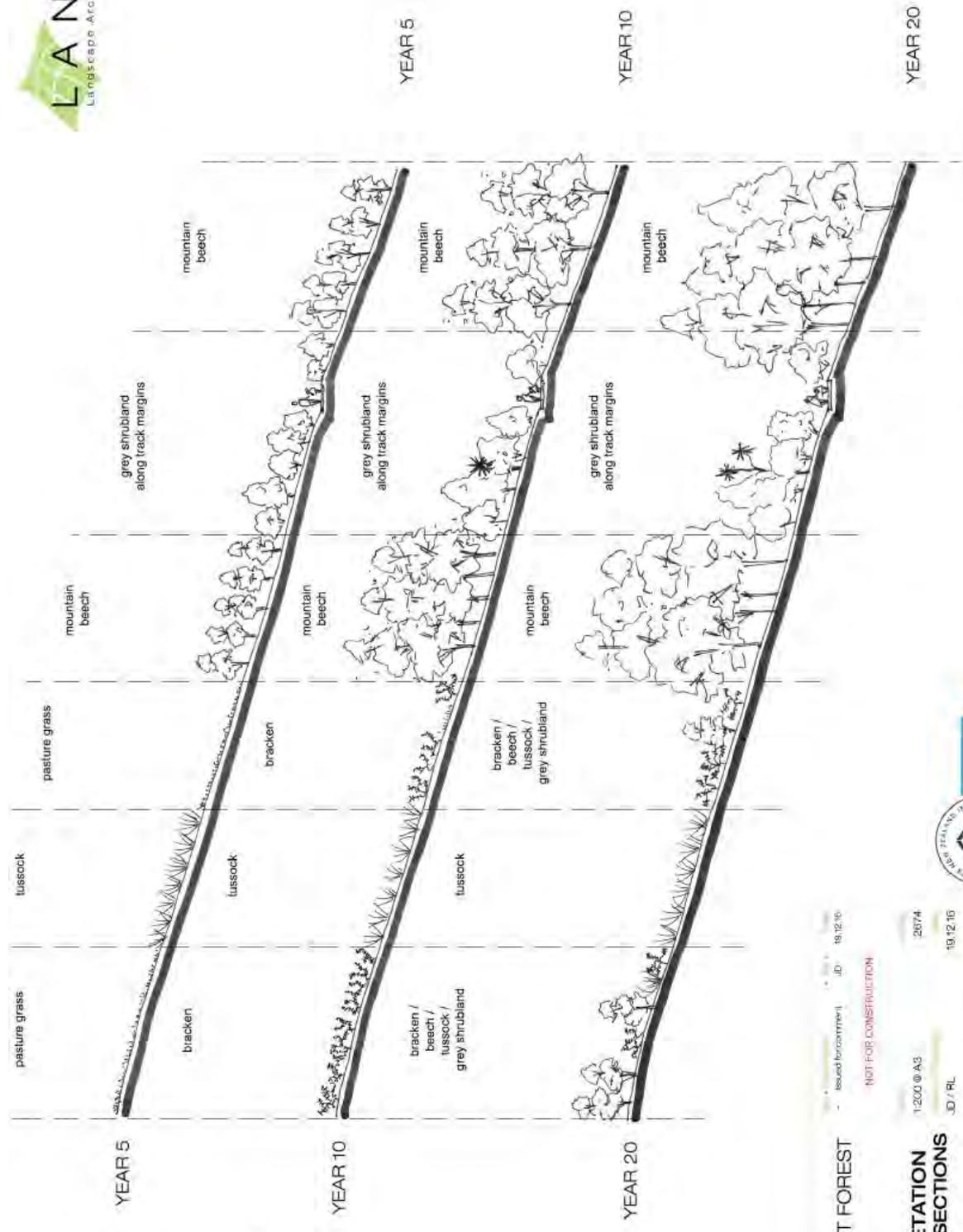


Figure 16: Coronet Forest Revegetation Section – Native/ Grey Shrub Land



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CORONET FOREST
REVEGETATION
TYPICAL SECTIONS
 QUEENSTOWN

Note: sections shown illustratively only, widths and species layout will vary

REVEGETATION OBLIGATIONS UNDER THE EMISSIONS TRADING SCHEME (ETS)

The ETS requires that each hectare of forest land must have trees with tree crown cover greater than 30% in each hectare, with an average width of at least 30 metres, which is capable of reaching five metres in height at maturity. In order for QLDC to meet its obligations under the ETS, 154 hectares of the site be planted in the ia. native forest species mentioned above. Mountain beech will be the dominant species with a small mixture of the additional species planted for diversity.

LAND PREPARATION

Land preparation follows harvest and is usually carried out by the harvest crew. The proposed harvesting operation will be a mixture of ground based and cable/hauler logging. The cable/hauler harvesting system will result in a relatively clean post-harvest site as trees are felled on site and hauled to skid site for processing where accumulation of slash is significant. This means that the rehabilitation or land preparation operations will be limited to ground based areas only.

As the harvest areas are completed, they will be oversown and topdressed. Oversowing with pasture grasses (e.g. brown top) is the first step in restoring landscape values quickly and will help prevent woody weed establishment. Oversowing and topdressing will occur in the spring or autumn immediately after each of the four areas have been harvested (Figure 17).

To prepare the site for planting and to ensure landscape values are improved as efficiently as possible the site is to be over sown with introduced grass species, this will happen when a harvest setting is complete, the introduced grass will promote fast establishment of vegetation cover across the site. This over sowing will be undertaken before any planting is carried out on the site, this will mean that Douglas fir and woody weed species that will populate the site due to the seed in the ground can be controlled prior to establishing a native crop which would be affected by herbicide.

Figure 17: Photograph showing post-harvest cutover and slash left in-situ.)



MAINTENANCE WILDING AND WOODY WEED CONTROL

The wilding regeneration at this site will be prolific due to the seed in the ground and maximum control required with minimal management intervention.

Post-harvest, it is expected that the site will be subject to rapid woody weed establishment particularly from germinating Douglas fir seed, but also from a range of other weeds hawthorn, sycamore, rowan, briar, broom and gorse (among other weed species). It is noted that broom populated most of the site before it was established as a forest, so there is a seed source for that present.

Control of Douglas fir on the site is key in establishing a second rotation crop, and this will be one of the main goals of the revegetation plan. Not only does Douglas fir have to be controlled within the harvested area, but all seeding sources around the forest will need to be removed to create a successful vegetative cover.

The revegetation plan will detail the weed control for the area over a ten-year period from harvest. Weed control on the site will occur as soon as harvest areas/compartments are complete.

The establishment of pasture grasses on site will help suppress the Douglas fir, but will not prevent it from re-establishing. Therefore, herbicide weed control will still be required, The method of weed control across the site will be determined by the proximity of neighbouring residents. Aerial

application is the most efficient method; however, herbicides can only be applied at a distance of 550 metres or more from the nearest residence.

To ensure the efficient and effective control of Douglas fir and other woody weeds is achieved, all areas of the site that are over 550 metres from neighbouring dwellings will be aerially sprayed with metsulfuron or a similar woody weed selective herbicide. The aerial application of herbicide will cover approximately 65% of the site. This herbicide application will target the young Douglas fir growth and other woody weeds, but will not affect the grass and native tussock species which will create a suitable landscape cover. Three aerial applications will be required for this zone.

Weed control within 550m of the nearest dwellings will be carried out via hand-pulling and backpack or truck spray units.

To maximise the performance of the plantings, a landscape maintenance programme will commence immediately prior to the first round of planting. This will remove any weeds that might have established in the interim) and continue for three years after each planting season.

The plant maintenance work to be undertaken will include weed control, rabbit and hare control and a check of the fence line. All of which is required to minimise competition from exotic weeds and animal browse.

Within all hand planted areas, weed control will include the application of herbicide immediately adjacent to each plant shelter and hand pulling of weeds that grow within the plant shelter.

REVEGETATION COST

Figure 18 below provides a cost estimate to complete the revegetation projects described for the four options, the cost includes a 20% contingency.

Figure 18: Provisional Revegetation cost estimate (excluding GST) for the four options.

Revegetation Options	Cost (Inc. Contingency 20%)
Predator Fence with Native Species	\$17,524,748
Native Species	\$11,937,848
Mix Native and Forestry Species (50/50)	\$8,306,925
Forestry Species	\$4,676,001

The costs are based on preliminary cost estimates obtained from contractors and standard rates used by landscape contractors on smaller projects undertaken within the Wakatipu. Please note, the cost estimate excludes the following costs:

- Project management
- Construction of onsite holding “nursery”
- Track construction and signage
- Monitoring to assess the performance of the project
- Douglas fir control on areas neighbouring the forest, where Douglas fir has established
- Bracken fern establishment above the 550m buffer zone
- Rabbit and hare control – e.g. Plantskydd
- Deer fence check, although this may be able to be included in the goat monitoring estimate
- Freight of plants and materials to site
- Costs of inflation.

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APPENDIX

Appendix 1: Coronet Forest Wilding Work Plan 2017-2039, QLDC, 2016

Appendix 2: Coronet Forest Revegetation Proposal, David Consulting Group, 2017

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1.0

Coronet Forest Revegetation Proposal

For

Queenstown Lakes District Council



February 2017



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**Coronet Forest Revegetation
Proposal**

Document Status

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C	Final	RT	GD	15 February 2017
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2.0 INTRODUCTION

2.1 Overview

The Queenstown Lakes District Council (QLDC) is updating the Coronet Forest Management Plan to reflect an early harvest. Coronet Forest is located on the south facing slopes of the Coronet Range, near Arrowtown. The forest contains a plantation of *Pseudotsuga menziesii* (Douglas fir), which covers an area of approximately 172 hectares. The forest is a significant contributor to the spread of wilding trees on neighbouring indigenous tussock grassland and shrubland communities. The council is interested in advancing the harvest to remove the ongoing spread of Douglas fir seed.

Coronet Forest is subject to provisions of the Emissions Trading Scheme (ETS) and the Operating and Proposed District Plans. The ETS and District Plans require the revegetation of the site following the harvest of the plantation. To assist in the determination of the best approach for revegetation of the site and understanding the costs associated with a revegetation project, QLDC commissioned Davis Consulting Group Limited (DCG) to prepare a proposal for the revegetation of the Coronet Forest post-harvest.

The proposal is for the implementation of a landscape level ecological restoration of the site, with a vision of re-establishing indigenous ecosystem values and also providing a recreational space for the local community and visitors.

2.2 Project Objectives

The following provides a list of key project objectives that the revegetation proposal is designed to achieve:

- To revegetate the site as soon as possible after harvesting to ensure landscape values are improved as efficiently as possible;
- To revegetate the site in a manner that promotes the natural regeneration of native vegetation and provides habitat for native wildlife (e.g. birds, lizards and invertebrates);
- To establish native plantings that are self-sustaining within the site;

- To meet the ETS requirements – revegetate 145 of the 172 ha, where each of the 145 hectares will have more than 30% tree crown cover from forest species. These forest species are capable of reaching five metres in height at maturity;
- To promote sustainable use of the site by members of the public via establishment of walkways, biking tracks, horse trekking trails and picnic areas;
- To prevent the establishment of Douglas fir seedlings and other weedy species, e.g. briar, hawthorn, sycamore, rowan, broom and gorse;
- To establish an area of biological diversity to help restore the native biodiversity values within the Wakatipu Basin.

2.3 Proposal Outline

The revegetation proposal is structured as follows:

- Section 2: Provides a set of Governing Principles for the proposal;
- Section 3: Proposed Approach to Revegetation;
- Section 4: Project Oversight;
- Section 5: Cost estimate; and,
- Section 6: Project Summary.

3.0 PROJECT GOVERNING PRINCIPLES

The following lists a set of governing principles that must be achieved in order for the revegetation of Coronet Forest to be successful.

3.1 GP1 – Obligations Under the Emissions Trading Scheme

The ETS requires that each hectare of planted trees, is to have tree crown cover from forest species of more than 30%. These trees are to be capable of reaching five metres in height at maturity, in the place they are growing. The indigenous ecological community that can achieve a height of 5 metres or more within this environment is a community dominated by mountain beech or red beech, mixed with other species such as kowhai (*Sophora microphylla*), cabbage tree (*Cordyline australis*), kohuhu (*Pittosporum tenuifolium*) and ribbonwood (*Plagianthus regius*). In order for QLDC to meet its obligations under the ETS, 145 of the 172 hectares will have more than 30% tree crown cover from native forest species. This has been adopted as a key governing principle for the revegetation proposal.

3.2 GP2 – Ecological Diversity

As discussed in GP1, at least 30% of 142 hectares on the site will be planted in native forest species. However, to improve the ecological diversity of the site a further 10% of the site is proposed to be planted in grey shrubland and tussock grassland species.

3.3 GP3 – Establishing the Conditions to Support Natural Regeneration Processes

The remainder of the site will be over sown with introduced grass species. Introduced grass species will suppress woody weeds from germinating and promote fast establishment of vegetation cover across the site. Over sowing of grass will be undertaken before any planting is carried out on site. This will give the second rotation crop (native forest species) a higher chance of survival and also reduce the amount of competition from Douglas Fir. Douglas fir seedlings will naturally regenerate on site due to the seed source left on the cutover and viable seed remaining in the soil. In Year 6 and 7, we also propose to introduce bracken fern with the objective of bracken colonising the grassed and unplanted areas over time and providing suitable conditions for indigenous plantings to seed into. Bracken is rhizomatous and has the ability to colonise through grass swards rapidly once it has become established.

3.4 GP4 – Landscape Restoration and Woody Weed Control

The location of Coronet Forest is very prominent within the Wakatipu Basin. It is therefore considered very important that vegetation is restored as efficiently as possible across the entire site. This is proposed by re-grassing the site as soon as operationally possible after each area is harvested, and this will also provide a vegetation cover so that the slopes will provide a natural appearance when viewed from the Wakatipu basin. Post-harvest, the site will be subject to rapid woody weed establishment, particularly from germinating Douglas fir seed, but also a range of other weeds including hawthorn, sycamore, rowan, briar, broom and gorse (among other weed species). Control of the entire site for wilding tree species and woody weeds will be critical to ensure the site can develop on a pathway toward indigenous vegetative cover. Control of wilding tree species and woody weeds can be achieved without affecting the initial grass vegetation on site, which will ensure that a natural look will be achieved and maintained across the slope.

4.0 PROPOSED APPROACH FOR REVEGETATION OF CORONET FOREST

The following sets out a methodology for the revegetation of Coronet Forest. We note that there will need to be a significant programme of work completed in order to engage nurseries for the supply of plants, landscape planting contractors, fencing contractors and weed control contractors. Notwithstanding this body of work, the following details our approach to revegetation of the site based on the guiding principles set out in the previous section of this proposal. A timeline of the key stages discussed below is provided in Section 4 (see Figure 2).

3.1 Site Preparation

Post-harvest site preparation will be critical to maximise the survival rate for all planting work. The proposed key steps in site preparation are oversowing and topdressing, weed control and goat/deer control. This work is described below.

Plantation Harvest

QLDC has obtained a harvest strategy for the site which proposes to harvest the forest over a two-year period. The harvest scenario separates the site into four areas, with harvest occurring sequentially (refer to the Harvest Management Plan). Once the harvest is complete, the slash and wood debris will be spread across 84 hectares of the site, with the remaining steeper areas of the site being relatively clear of logging slash, as this will be taken to the skid sites. The slash around the skid sites, will take a long time to degrade and provide a sheltered environment for the ongoing germination and establishment of woody weeds. We note DCG assessed the merits of burning the windrowed material with the Otago Rural Fire Authority. Unfortunately burning of the windrows was not considered appropriate due to the amount of smoke that would be produced, and the nuisance and possible health effects it may have on residents within Arrowtown and its surrounds.

Oversowing and Topdressing (OSTD)

Once the harvest is complete, the site will be oversown and topdressed (OSTD). Oversowing with pasture grasses (e.g. Yorkshire fog and brown top) is the first step in restoring landscape values quickly and will help prevent Douglas fir and woody weed establishment. Oversowing and topdressing will occur in the Spring or Autumn immediately after each of the four areas have been harvested. Photographs showing post-harvest clearance of slash and post-harvest cutover and slash left in-situ are provided in Plate 1 and Plate 2. We note that perennial rye and cocksfoot should not be included in the oversowing seed mix as these can be too competitive against native seedlings.

Given the possibility for dust and soil erosion in the period between post-harvest and oversowing and topdressing, consideration of dust and erosion control is advised. If necessary, “Vital Polykelp” or “Vital Bon-Matt Stonewall”, which are non-toxic and non-hazardous polymer chemicals used for dust and soil stabilisation, could be utilised. The Vital Polykelp includes fog grass seed (a variety of Yorkshire fog (*Holcus lanatus*)), which when applied is transparent in colour and will establish within one to two months in Spring. If utilised, these areas of the site would not then need to be oversown and top-dressed. If soil stabilisation is required outside of spring, Vital Bon-Matt Stonewall could be aerially applied where necessary across areas of the site.



Plate 1: Photograph showing post-harvest slash on site, prior to grass establishment on Queenstown Hill.



Plate 2: Photograph showing post-harvest cutover and slash left in-situ, on Ben Lomond.

Weed Control

The pasture grasses are expected to help prevent woody weed species from establishing on site, including Douglas fir seedlings. However, further weed control will be required. The method of weed control across the site is determined by the proximity of neighbouring residents. Aerial application is the most efficient method; however, herbicides would only be applied at a distance of 500 metres or more from the nearest residence. DCG estimates that approximately 65% of the site is outside this chemical application buffer zone.

To ensure the efficient and effective control of Douglas fir and other woody weeds, all areas of the site that are over 500 metres from neighbouring dwellings will be aerially sprayed with metsulfuron or a similar woody weed selective herbicide. The aerial application of herbicide will cover approximately 65% of the site, and will need to be carried out with an upslope wind. We note that pasture grass and native tussock species are resistant to the woody weed selective herbicide. Three herbicide applications are proposed for the site. These applications are proposed soon after the harvest finishes and subsequently two and four years' post-harvest. We note that where native bracken fern has established within this area (as per the Natural Revegetation section below) aerial spraying should not occur. Strategies to reduce spray drift will be used to avoid any damage from aerial spray to the sensitive planting areas.

Weed control within 500-550m of the nearest dwellings will be carried out via hand-pulling and backpack spray units, or a spray unit via hose from a truck or tractor.

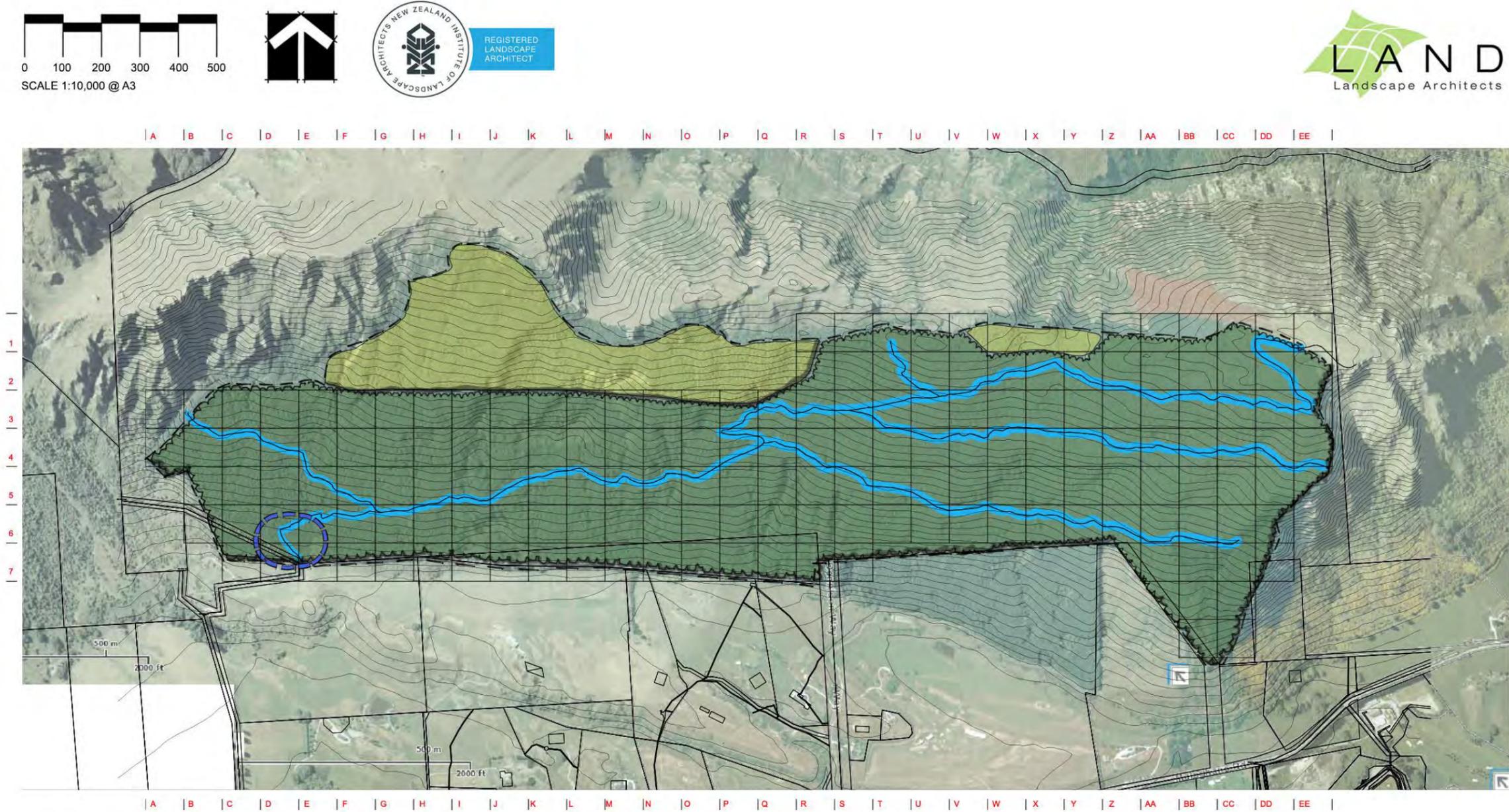
Goat and Deer Browsing Control

Due to the presence of goats and possibly deer, a deer fence is considered necessary to protect the plantings and maximise the performance of the revegetation work. The most practical fencing approach is to construct a perimeter deer fence around the site, with gates at the top and bottom for contractor access and future public access. Construction of the fence should begin as soon as possible in conjunction with the harvest. An alternate would be to use Plantskydd, a non-toxic animal repellent, that is applied to plants to deter herbivores. However, the effectiveness of Plantskydd on deterring goats is unclear. DCG recommends trialling Plantskydd to determine the effectiveness of this product on managing goat and deer browse. If a trial showed the Plantskydd is effective this may negate the need to construct a deer fence around the perimeter of the site. Notwithstanding this approach, we have included a cost estimate for the installation of the deer fence should Plantskydd not be considered an appropriate grazing deterrent.

3.2 Landscape Revegetation

Based on the governing principles set out in Section 2 and the weed control methods discussed above, a revegetation plan has been developed for the site. Figure 1 provides a graphical presentation of the proposed revegetation units and is detailed below.

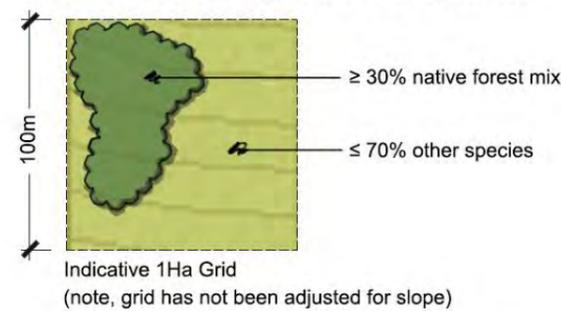
The aim of the landscape revegetation is to establish a self-sustaining native forest and mixed grey shrubland and tussock grasslands across the site, providing habitat for native wildlife and an outdoor space for members of the public to access and enjoy, as well as ensuring landscape values are improved. To achieve this, a combination of hand planting and natural regeneration will be employed.



LEGEND

-  Hand planting greater than 30% native forest species per hectare
-  Hand planting - Grey shrubland and tussock species @ 1.0m centres
-  Pasture grasses (via OSTD) with colonisation of bracken fern (via human assistance)
-  Future walking / biking / horseriding trail
-  Perimeter deer fence
-  Potential for community planting and picnic areas

INSET PLAN, SCALE 1:2500



Project: CORONET FOREST	Rev. Description	By	Date
	- issued for comment	JD	20.12.16
	A ORFA revisions	JD	15.02.17
	B Revisions	JD	06.06.17
	C Revisions	JD	09.06.17
Title: REVEGETATION PLAN	NOT FOR CONSTRUCTION		
Location: QUEENSTOWN	Scale: 1:10,000 @ A3	Job No: 2674	Date: 19.12.16
	Drawn / Checked: JD / RL	Drawing No: L1C	
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Figure 1: Landscape Plan (from LAND Landscape Architects).

Hand planting

The Coronet Forest plantation is subject to the ETS, which requires replanting of a forest species capable of reaching five metres in height at maturity and each planted hectare on the site will exceed a tree crown cover of more than 30%. Mountain beech (*Fuscospora cliffortioides*) is to be the dominant species planted on the site as it will exceed the requirements of height (approx. 10-15 m at maturity) and historically would have been the vegetation that would have been found on this slope. Other species such as kowhai (*Sophora microphylla*), cabbage tree (*Cordyline australis*), kohuhu (*Pittosporum tenuifolium*), ribbonwood (*Plagianthus regius*), lancewood (*Pseudopanax crassifolius*), broadleaf (*Griselinia littoralis*) and mountain lacebark (*Hoheria lyallii*), will also exceed the requirements of height at maturity and grow well in the Wakatipu. A mixture of these species should therefore be included within the forest plantings for diversity.

Restoration plantings are normally completed at one metre centres, which allows plants to provide shelter to one another and control weeds efficiently. To achieve a coverage of at least 30% of the site, approximately 521,100 native forest species will be planted into the established pasture grass (see Figure 1). In addition to this, 173,700 grey shrubland and tussock species will be planted at one meter centres, in a 12-metre-wide, continuous strip along all the proposed trails. Plate 3 provides an example of beech planted into pasture within the Wakatipu Basin. All native forest, grey shrubland and tussock species will be planted with shelters to protect from rabbit browse and wind exposure in the early growing stages (see Plate 4).

Restoration projects generally use a V150 plant size, but with beech trees grown in one litre pots. To balance cost versus plant survival, a 'Lannen 35F' planting size for the beech trees is considered appropriate. While the Lannen 35F is smaller than a one litre pot, it provides a larger root mass to foliage ratio than the V150, which should allow for good establishment (see Plate 5). The beech trees should also be grown in the nursery with duff (i.e. beech soil litter) to inoculate the soil/roots with mycorrhizal fungi which aid plant growth and survival. The remainder of the native forest, grey shrubland and tussock grassland species can be grown to either Lannen 35F or V150 plant size.



Plate 3: Mountain beech that have been hand planted into exotic pasture grass.



Plate 4: Native tree species in protective shelter.



Plate 5: Left: 'Lannen 35F' plant size; Right: 'V150' plant size.

As well as forest tree species, 10% of the site will be hand planted in a mix of grey shrubland and tussock species. This will increase biological diversity and the range of habitats for native wildlife species. Grey shrubland is a key habitat for a number native passerine bird species (e.g. fantail and grey warbler), which in turn provides prey for the 'At Risk' New Zealand eastern falcon. To achieve a 10% cover over the site of shrubland and tussock grassland, approximately 173,700 plants will be required to be installed. Species to be planted in the grey shrubland and tussock grassland habitat include, but are not limited to: *Coprosma propinqua*, *Coprosma rugosa*, *Coprosma rigida*, *Coprosma virescens*, *Coprosma intertexta*, *Leptospermum scoparium*, *Sophora microphylla*, *Discaria toumatou*, *Olearia bullata*, *Olearia fragrantissima*, *Olearia fimbriata*, *Olearia hectorii*, *Olearia lineata*, *Olearia odorata*, *Corokia cotoneaster*, *Ozothamnus leptophyllus* var. *vauvilliersii*, *Pittosporum tenuifolium*, *Cordyline australis*, *Leptecophylla juniperina* subsp. *juniperina*, *Melicope simplex*, *Melicytus alpinus*, *Hoheria lyallii*, *Hoheria sexstylosa*, *Plagianthus regius*, *Chionochloa rubra*, *Poa cita*, *Austroderia richardii*, *Carpodetus serratus*, *Podocarpus laetus*, *Veronica cupressoides**, *Veronica salicifolia**, *Veronica odora**, *Carmichaelia petriei**, *Hoheria glabrata**, *Coprosma lucida**, *Olearia avicenniifolia**, *Olearia arborescens**, *Myrsine divaricate**, *Myrsine australis**, *Chionochloa rubra**, *Festuca novae-zealandia**, *Griselinia littoralis**, *Aristotelia fruticosa**, *Aristotelia serrata** and *Pseudopanax crassifolius**. Plants with an asterisk are to be planted in lower numbers and only in suitable

habitats. This list is to be reviewed once harvesting has been completed and the range of habitats available has been assessed.

The grey shrubland mix will be planted at one metre centres in a 12-metre-wide, continuous strip along all the proposed walking/biking/horse-riding trails (see Figure 1). The location of these plantings is for two reasons. Firstly, to prevent weed species establishing along track edges, where weed species often preferentially establish, and secondly, to enable easy access for the maintenance of the plants.

All the hand planting would occur over seven planting seasons, i.e. spring and autumn over three to four years (Figure 2). The first native plantings will occur two years after harvesting finishes. The delay in the planting will allow for efficient Douglas Fir control as the exotic seedlings will be captured by two aerial sprays before any native planting occurs. This timeframe also allows for the nurseries to supply the native plants and availability of experienced contractors to install the plants and plant shelters.

Natural Revegetation

Due to the large-scale landscape level of restoration this project requires, it is not feasible to plant out the whole site. Therefore, providing support for natural regeneration processes is proposed. QLDC are exceeding the requirements of the ETS in regards to the amount of native forest species that are proposed to be planted, and are therefore not dependent on natural regeneration to satisfy the ETS criteria. Natural regeneration is an additional support mechanism to for landscape scale restoration of the site. A limitation to the natural successional processes associated with this site is the lack of early successional species present, notably bracken fern and tutu. Without these species present, it is unlikely that a trajectory toward indigenous vegetation dominance within the unplanted areas, via natural regeneration of the site can be achieved.

Plate 6 below highlights the importance of bracken fern as a nursery crop for the germination and survival of indigenous plants. The important function of bracken fern can be seen in many places, particularly adjacent to Lake Wakatipu.

Given the importance of bracken fern, DCG proposes to assist the colonisation of the site with bracken fern. The best mechanism to achieve colonisation of the site will be determined by trialling a number of methods including the following:

- Transplanting bracken collected from adjacent to the site;
- Collection of bracken vegetative matter, mulching the whole plant (leaves, shoots and roots) and placing the material on the site;
- Collection of rhizomes and planting/placing on site; and,

- Collection of rhizome and coating with flour to mitigate the rate of drying out of the rhizome and placing onto the site.

Colonisation of bracken onto the site, coupled with the planting of indigenous species that can seed into the bracken fern, is critical to ensure the ecological trajectory of the site towards an indigenous ecological community.

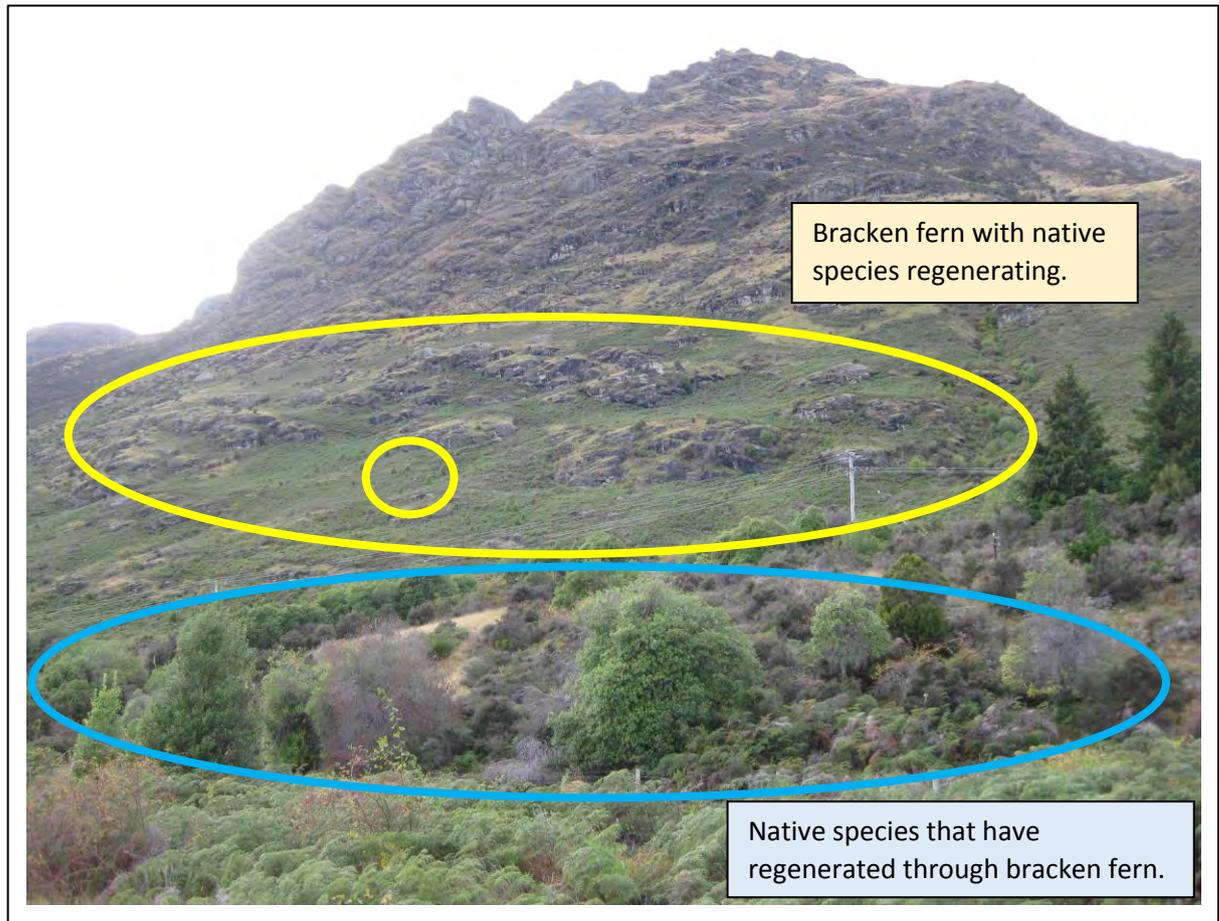


Plate 6: Natural regeneration of native species through bracken fern in the Wakatipu Basin.

Public Spaces

The construction of walking, horse trekking and bike tracks could occur once the pasture grasses have established. The upgraded roads post-harvest can be utilised as walking and horse riding trails, with mountain bike trails established off these main routes (see Figure 1). We note future tracks will need to be established in conjunction with the revegetation areas. There is also the potential to link trails up with existing walking networks, for example the Bush Creek track and the 'Arrowtown to Historic Shotover Bridge' trail. In addition to the recreation trails, picnic areas could be established on the lower slopes of the site and areas set aside for community planting (see Figure 1).

4.3 Revegetation Maintenance

To maximise the performance of the plantings, a landscape maintenance programme will commence immediately prior to the first round of planting (to remove any weeds that might have established in the interim) and will continue for three years after each planting season (see Figure 2). After each round of hand planting has received three years of maintenance, there needs to be a review to assess if any further wilding/weed control is necessary for each area. The plant maintenance work to be undertaken will include weed control, rabbit and hare control and a check of the fence line (if required). All of which is required to minimise competition from exotic weeds and animal browse.

Within all hand planted areas, weed control will include the application of herbicide immediately adjacent to each plant shelter and hand pulling of weeds that grow within the plant shelter. The remaining areas of the site will be covered in pasture grass. Some weeds will still establish and weed control via hand spraying and cutting will be necessary. Where bracken fern has established within the pasture grass little to no weed control should be required.

Inspection and maintenance of the perimeter deer fence (if required) and plant shelters will be undertaken to ensure all fences and shelters are working effectively.

4.4 Equipment and Facilities

A temporary nursery will need to be constructed on site to keep plants protected prior to planting. During planting seasons, the plants should arrive weekly and will need protection from rabbit/hare browse, as well as irrigation, until planted with shelters.

4.5 Limitations

When dealing with landscape level restoration in the natural environment, there are key aspects to be aware of where there needs to be a level of flexibility. Firstly, that plant growth and survival is dependent on a combination of climatic events, site conditions and animal browse. These factors can interact to slow down or speed up plant growth and in the worst-case lead to a lower survival rate for plants than expected. This proposal includes measures to mitigate this risk to the greatest extent possible via a perimeter deer fence, plant shelters, site specific plant species choice, planting spacing, eco-sourcing of plants, and allowing for maintenance.

Secondly, the supply of such large numbers of beech trees from nursery's can be reliant on a mast year for seed collection. A mast year is a year of high beech seed production, which only happens every two to six years. The nursery's will need a reasonable seed year, if not a mast

year, to collect enough seed. There will then be a two-year lead in for the growth from seed to an appropriate size for planting out (i.e. Lannen 35F). To help mitigate this risk, seed needs to be collected as soon as possible and additional seed collected in good seed years.

5.0 PROJECT SCHEDULE AND COST ESTIMATE

This section provides a provisional project schedule and cost estimate for the proposed Coronet Forest Revegetation as proposed above.

5.1 Project Schedule

Figure 2 below sets out a timeline of the key stages of the proposed Coronet Forest revegetation project. The timeline is indicative only and flexibility in the timing of activities will be necessary to respond to climatic variability and timing of weed establishment. For example, aerial spraying would be timed to kill as many Douglas fir seedlings as possible, which may not necessarily be in Year's 4, 6 and 8.

5.2 Cost Estimate

Table 1 below provides a breakdown of a cost estimate to complete the revegetation project described herein. The costs are based on preliminary cost estimates obtained from contractors and standard rates used by landscape contractors on smaller projects undertaken within the Wakatipu. Please note, this cost estimate excludes the following costs:

- Project management;
- Construction of onsite holding “nursery”;
- Track construction and signage;
- Monitoring to assess the performance of the project;
- Dust and erosion control if necessary;
- Douglas fir control on areas neighbouring the forest, where Douglas fir has established;
- Bracken fern establishment
- Rabbit and hare control – e.g. Plantskydd;
- Deer fence line check, although this may be able to be included in the goat monitoring estimate;
- Freight of plants and materials to site;
- Maintenance of plantings past the initial three years proposed; and,
- Costs of inflation.

Table 1: Provisional cost estimate (excluding GST and the costs listed above).

Work Item	Cost
Oversowing and topdressing (200 ha)	\$106,298.00
Perimeter deer fence	\$320,000.00
Goat eradication & monitoring (for 8 years)	\$17,000.00
Bracken fern trial	\$10,000.00
Beech seed collection	\$30,400.00
Plants & shelters (521,100 forest spp. & 173,700 grey shrubland/tussock spp.)	\$3,303,774.00
Planting & shelter installation (694,800 plants & shelters)	\$3,057,120.00
Maintenance prior to planting, & for 3 years after each planting event (e.g. weed control)	\$2,900,034.78
Aerial spray (once soon after harvest and then 2 and 4 years later)	\$203,580.00
Subtotal	\$9,948,206.78
Contingency (20%)	\$1,989,641.36
TOTAL (excluding GST)	\$11,937,848.14

6.0 PROJECT SUMMARY

In summary, the above proposed approach for the native revegetation of Coronet Forest is based on local ecological restoration knowledge and project management experience, and is consistent with the majority of views expressed in the public submissions. The proposed methods should effectively and efficiently as possible achieve a revegetated site that is utilised by the public. The methods include hand planting of native forest species, grey shrubland and tussock species, alongside the establishment of bracken fern as a natural weed suppressant and nursery to support natural successional processes across the site. Oversowing and topdressing as the harvest is completed should aid in weed suppression, and should provide relatively rapid grass cover of the site and mitigate the effect on landscape values until native revegetation fully establishes. These methods are consistent with the project objectives and governing principles.

We also note that, while outside the scope of this proposal's boundaries, the success of this proposal relies on the control of wilding pines outside the forest area. In particular, the area of Douglas fir immediately below the forest and also wilding trees to the west and east of the forest.

To the best of our knowledge, there is no comparative revegetation project within New Zealand, as most forestry sites would go back into a second rotation of forestry species. The proposed native revegetation of Coronet Forest is a unique opportunity to restore biodiversity values and would be a leading example of how landscape level ecological restoration can be successfully achieved within the Otago region and throughout New Zealand.

**QLDC Council
17 August 2017****Report for Agenda Item: 5****Department: Corporate Services****Lakeview commercial land development objectives and ownership****Purpose**

- 1 The purpose of this report is to consider development objectives for commercial land within the Lakeview site and seek community feedback on ownership of that land.

Executive Summary

- 2 The Council owns and administers the Lakeview site, a large area of prime under-utilised land adjacent to the town centre, ideally suited for the sort of development that would anchor growth and diversification of the Queenstown town centre.
- 3 With the Queenstown Convention Centre (QCC) proposal not receiving sufficient financial commitments to date, the Council now intends to enter into a process to dispose of commercial land within the Lakeview site. Current market conditions combined with recently rezoning the site, means that now is considered an optimal time to take the commercial land to market and achieve best value for ratepayers.
- 4 The Council would like to engage with the community in respect of land tenure; specifically whether 'selling' or granting long term pre-paid leasehold tenure (say 125+ years) would represent a viable alternative to the sale of freehold tenure for the commercial land.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Approve** the proposed development objectives for the commercial land on the Lakeview site to:
 - a. Maximise financial return in a manner that minimises risk to ratepayers;
 - b. Establish a thriving residential focused, mixed use precinct, which is stitched into the Queenstown town centre context and:
 - i. Exhibits best practice urban design principles, is walkable, activated, liveable and authentic;

- ii. Exhibits a consistent design language and high quality built form outcomes that complement the natural environment, fit into the Queenstown context and are of human scale;
 - iii. Provides a diverse retail mix which complements and provides for the natural expansion of the existing town centre core and will appeal to locals and visitors;
 - iv. Provides for the intensification sought via Plan Change 50 and delivers for a variety of housing choices and a diverse residential community;
 - v. Considers opportunities for visitor accommodation and / or visitor facilities where these are economically viable.
- c. Ensure Lakeview's development potential is unlocked in a timely and efficient manner.
3. **Agree** to a 'transaction approach' to engage with the market and select a development partner (or partners) to be contracted via project development agreement(s) or similar, which will reference the Council's objectives for the commercial land;
 4. **Agree** to undertake consultation with the community on the nature of tenure for the commercial land;
 5. **Direct** officers to report back to the Council on transaction options for disposal of the commercial land at Lakeview, including the land previously identified as the preferred location for the proposed Queenstown Convention Centre, together with community feedback.

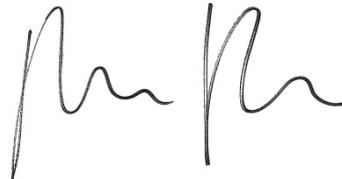
Prepared by:



Paul Speedy
Manager Strategic Projects

4/08/2017

Reviewed and Authorised by:



Meaghan Miller
Corporate Services General
Manager

4/08/2017

Background

- 5 On 27 August 2015 the Council resolved that market engagement and private sector negotiations for the commercial land at Lakeview, should not be progressed until there is sufficient certainty as to the progression or otherwise of the Queenstown Convention Centre (QCC) proposal.

- 6 In November 2016 elected members were presented with an Indicative Programme Business Case (IPBC) for the Lakeview site which provided options for progressing the development opportunity.
- 7 The IPBC modelled that investment of close to \$450 million (public and private) on the site, could have an expected district economic impact of \$83.5 million from one-off construction related activity and additional on-going economic benefits from operations in excess of \$54.5 million annually. The net financial return to the Council was projected to be \$25.5 million¹. This is in comparison to a 'status-quo' or 'do-nothing' net financial return of \$5.2 million.
- 8 Importantly the IPBC further highlighted that the Lakeview site represents a significant opportunity for the Council to implement one of the key initiatives identified in the 2015 Economic Development Strategy to address specific opportunities and challenges faced by this district².
- 9 Given that the Council has not received sufficient financial commitments to date from funding sources to construct the QCC, the opportunity cost of 'doing nothing' or further delay in development of the Lakeview site could have a material impact on potential financial and non-financial outcomes for the Council.
- 10 The commercial land area (circa 4.4ha) being considered for disposal is less than half of the wider Lakeview site (circa 10.4ha), with the balance of land retained under Council ownership and/or administration for recreation purposes and strategic infrastructure corridors.
- 11 It is clear that the commercial land at Lakeview is 'underperforming' and 'attractive' to interested investment partners. Sale of the commercial land or 'selling' development rights over the land represents a significant opportunity for this Council to deliver on one of the fundamental purposes of local government: to meet the current and future needs of the community through provision of efficient, effective and appropriate infrastructure and services.
- 12 The means of the 'sale' is an important proposition and one elected members have indicated a desire to test with the community before any decision to dispose of the commercial land is entered into.

Comment

Commercial Land Development Objectives

- 13 Land use planning, structuring an investment offering and achieving integrated development of a large site within a small market, is a comprehensive exercise. If development of the commercial land is to be successful, there must be a fair reward available for the developers and end investors.

¹ Indicative nominal (3.0%) Net Present Value (8.0%) over a 12 year investment period.

² Support the ongoing improvement of town centres in the District (Economic Development Strategy 2015).

- 14 Consistent with the purpose of local government, the community should also benefit, in this case, by way of additional employment opportunities and other associated economic benefits.
- 15 Understanding the range of activities that can be established on the commercial land, the direct financial implications and wider outcomes in terms of the economic, social, cultural and environmental impact on the district are key elements in understanding and delivering optimal utilisation of the land.
- 16 Plan Change 50 has allowed for a higher level of development of activities and buildings within the Lakeview Sub Zone. A range of District Plan controls relating to building, bulk and location, and measures which secure certain urban design outcomes are set out within the Sub Zone and the objectives, policies and rules provided for in the District Plan.
- 17 It could be argued that the Council has already set its intentions for activities and development on the commercial land through the rezoning process. However consideration of whether the private sector would otherwise deliver an activity and associated benefit(s) if not implemented or specifically imposed by the Council is integral to the proposition.
- 18 Commercial advisors propose a 'transaction approach' to engage with the market and select (under commercial tension) a development partner (or partners) to be contracted via project development agreement(s) or similar, which will reference the Council's objectives for the commercial land.
- 19 The transaction would effectively be a structured land sale/lease (contractual joint venture) with the private sector designed to maximise nominal cash returns while balancing the need to control outcomes, given the wider objectives.
- 20 Critical to the success of this approach will be the Council providing a clear mandate/commitment to the transaction, so that potential interested parties (bidders) have:
- certainty of outcome (they know what they are purchasing);
 - a transparent procurement process; and
 - controlled market engagement.
- 21 Such a process will set a clear brief of what is being sought by the Council and bring the 'right parties to the table' by creating strong engagement.
- 22 The following proposed objectives are a synthesis of the previous Lakeview development principles, District Plan and Property Sale and Acquisition Policy and Queenstown Town Centre Masterplan Programme Business Case problem and benefit statements.
- 23 Proposed Lakeview commercial land development objectives:
- I. Maximise financial return in a manner that minimises risk to ratepayers;
 - II. Establish a thriving residential focused, mixed use precinct, which is stitched into the Queenstown town centre context and:

- Exhibits best practice urban design principles, is walkable, activated, liveable and authentic;
- Exhibits a consistent design language and high quality built form outcomes that complement the natural environment, fit into the Queenstown context and are of human scale;
- Provides a diverse retail mix which complements and provides for the natural expansion of the existing town centre core and will appeal to locals and visitors;
- Provides for the intensification sought via Plan Change 50 and delivers for a variety of housing choices and a diverse residential community;
- Considers opportunities for visitor accommodation and/or visitor facilities where these are economically viable.

III. Ensure Lakeview's development potential is unlocked in a timely and efficient manner.

24 These objectives are intended to inform a two stage market engagement process³ and become the basis for evaluation of responses from private sector participants willing to invest in the Lakeview commercial land.

25 The Council can enter into a project development agreement with an investment partner (or partners) under either; long term pre-paid leasehold tenure or sale of freehold tenure, but that investment partner will want to know the nature of tenure before fully participating in a market process.

Options

26 Option 1: Agree to the recommendations as outlined

Advantages:

27 Provides market certainty while mitigating the risk of not achieving best value for the community.

28 Achieves an outcome that balances the Council's desired outcomes (and need to retain adequate control) with developers' imperative to respond to market conditions and commercial drivers.

Disadvantages:

29 It may not provide the highest financial return to ratepayers.

30 Option 2: 'Sell' the land to the highest bidder with no development agreement

Advantages:

³ Expression of interest (EOI) and requests for proposal/ tender (RFP/ RFT)

- 31 Likely to provide the highest financial return to ratepayers.
- 32 Efficient single step procurement process.
- 33 Available under long term pre-paid leasehold tenure or sale of freehold tenure, as with Option 1.

Disadvantages:

- 34 Process may be less effective in achieving the Council's desired outcomes or best value across different measures for the community.
- 35 Purchaser would not have any specific obligations regarding development on the commercial land (i.e. timing or design) other than what is provided for in the District Plan (which it could seek to change).
- 36 Evaluation of bidders based on price alone. Other criteria such as track record or ability to deliver would generally have a lower weighting, if any.

37 Option 3: Status quo or 'do nothing'

Advantages:

- 38 Alternative funding for the QCC proposal may eventuate.

Disadvantages:

- 39 Further delay in development of the Lakeview site could have a material impact on potential financial and non-financial outcomes for the Council.
- 40 This report recommends **Option 1** for addressing the matter because now is considered an optimal time to take the commercial land to market and achieve best value for ratepayers.

Significance and Engagement

- 41 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it is seeking approval to undertake consultation to inform a decision.

Risk

- 42 This matter relates to the strategic risk SR1 current and future development needs of the community (including environmental protection), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because it enables investment in key initiatives (namely housing, visitor accommodation and core infrastructure) identified to address specific opportunities and challenges faced by this District.
- 43 The recommended option mitigates the risk by transferring the risk through contracts or other agreements with external agencies.

Financial Implications

44 There are no direct operational or capital expenditure requirements or other budget or cost implications resulting from this decision.

Council Policies, Strategies and Bylaws

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

- District Plan;
- Economic Development Strategy 2015;
- Property Sale and Acquisition Policy 2014.

46 The recommended option is consistent with the principles set out in the named policy/policies.

47 This matter is included in the 10-Year Plan/Annual Plan with the Lakeview commercial land identified as part of the investment property portfolio.

Local Government Act 2002 Purpose Provisions

48 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by considering the opportunity to realise the value of a commercial asset;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

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

50 The Council has through its consultation and resolutions to date signalled its intention to facilitate the 'integrated mixed used development of the Lakeview land through a project development agreement(s) with private interests'⁴.

51 There has been nothing in the documentation that expressly precludes a sale of the commercial land at Lakeview, however it has been suggested that the development transaction would be a lease of some form with associated development aspects, and the Council would continue to hold an underlying and possibly controlling interest in the development⁵.

⁴ CBRE overview report (July 2013).

⁵ In the Lakeview December 2013 Council report there is an extended discussion (paras 57-60) of the benefits of long-term lease compared to a sale although there is no conclusion.

52 This paper proposes undertaking community consultation on the matter of tenure before declaring the property 'surplus' and deciding to dispose of the commercial land at Lakeview.

Legal Considerations and Statutory Responsibilities

53 Legal advice been taken, and the recommended option is consistent with that advice.

**QLDC Council
17 August 2017**

Report for Agenda Item: 6

Department: Corporate Services

Cemetery Road (Queenstown) proposed road stopping and land exchange

Purpose

The purpose of this report is to consider a proposal to realign Cemetery Road, Queenstown and decide to publicly notify the proposal in accordance with the Local Government Act 1974.

Recommendation

That the Council:

1. **Note** the contents of this report;
2. **Agree** to stopping the section of Cemetery Road, Queenstown shown as areas 'B' and 'C' in the Cemetery Road (Queenstown) road stopping and land exchange plan (Attachment B) under sections 319 and 342 Local Government Act 1974;
3. **Delegate** officers to undertake the road stopping process, including public notification of the proposal, as set out under Schedule 10 Local Government Act 1974;
4. **Authorise** the disposal of Council land shown as area 'B' in the Cemetery Road (Queenstown) road stopping and land exchange plan (Attachment B) under section 117(3) Public Works Act 1981; and
5. **Delegate** the Chief Executive to finalise terms and execute the sale and purchase agreement between the Council and Brecon Street Partnership Limited.

Prepared by:



Paul Speedy
Manager Strategic Projects

2/08/2017

Reviewed and Authorised by:



Mike Theelen
Chief Executive

4/08/2017

Background

- 1 Revitalisation of the Queenstown Town Centre via intensification and enabling more diversified activities adjacent to the Town Centre has been one key objective identified by the Council and community to provide for and facilitate growth in the district¹.
- 2 Initiated by the Council in response to this identified objective, Plan Change 50 made alterations to the Town Centre Zone within the Operative District Plan to establish the Lakeview Sub Zone. The Lakeview Sub Zone (comprising both private and public land) provides an extension to the Queenstown Town Centre.
- 3 The Plan Change has allowed for a higher level of development of activities and buildings within the Lakeview Sub Zone. A range of District Plan controls relating to building, bulk and location, and measures which secure certain urban design outcomes are set out within the Sub Zone.
- 4 On 18 May 2016 the Environment Court issued its decision on Plan Change 50. In that decision specific reference was made to privately owned land (within the Sub Zone) at 34 Brecon Street, which adjoins the Brecon Street Cemetery and Cemetery Road.
- 5 During the Environment Court process the parties agreed in principle it would be desirable that Cemetery Road be realigned along the western boundary of 34 Brecon Street to remove the present 'dog-leg' configuration. Any realignment would involve a boundary adjustment² at that location and also one in respect of the redundant portion of road which would become part of 34 Brecon Street.
- 6 It was considered the boundary adjustment would enhance the experience and amenity of the Queenstown Cemetery by establishing a 'buffer' between the Cemetery and 34 Brecon Street.
- 7 In July 2016 Plan Change 50 was made operative and specific provisions to allow for a consequential boundary adjustment, should there be a Council proposal to realign Cemetery Road, have been included in the District Plan.
- 8 The owner of 34 Brecon Street (Brecon Street Partnership Limited) and officers have recently explored terms, subject to conditions, for such a proposal.

Comment

The Proposal

- 9 The proposal (depicted in Attachment A) intends to realign Cemetery Road, Queenstown by:

¹ An abbreviated statement encapsulating various community and Council strategic documents/initiatives including but not limited to: Tomorrows Queenstown (2002); Growth Management Strategy (2007); Town Centre Strategy (2009); Shaping our Future 'Economic Taskforce' (2011) and the Economic Development Strategy (2015).

² Separate process to Environment Court proceedings.

- a. stopping that section of the road forming a 'dog-leg' and intersecting Brecon Street near Isle Street (shown as areas "B" and "C" on the plan provided as Attachment B);
 - b. exchanging area "B" with the neighbouring landowner, Brecon Street Partnership Limited, for part of its land (shown as area "A" on the same plan); and
 - c. dedicating the exchanged land (area "A") as road in order to form a straight road, intersecting Brecon Street further away from Isle Street.
- 10 The owner of 34 Brecon Street and the Council have identified benefits arising from the proposal in relation to development on the site and meeting the objectives and policies specific to the Queenstown Town Centre.
- 11 In summary, these objectives seek to maintain and consolidate existing town centres, enhance the amenity, character, heritage and quality of town centres, and maintain and enhance a built form and style within each town centre that enhances the existing character. Objectives also seek to create visually exciting and aesthetically pleasing town centres and centres with attractive, convenient and comprehensive pedestrian linkages.
- 12 Particularly relevant policies include:
- a. Policy 3.2, which seeks to achieve an urban environment and built form that responds to the site's location and creates an attractive, vibrant and liveable environment that is well connected with the town centre;
 - b. Policy 3.3, which requires a high quality of built form and landscaping, which contribute to the visual amenity of the area;
 - c. Policy 3.4, which encourages pedestrian links within and through the Lakeview Sub Zone.
- 13 The realignment proposal will effectively ensure that any building development on 34 Brecon Street will be distanced³ from the Queenstown Cemetery and allow for establishment of a pedestrian linkage (alongside the Cemetery) into the Lakeview site from upper Brecon Street.

Process

- 14 The Local Government Act 1974 (LGA) governs the powers of Council to stop roads. The powers are expressly granted in sections 319 and 342, and the process is set out in Schedule 10. The process is summarised as follows:
- a. The Council prepares a plan showing the road to be stopped and lodges the plan with the Surveyor-General for approval;
 - b. The Council must notify the public (if approved by the Surveyor-General). The public has a right of objection. If an objection is received, clauses 5 to

³ Standard 20m road corridor.

8 of Schedule 10 set out the process to be followed through the Environment Court;

- c. On objections being resolved, or no objection having been received on expiry of the public notice, the Council issues a 'final public notice' declaring the road to be stopped, and forwards copies of the notice and the plans to the Surveyor-General;
- d. The Surveyor-General updates their records, and at that point the road is stopped. The Surveyor-General then gives the land a new description, and forwards the details to the Registrar-General of Land to update their records in accordance with s 38(2) of the Land Transfer Amendment Act 2002.

Ngāi Tahu right of first refusal

15 Cemetery Road was formed by Crown grant and is considered 'relevant land' under the Ngāi Tahu Settlement Claims Act (NTSCA).

16 The right of first refusal is normally triggered by Council "disposing" of relevant land, but the exchange of land (Area "A" for "B" Attachment B) for the purposes of roading falls within an exemption contained in section 50 NTSCA. This exemption provides that any land exchange under section 117(3) Public Works Act 1981 is exempted from the obligation to offer the land to Ngāi Tahu.

Commercial Agreement

17 The parties have reached agreed terms for the sale and purchase of property between the Council and Brecon Street Partnership providing for the contemporaneous transfer of the Council land to Brecon Street Partnership subject to various conditions of the agreement being satisfied. Each party acknowledges equal consideration for the performance of the other party's obligations which has included:

- a. A market valuation of the 34 Brecon Street land 'as is' and 'as if the proposal is complete'⁴;
- b. An infrastructure assessment on the impact of the proposal to existing roads and services.

18 Under the agreement the Council is obligated to undertake the process as summarised in paragraph 14 (above). Brecon Street Partnership is obligated to undertake:

- a. subdivision consent (and any other consents required for construction of road) applications;
- b. physical construction of new roading and relocation of services currently located in the Council land as required to service that land and other properties;

⁴ A purchase price of \$1.00 (plus GST, if any) has been agreed based on the valuation advice received.

- c. all required sign-offs and certifications, including (if applicable) section 224(c), and Code Compliance Certificates necessary for completion of all works required by the consents.
- 19 The agreement is conditional on Brecon Street Partnership, at its sole cost, obtaining such consents as may be required to enable the transfer of the property to the Council, and contemporaneously the transfer of the Council land to Brecon Street Partnership.
- 20 The Council will complete the public objection process, but then wait while Brecon Street Partnership undertakes its consent applications and the construction works before the land exchange takes place.
- 21 The alternative would be for the parties to undertake their processes simultaneously. This would result in a quicker settlement, but risks wasted costs for Brecon Street Partnership if public objections are received and Council accepts those objections and decides not to continue with the proposal.

Options

- 22 Option 1: Realign Cemetery Road as proposed.

Advantages:

- 23 It will promote a high quality, attractive environment within the Lakeview Sub Zone consistent with the objectives and policies of the District Plan;

Disadvantages:

- 24 If the Council receives an objection and either upholds the objection, or the objection is otherwise upheld by the Environment Court, there is a stand down period of two years before the Council can attempt to stop the same road again.

- 25 Option 2: Status Quo – Do nothing

Advantages:

- 26 Will provide immediate certainty to the owner of 34 Brecon Street of their boundary and the adjacent road configuration.

Disadvantages:

- 27 May result in 'land banking' or delay of private investment, particularly of high density residential and/ or hotel development, at 34 Brecon Street.
- 28 This report recommends **Option 1** for addressing the matter because it will enhance the amenity, character, heritage and quality of the Queenstown Town Centre.

Significance and Engagement

29 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the recommended option involves public notification of the road stopping and transfer of a non-strategic asset (property).

Risk

30 This matter relates to the strategic risk SR3 Management Practice - working within legislation, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because the recommended option follows legislative processes detailed in the Local Government Act 1974 and Public Works Act 1981.

Financial Implications

31 Costs of \$20-\$25,000 can be expected to fulfil the Council's obligations under the proposal. These costs can be met within existing budgets otherwise there is no significant budget or cost implications resulting from the decision.

Council Policies, Strategies and Bylaws

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

- District Plan;
- Economic Development Strategy 2015;
- Vesting of Roads and Reserves Policy 2016;
- Property Sale and Acquisition Policy 2014;
- Road Naming Policy.

33 The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions

34 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses and provide for and facilitate growth in the District;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

35 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes District community, Te Rūnanga o Ngāi Tahu (Ngāi Tahu) and owners/ occupiers of land sharing a common title boundary with Cemetery Road. These include:

- a. Brecon Street Partnership Limited, registered proprietors of 34 Brecon Street;
- b. Queenstown Mini Golf Limited, lessees of the land at 34 Brecon Street;
- c. CCR limited, lessees of the holiday park on the adjoining reserve land;
- d. Lakeview cabin occupiers, tenants on the adjoining reserve land.

36 CCR Limited representatives have been advised of the proposal and will be further consulted regarding design and construction of the access way to the holiday park.

37 Members of the public can hold exclusive burial rights in the Cemetery, but would not be considered 'occupiers of adjoining land'. However, works affecting access to the Cemetery could invoke public concern and will need to be sensitively managed⁵.

38 General public notification including serving notice to the parties identified above will be undertaken under the requirements of Schedule 10 LGA.

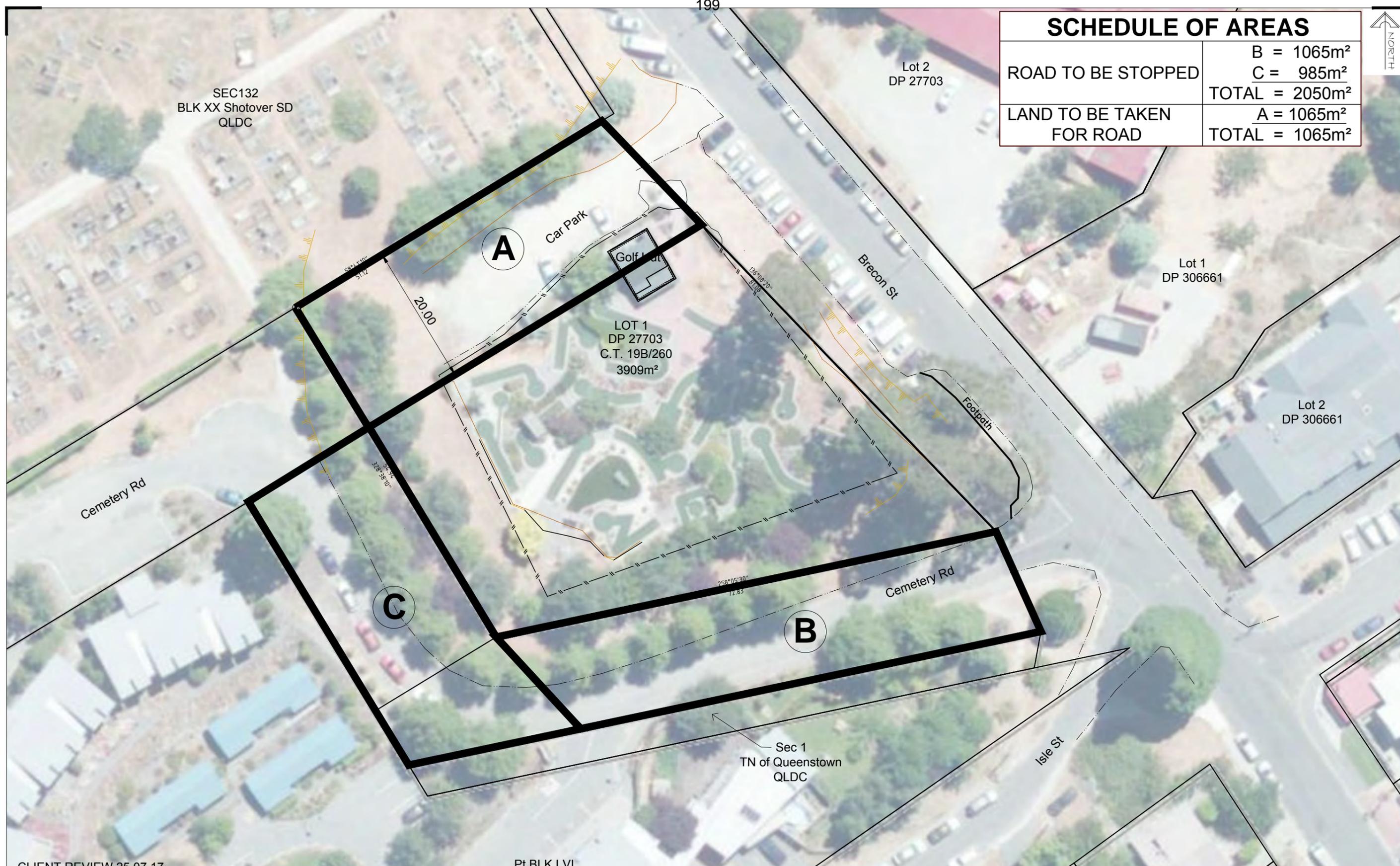
Legal Considerations and Statutory Responsibilities

39 Legal advice been taken, and the recommended option is consistent with that advice.

Attachments

- A Cemetery Road (Queenstown) realignment plan
- B Cemetery Road (Queenstown) road stopping and land exchange plan

⁵ Particularly public or family members with a connection to the cemetery.



SCHEDULE OF AREAS	
ROAD TO BE STOPPED	B = 1065m ² C = 985m ² TOTAL = 2050m ²
LAND TO BE TAKEN FOR ROAD	A = 1065m ² TOTAL = 1065m ²



CLIENT REVIEW 25.07.17

Clark Fortune McDonald & Associates
 Licensed Cadastral Surveyors - Land Development - Planning Consultants
 309 Lower Shotover Road, P.O.Box 553 Queenstown
 Tel. (03)441-6044, Fax (03)442-1066, Email admin@cfma.co.nz
 Shop 2, Otago House, 475 Moray Place, P.O. Box 5960
 Tel. (03)470-1582, Fax (03)470-1583, Email admin@cfma.co.nz

Rev.	Date	Revision Details	By

**LOT 1 DP 27703
 LAND SWAP AREAS
 CEMETERY ROAD (QUEENSTOWN) PROPOSED ROAD
 STOPPING AND LAND EXCHANGE**

Client	Surveyed	Signed	Date	Job No.	Drawing No.
BRECON STREET PARTNERSHIP	-	-	-	11844	03 Sheet 001
Drawn	Signed	Date <td>Scale</td> <td> </td> <td> </td>	Scale		
RWB	-	26.11.14	1:250 @ A1 1:500 @ A3		
Designed	Signed	Date	Datum & Level		
-	-	-	Mt Nic 2000 & MSL		

**QLDC Council
17 August 2017**

Report for Agenda Item: 7

Department: Finance & Regulatory

Proposed Fees and Charges Review for Environmental Health Services

Purpose

To consider the adoption of the proposed fees and charges for Environmental Health Services.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Accept** the recommendation from the Hearings Panel that Council adopts the fees and charges as proposed in the review;
3. **Adopt** the proposed fees and charges for food businesses and Environmental Health Services [as per attachment B]; and
4. **Agree** that Council writes to the Ministry for Primary Industries to express concerns about the costs for small businesses to comply with the Food Act 2014.

Prepared by:



Helen Evans
Environmental Health Team
Leader

2/08/2017

Reviewed and Authorised by:



Stewart Burns
Chief Financial Officer

4/08/2017

Background

- 1 On the 12 April 2017 Council resolved to undertake public consultation of the proposed Environmental Health fees and charges.
<http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Committees/Community-and-Services-Committee/6-April-2017/Item-7.-Environmental-Health-Services-Fees-and-Charges-Review/7.-Environmental-Health-Services-Fees-and-Charges-Review.pdf>

- 2 This review was to provide a fairer method of charging businesses to reflect the work undertaken and promote improved performance.
- 3 Formal consultation was conducted from in May/June 2017, with four submissions being received.

Comment

- 4 The topics raised in the submissions included concerns that the fee structure and the costs to businesses were not clear and the time taken to implement the Food Act 2014 was causing problems for food businesses.
- 5 A hearing was conducted on the 17 July 2017, with one submitter appearing. At the hearing the submitter disputed the risk category that her business had been placed into and thus the fee that would be charged.
- 6 The hearings panel noted that implementation of the Food Act 2014, including the risk categories that a business must operate under, is determined by legislation and not by Council. The level a premises is charged recognises the risk category under which a food business operates.
- 7 The Hearings Panel acknowledged the frustration for this submitter having to operate in the risk category specified by legislation, but noted that this was not a matter that Council can address.
- 8 The Hearings Panel considered all the submissions and resolved to recommend to Council that it adopt the proposed fees and charges and that Council write to the Ministry for Primary Industries to express concerns about the costs for small businesses to comply with Food Act 2014.

Options

Option 1 Status Quo

Advantages:

- 9 Businesses will not be charged for registration or increased work undertaken.

Disadvantages:

- 10 If the fees and charges are not adopted, there will be areas of work that are not charged for and fees will not accurately reflect the work undertaken.

- 11 Option 2 Adopt the review of the Fees and Charges for Environmental Health Services.

Advantages:

- 12 The fees will more accurately reflect the true cost of the services provided, which are currently not charged. The redistribution of the fees which is based on performance encourages businesses to be compliant.

Disadvantages:

- 13 Businesses that require more Environmental Health input and time will pay increased fees.
- 14 This report recommends **Option 2** for addressing the matter because the proposed fees accurately reflect the work undertaken.

Significance and Engagement

- 15 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because the changes to the policy are minor and do not affect a large proportion of the community.

Risk

- 16 This matter relates to the strategic risk strategic risk, OR004 ('Serious injury to a member of the community'), as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because the agenda item relates to funding of the key services provided by the Council.
- 17 The recommended option considered above mitigates the risk by treating the risk - putting measures in place which directly impact the risk.

Financial Implications

- 18 The financial implications associated with the recommended course of action will be minimal, which will be met through existing resources and budgets.

Council Policies, Strategies and Bylaws

- 19 The following Council policies, strategies and bylaws were considered:
- The Food Grading Bylaw
 - Finance and Revenue Policy
- 20 The recommended option is consistent with the principles set out in the named policy/policies.
- 21 This matter is included in the 10-Year Plan/Annual Plan
- Community Outcomes – A safe and healthy community, that is strong, diverse and inclusive for people of all age groups and incomes.
 - Regulatory Functions and Services – Our Environmental Health Teams regulatory role is to promote, protect and improve the health of our community through the application of various legislative requirements.

Local Government Act 2002 Purpose Provisions

- 22 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory

functions in a way that is most cost-effective for households and businesses by ensuring that the performance of regulatory functions is undertaken in a way that is most cost effective for businesses and by helping to meet the true cost of providing core services which are consistent with the Regulatory Requirements.

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

23 The persons who are affected by or interested in this matter are residents/ratepayers and visitors of the Queenstown Lakes District[

24 The Council Conducted formal consultation from 25th May 2017 – 30th July 2017 as required under the Local Government Act 2002. The appointed Hearing Panel considered the submissions and recommended that Council adopts the proposed in the review and recommends that Council write to the Ministry of Primary Industries to express concerns about the costs for small businesses to comply with Food Act 2014

Legal Considerations and Statutory Responsibilities

25 The Local Government Act 2002 and the Food Act 2014 require that charges made for regulatory services are adopted following a Special Consultative Procedure.

Attachments

- A Summary of Submissions
- B Proposed Fees and Charges
- C Full Submissions

Sub #	Submitter	Email	Agree with review?	Appear	Summary of comment
1	Southern Bars	[REDACTED]	No		No mention of costs in proposal; concerned that higher fees will only result in more complications and slower processing.
2	Café Society	[REDACTED]	Yes		QLDC needs to take a more universal manner that directly addresses the relevant concerns and should reduce the amount of time needed on site. Support price reductions and compliance streamlines that reflect other councils that are price competitive.
3	Hamills Restaurant	[REDACTED]	Yes		Concerned that there is no indication of proposed hourly charges, without which there is no reassurance of the upper limit. Needs clarification.
4	Cherry Blossom Cakes	[REDACTED]	No		Disagree that fee structure relates to business size. Assert that pay too much for the size of own business. Current proposal is not a system where charges are directly related to the size of the business and the food safety rating.

Attachment B - Proposed Fee Changes for 2017/18

Environmental Health

CURRENT FEES				
Registration Fees Incl GST				
Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	\$ -	\$ -	\$ -	\$ -
Level 2	\$ -	\$ -	\$ -	\$ -
Level 3	\$ -	\$ -	\$ -	\$ -
Level 4	\$ -	\$ -	\$ -	\$ -

PROPOSED FEES				
Registration Fees Incl GST				
Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Level 2	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Level 3	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Level 4	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00

PROPOSED FEES % CHANGE

New Fee

Verification Fees Incl GST				
Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	\$ 360.00	\$ 540.00	\$ 720.00	\$ 900.00
Level 2	\$ 540.00	\$ 720.00	\$ 900.00	\$ 1,080.00
Level 3	\$ 720.00	\$ 900.00	\$ 1,080.00	\$ 1,260.00
Level 4	\$ 900.00	\$ 1,080.00	\$ 1,260.00	\$ 1,440.00

Verification Fees Incl GST				
Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	\$ 288.00	\$ 432.00	\$ 720.00	\$ 900.00
Level 2	\$ 432.00	\$ 576.00	\$ 900.00	\$ 1,080.00
Level 3	\$ 576.00	\$ 720.00	\$ 1,080.00	\$ 1,260.00
Level 4 *	\$ 1,200.00	\$ 1,500.00	\$ 1,700.00	\$ 2,000.00
* Maximum Hours	10	12	14	16

* Any work above maximum hours will be oncharged at hourly rate

Verification Fees % Change				
Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	-20.0%	-20.0%	0.0%	0.0%
Level 2	-20.0%	-20.0%	0.0%	0.0%
Level 3	-20.0%	-20.0%	0.0%	0.0%
Level 4 *	33.3%	38.9%	34.9%	38.9%

Processing Fees Incl GST		
	Approx time *	Fee
Regrading Inspection	2 Hours	\$ -
Corrective Actions Close out visit	2 Hours	\$ -
Complaint Investigation	3 Hours	\$ -
Revisits	2 Hours	\$ -
Improvement Notice	4 Hours	\$ -
Monitoring	1 Hour	\$ -
Amendment to Registration	.5 Hour	\$ -
Cancelled verification less than 24 hours' notice	.5 Hour	\$ -
Failure to attend verification	.5 Hour	\$ -
Unscheduled verification	4 Hours	\$ -
Direction Order	6 Hours	\$ -
Restriction of Use or Closure	6 Hours	\$ -

Processing Fees Incl GST	
	Fee
Regrading Inspection	hourly rate
Corrective Actions Close out visit	hourly rate
Complaint Investigation	hourly rate
Revisits	hourly rate
Improvement Notice	hourly rate
Monitoring	hourly rate
Amendment to Registration	hourly rate
Cancelled verification less than 24 hours' notice	hourly rate
Failure to attend verification	hourly rate
Unscheduled verification	hourly rate
Direction Order	hourly rate
Restriction of Use or Closure	hourly rate

New Fee

Revenue & Financing Policy Compliance

Environmental Health

CURRENT FEE SCHEDULE (FORECAST)

User Charges Forecast full year*	341,950
Expenses as per proposed AP 17/18	413,393
Expenses Funded by User Charges	83%
Target	70%

PROPOSED FEE SCHEDULE (FORECAST)

Proposed AP 17/18	
User Charges Forecast full year	289,375
Expenses as per proposed AP 17/18	413,393
Expenses Funded by User Charges	70%
Target	70%

* Full year forecast has taken current volumes under the fee schedule for AP 16/17 and extrapolated out to calculate a full year volume by charge type. These forecast volumes have then been used to set the proposed fees



COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, June 12, 2017 4:08:10 PM
Last Modified: Monday, June 12, 2017 4:13:37 PM
Time Spent: 00:05:26
IP Address: 203.173.150.226

PAGE 1

Q1: I am giving a submission as: An organisation

PAGE 2

Q2: Name of organisation Southern Bars

Q3: Would you like to include your name as part of this submission? No

PAGE 3

Q4: Full name *Respondent skipped this question*

Q5: Email address [REDACTED]

Q6: Postal address [REDACTED]

PAGE 4

Q7: Do you agree with the Environmental Health Proposed Fees and Charges Review? No

Q8: Please explain your above answer:

The proposal seems fair when first read however there is no mention of what the costs are or what they could possibly be. As we have seen in Liquor licensing a increase in fees has not made a more efficient service. I would suggest by adding this new proposal we will only see a more complicated and slower processing of our FCP.

Q9: I understand that all submissions will be treated as public information. Your name and comments will be publicly available, however we will not disclose your contact details. I understand

#2



COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, June 20, 2017 10:06:57 AM
Last Modified: Tuesday, June 20, 2017 2:59:14 PM
Time Spent: 04:52:17
IP Address: 222.155.140.212

PAGE 1

Q1: I am giving a submission as: An organisation

PAGE 2

Q2: Name of organisation cafe society

Q3: Would you like to include your name as part of this submission? Yes

PAGE 3

Q4: Full name alan mchattie

Q5: Email address [REDACTED]

Q6: Postal address [REDACTED]

PAGE 4

Q7: Do you agree with the Environmental Health Proposed Fees and Charges Review? Yes

Q8: Please explain your above answer:

We as a small food business wish to comment on the proposed restructuring of Food Safety Fee structure.

We support QLDC proactive approach to assisting Hospitality businesses in the district and certainly appreciate any real cost savings to our business.

The QLDC district is brimming with Cafes and Restaurants and support the authority in making a concerted approach to an uncomplicated, minimal cost sustainable and a transparent system of charge out. As a comparison, Central Otago District Council only charge annual premises registration of \$100.00 and inspections of \$250.00 and grading of such premises is at no extra cost.

As Cafe operators, we totally support and work very hard to comply with the current version of NZ wide Food Safety compliance, however we consider that the system is too comprehensive, over engineered and excessively time consuming and exhausting to the point where it becomes stressful on the staff and the business.

Hospitality businesses in the QLDC district are struggling to gain and retain hospitality employees (due to the nature of transients and purely the ability to stay in the district due to cost of living), this alone puts takes a massive chunk of time and resources out of the business to keep up with the FCP. We suggest that QLDC environmental health approach the FCP in a much more universal manner that addresses the relevant and primary concerns of the NZFSCP and should directly reduce the amount of time an environmental representative needs to spend with a business.

In summary, we support the QLDC price reductions and compliance consequences and any compliance streamlines that reasonably reflect all the other price competitive councils in NZ.

Alan
Louise
Josh

Q9: I understand that all submissions will be treated as public information. Your name and comments will be publicly available, however we will not disclose your contact details. I understand

#3



COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, June 20, 2017 3:21:33 PM
Last Modified: Tuesday, June 20, 2017 3:32:24 PM
Time Spent: 00:10:51
IP Address: 103.21.194.38

PAGE 1

Q1: I am giving a submission as: An organisation

PAGE 2

Q2: Name of organisation Lochy ltd t/as Hamills Restaurant

Q3: Would you like to include your name as part of this submission? Yes

PAGE 3

Q4: Full name Tony Robertson

Q5: Email address [REDACTED]

Q6: Postal address [REDACTED]

PAGE 4

Q7: Do you agree with the Environmental Health Proposed Fees and Charges Review? Yes

Q8: Please explain your above answer:

as we have now fully entered the new regime it is time to review the charges. My only concern is that there is not an indication of proposed hourly charges. Without some form of re-assurance then there is perhaps no "upper limit" to the charges so our fees could indeed be larger than the existing regime. For that reason I would ask for clarification.

Q9: I understand that all submissions will be treated as public information. Your name and comments will be publicly available, however we will not disclose your contact details. I understand

#4



COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, June 19, 2017 7:09:51 PM
Last Modified: Wednesday, June 21, 2017 11:16:20 AM
Time Spent: Over a day
IP Address: 203.173.151.171

PAGE 1

Q1: I am giving a submission as: An organisation

PAGE 2

Q2: Name of organisation Cherry Blossom Cakes

Q3: Would you like to include your name as part of this submission? Yes

PAGE 3

Q4: Full name Melissa White

Q5: Email address



Q6: Postal address



PAGE 4

Q7: Do you agree with the Environmental Health Proposed Fees and Charges Review? No

Q8: Please explain your above answer:

Dear Councillors,

Thank you for taking the time to read over my submission on the proposed fee and charges review for the Environmental Health Services.

Please note, I agree that the fees and charges need reviewing and there are significant issues that need addressing, but I do not agree that what has been proposed does this.

As mentioned in Point 3 of the introduction. The aim of the review is to have a fee structure that reflects the work needed for businesses. This would provide a system where charges are directly related to the size of the business and the grade obtained.

Also point 7 states: The changes reflect redistributing the fees and charges, to better reflect the charges to a business for the work undertaken.

Environmental Health Proposal Fees and Charges Review

Point 12 states that: The second criterion is based on the level (size) of the business, e.g. a coffee cart would be a level 2 while a ski field with multiple outlets would be a level 4 i.e. a higher cost.

Point 13 states that: This system of charging a business according to their size and how well they are performing in relation to food safety is a fairer system to reflect the work undertaken and to reward good food operators.

It also states in point 26. Disadvantages: If the Council does nothing there will be areas of work that are not charged for and areas of work that are over charged. Fees will not be accurately reflecting the work undertaken.

Point 27: Advantages: The fees reflect the true cost of providing the services.

All of these points are very valid and definitely require addressing, but the new proposal does not actually address these issues satisfactorily. Many of the points above note, that the new fee structure will provide a system where charges are directly related to the size of the business. But this is not the case. The levels that they speak of are to do with 'risk' factors determined by the Ministry of Primary Industries and nothing to do with size.

For example, my cake business, is considered a level 3 business and although I have requested the council to re-classify me as I am a single operator and a mum, so my business is what you would consider less than 1 full time equivalent worker. So under the present and the new system, I would be paying exactly the same in kitchen verification fees as any single site kitchen in town. My business has an annual turnover (yes, turnover, not profit) of \$55,000 - \$60,000.

I am paying to the council the same fee as any large-scale single site restaurant in town. My guess is that their turn over is in the millions each year. Also when you look at the size and complexity of the kitchens' as well. My kitchen is situated in part of my single car garage at home, there is 1 fridge and 1 freezer, 1 staff member, all of my finished products are shelf stable at room temperature, I cook no meats or any other high risk foods. There is no way that my registration and verification of my food control plan takes as long as restaurants in town with kitchen's 2 – 3 times the size, multiple chilling units, dozen's of staff members that require training, recording temperatures of cooked chicken and other high risk foods.

I have been questioning the cost of the registration with the council all year, and I keep getting the same answers, that are just the way it is, we are looking into it. I don't think they have done this satisfactorily.

One of the arguments presented to me earlier this year was, that all businesses need to pay some fees towards the general running of their company cars and general administration. This means that my business is paying the same dollar figure towards these costs, as the likes of Ferg Burger, Botswana Butchery, the list goes on.

This year the fee for verification was \$720. The previous fee I had paid was \$375 per year (after initial sign up of around \$800, which I paid twice as I have moved kitchens). The increase to \$720 is almost double the previous fee. Another point the environmental health officers used for the latest increase was that this is what the councillors had instructed them to do, ie charge the businesses more for the services. I really believe that the councillors did not realise this would also impact small businesses such as myself, so significantly.

I really don't mind paying a fee that truly reflects the cost of my verification. The new figure of \$576 (My kitchen as had an A grade for the past 7 years), I do not believe is a reflection of the cost to the council of registering my kitchen, especially if anyone else with an A grade kitchen, for example Botswana Butchery, pays the same fee.

If my business was classified as a level one 'sized' business, then I would agree with the new fees. I have spoken to the QLDC about this, although they agree my business is not a high risk level and shouldn't be considered the same as large full scale restaurants, they have said that the levels are set by Ministry of Primary Industries and there is nothing they can do about it. So by not changing the fees due to business size during this fee change, they have not actually said what they are going to do in this proposal.

I have spoken directly to the Ministry of Primary Industries, they said that they can't change my level, but that the council sets the fees and when I told them what I was expected to pay they did think that was high for my type of business but that the council sets the fees and I should talk to them. So I find myself in a catch 22 position.

I have been registered with the QLDC for 7 years, I registered before my business started and have always had a registered kitchen to work from. When I moved into my own kitchen 4 years ago, I voluntarily moved onto a food control plan, early at additional cost to myself so that I would already be complaint when the new law passed. The new law has now passed, and I find that I have to pay even more in fees that before, even through this is supposed to more

Environmental Health Proposal Fees and Charges Review

reflect business size and grading history.

There is very little the council can/has done to monitor other non-registered cake decorators in the area. When questioned on this the council have said in the past, it's just too expensive to do anything about this. Now the line is, they have to wait until next year until another part of the law comes into act. So for 7 years, I have paid my fees, I have been compliant and I am working in an area that is not policed, so my competitors (not all, there is a hand full of people in the same boat as me) operate out of unregistered kitchens and pay no GST, income tax or environmental health fees.

Please, I am asking for your help in addressing some of these issues.

I am requesting, as councillors, you give the QLDC environmental offices the authority to reconsider the fee structure. As it is currently, or the new proposal, it does not reflect the outcome this proposal was set up to provide – ie a system where charges are directly related to the size of the business and the food safety rating.

If they are not able to change the fee structure, then please provide the council with the authority to make exceptions to these fees when they think it is appropriate.

Thank you for your time, and I look forward to presenting my submission in person.

Yours sincerely

Melissa White
Cherry Blossom Cakes

Q9: I understand that all submissions will be treated as public information. Your name and comments will be publicly available, however we will not disclose your contact details. I understand

**QLDC Council
17 August 2017**

Report for Agenda Item: 8

Department: Finance & Regulatory

Brothel Control Bylaw 2011 Review

Purpose

To consider the proposed Queenstown Lakes District Council Brothel Control Bylaw 2017 for public consultation.

Recommendation

That Council:

1. **Note** the contents of this report and the recommendation from the Community and Services Committee to approve the continuation of the current Queenstown Lakes District Council Brothel Control Bylaw 2011 for public consultation;
2. **Approve** the proposed Brothel Control Bylaw 2017, Statement of Proposal, and Summary of Statement of Proposal documents for public consultation using the special consultative procedure; and
3. **Appoint** three Councillors from the Community and Services Committee to participate in a hearing panel to consider and hear submissions on the proposed Brothel Control Bylaw 2017 and make a recommendation to Council.

Prepared by:



Thomas Grandiek
Monitoring & Enforcement
Officer

18/07/2017

Reviewed and Authorised by:



Stewart Burns
General Manager
Finance and Regulatory

1/07/2017

Background

- 1 On 6 April 2017 the Community and Services Committee considered the proposed continuation of the Brothel Control Bylaw 2011 (**current bylaw**), <http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Committees/Community-and-Services-Committee/6-April-2017/Item-8.-Brothel-Control-Bylaw-2011-Review/8.-Brothel-Control-Bylaw-2011-Review.pdf>. The Community and Services Committee resolved to recommend that the Council review the current bylaw and undertake public consultation.
- 2 Following the Community and Services Committee meeting on 6 April 2017, the Committee queried whether the permitted activity area for brothels may need to be extended to reflect the proposed Plan Change 50. This plan change amended the operative Queenstown Lakes District Plan by establishing a larger town centre zone to recognise the growth experienced across Queenstown and Wanaka.
- 3 The proposed Brothel Control Bylaw 2017 proposes to retain the existing rules in the current bylaw. This includes the permitted area of activity remaining the same for both Queenstown and Wanaka. Council considers that the current bylaw is working appropriately and provides for reasonable regulation of the location of brothels and associated signage. The current permitted areas of activity are best suited to a brothel operation as there is CCTV in operation, the areas are in close proximity to a Police Station and there is frequent pedestrian traffic.
- 4 The current bylaw was adopted under the Prostitution Reform Act 2003 (**the Act**) and the Local Government Act 2002 ("**LGA**"). A brothel includes a premises kept or habitually used for the purposes of prostitution, but does not include accommodation that is normally provided on a commercial basis if the prostitution occurs under an arrangement initiated elsewhere. The Act does not envisage the blanket prohibition of brothels across the district, but does allow the Council to restrict the location of brothels to certain areas in order to reduce or prevent harmful effects, such as nuisances.
- 5 Council staff have completed a review of the current bylaw, and recommend that the Council approve for consultation the proposed Brothel Control Bylaw 2017 (**proposed bylaw**). A copy of the proposed bylaw is contained in **Attachment B**.

Comment

- 6 Council staff propose to substantially continue the current approach to the regulation of brothels, which includes specifying suitable areas within the district for the establishment and safe operation of brothels, and requiring publicly visible brothel signage to meet minimum standards. This approach is consistent with the Act and an appropriate fit for the district and the community. Some amendments have been included within the proposed bylaw to update and clarify the scope of the controls (eg. improving consistency with legislation, clarifying rules, using improved maps and removing redundant content).

- 7 As part of the special consultative procedure, Council staff propose to seek feedback from the public regarding the possible extension of the permitted activity area for the establishment of brothels in the district. Submitters can also comment on the continuation of the current bylaw without change, instead of the adoption of the proposed bylaw, which includes some amendments.
- 8 The proposed bylaw includes the existing restrictions to brothel locations. To date no complaints have been received regarding the permitted activity area, although no known brothels have been established. The rationale of the current permitted activity areas is to facilitate CCTV monitoring, close proximity to a Police station, and regular pedestrian traffic.

Local Government Act 2002

- 9 The LGA enables Council to make a bylaw to address local issues and provides the ability to operate proactively to:
 - a) Protect the public from nuisance;
 - b) Protect, promote, and maintain public health and safety; and
 - c) Minimise the potential for nuisance behaviour in public places.
- 10 The process for adopting a new bylaw is set out in the LGA. The LGA requires that the current bylaw must be reviewed within five years after the date on which it was made. If a bylaw is not reviewed within five years it will be revoked two years after the date it was required to be reviewed. The current bylaw was adopted on 27 April 2011 and is due to expire on 27 April 2018, unless a new bylaw is adopted.
- 11 If the current bylaw were to lapse, the Council would not be able to regulate and control the advertising and the location of brothels effectively within the district. Brothel advertising would still be subject to rules affecting other commercial signage under the Queenstown Lakes District Plan, but without a bylaw the Council would be unable to impose specific regulations on the size, display and content of brothel advertising.

Proposed Bylaw

- 12 The current bylaw provides the ability to have a brothel within a specified area of the Queenstown Town Centre and the Wanaka Town Centre only. The rationale for this is to ensure that any brothels are in locations where there is CCTV in operation, they are in close proximity to a Police Station and there is regular pedestrian foot traffic. Council staff propose to reduce the risk of potential negative issues that may eventuate if a brothel was situated in more remote locations in the district. The permitted areas were also identified to prevent the potential nuisance of brothels in residential neighbourhoods.
- 13 There are no known brothels currently located within the permitted areas as specified in the current bylaw.
- 14 It is proposed that the controls under the current bylaw are substantially continued in the proposed bylaw, which meets legislative requirements and is an appropriate tool for reducing the risk of nuisances in our communities.

Options

15 Option 1- Approve the proposed Brothel Control Bylaw 2017 for consultation using the special consultative procedure

Advantages:

16 Continuity, effective management and control of potential impacts of brothels on the public and the prevention of brothels in residential areas. The permitted zones specified in the Queenstown Town Centre and the Wanaka Town Centre are best suited to a brothel operation as there is CCTV in operation, the areas are in close proximity to a Police Station and there is frequent pedestrian traffic. Amendments in the proposed bylaw are required to update and clarify the scope of the controls, although this will not substantially alter existing brothel regulation.

Disadvantages:

17 No disadvantages have been identified.

18 Option 2 – Approve the current bylaw without amendment for consultation using the special consultative procedure

Advantages

19 If the Council re-adopts the current bylaw without any amendment, brothel location and signage will continue to be regulated in the same way going forward.

Disadvantages

20 If a brothel is established, there could be some uncertainty as to the scope and enforceability of parts of the current bylaw. For example:

- a. there are inconsistencies in definitions in the current bylaw compared to the same definitions in the Prostitution Reform Act 2003.
- b. the current bylaw may be difficult to apply to “brothels”, which do not have legal personality.
- c. the requirement to comply with the Signage Bylaw 2006 is redundant.
- d. the maps which specify the permitted areas for brothels are faded, and the streets within the permitted areas are not labelled.

21 Option 3- Allow the current bylaw to lapse

Advantages:

22 Council will be perceived as being less bureaucratic. Some members of the community may prefer less regulation on the location and signage of brothels.

Disadvantages:

- 23 After the current bylaw lapses, there will be no restrictions on the location of brothels and display of brothel signage in the District. If in future a person decides to establish a brothel, they could do so in any area, including in a residential neighbourhood. The Council considers that this may lead to harmful effects in those areas, such as nuisances.
- 24 Publicly visible brothel advertising will still be subject to the Queenstown Lakes District Council District Plan, which prohibits sexually explicit, lewd or offensive content. However, brothel advertising may still contain sexual innuendo or other content that falls short of being offensive, which would be technically permissible without a bylaw in effect.
- 25 This report recommends **Option 1** for addressing the matter, as this directly addresses the issue or perceived issue of brothels and where they are permitted.

Significance and Engagement

- 26 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy; the Bylaw affects few people and substantially continues controls set out in the Brothel Control Bylaw 2011.

Risk

- 27 This matter relates to the strategic risk SR3 Management Practice - Working within Legislation, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this strategic risk due to the associated legislation and controls surrounding the activity.
- 28 The recommended option considered above mitigates the risk by 'Treating the risk' – putting measures in place which directly impact the risk by regulating and controlling, in accordance with the LGA.

Financial Implications

- 29 There are operational cost implications resulting from the decision regarding the review of this Bylaw. These costs will be met through current budgets.

Council Policies, Strategies and Bylaws

- 30 The following Council policies, strategies and bylaws were considered:

- Brothel Control Bylaw 2011
- Enforcement Strategy and Prosecution Policy 2014
- New Zealand Bill of Rights Act 1990 ("**BORA**")
- Activities in Public Places Bylaw 2016
- Prostitution Reform Act 2003
- Queenstown Lakes Council District Plan

- 31 The recommended option is consistent with the principles set out in the named policy/policies.

32 This matter is included in the 10-Year Plan/Annual Plan.

33 Volume 1 – Our Long Term Council outcomes to encourage compliance and to protect the interests of the district.

Local Government Act 2002 Purpose Provisions

34 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by; governing the effective management and control of potential impacts of brothels on the public and protect the interests of the district.
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

35 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes' District community, local Iwi and brothel operators.

36 There has been no public consultation undertaken on the proposed bylaw to date. Consultation will be commenced in accordance with the special consultative procedure pursuant to section 156 of the Local Government Act 2002.

Attachments

Attachment A – Proposed Queenstown Lakes District Council Brothel Control Bylaw 2017

Attachment B – Queenstown Lakes District Council Brothel Control Bylaw 2011

Attachment C – Statement of Proposal

Attachment D – Map showing the permitted area under the current bylaw and the expanded town centre zone implemented after Plan Change 50 became operative



Brothel Control Bylaw 2017

Queenstown Lakes District Council

Date of making:
Commencement: [Insert]

This Bylaw is adopted pursuant to the provisions of the Local Government Act 2002 and the Prostitution Reform Act 2003 by resolution of the Queenstown Lakes District Council at a meeting of the Council on [].

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Part 1 - Preliminary

1 Short title and commencement

- 1.1 This bylaw may be cited as “the Queenstown Lakes District Council Brothel Control Bylaw 2017”.
- 1.2 This bylaw comes into force on a date specified by Council resolution.
- 1.3 The Queenstown Lakes District Brothel Control Bylaw 2011 is revoked on the date this bylaw comes into force.

2 Interpretation

- 2.1 In this bylaw, unless the context otherwise requires–

Brothel means any premises kept or habitually used for the purposes of prostitution but does not include premises at which accommodation is normally provided on a commercial basis if the prostitution occurs under an arrangement initiated elsewhere.

Commercial Sexual Services means sexual services that:

- (a) involve physical participation by a person in sexual acts with, and for the gratification of another person; and
- (b) are provided for payment or other reward (irrespective of whether the reward is given to the person providing the services or another person).

Council means the Queenstown Lakes District Council.

District means the Queenstown Lakes District.

Premises includes a part of premises.

Prostitution means the provision of commercial sexual services.

Public place –

- (a) means any place that is open to, or being used by the public, whether admission is free or on payment of a charge and whether any owner or occupier of the place is lawfully entitled to exclude or eject a person from that place; and
- (b) includes any aircraft, hovercraft, ship, ferry, or other vessel, train, or vehicle carrying or available to carry passengers for reward.

Part 2 – Brothel control

3 Locations of brothels

3.1 No person may establish, operate, or permit the operation of a brothel unless the brothel satisfies all of the following requirements:

- (a) the brothel is located in either:
 - (i) the area of permitted activity within the Queenstown Town Centre Zone identified on the map contained in Schedule 1; or
 - (ii) the area of permitted activity within the Wanaka Town Centre Zone identified on the map contained in Schedule 2;
- (b) the brothel is located in a building lawfully established under a building consent issued pursuant to the Building Act 2004 (or its predecessor);
- (c) the brothel is not located at ground level or beneath ground level of any building; and
- (d) the brothel is not located within 100 metres of any existing brothel.

4 Regulation of brothel advertising

4.1 No person may erect or display any sign that advertises the business of a brothel and is visible from a public place, unless it satisfies all of the following requirements:

- (a) the only information displayed on the sign is the registered name of the brothel or the name of the person who operates the brothel;
- (b) the sign does not exceed 0.3 square metres in size; and
- (c) must comply with all applicable requirements in the Queenstown Lakes District Council District Plan (or its successor), or be authorised by a resource consent.

4.2 No person may permit the erection or display of any sign that advertises the business of a brothel and is visible from a public place, unless it satisfies all of the requirements in clause 4.1 above.

Part 3 – Enforcement

5 Powers to enforce bylaw

- 5.1 The Council may use its powers under the Local Government Act 2002 to enforce this bylaw.

6 Offences

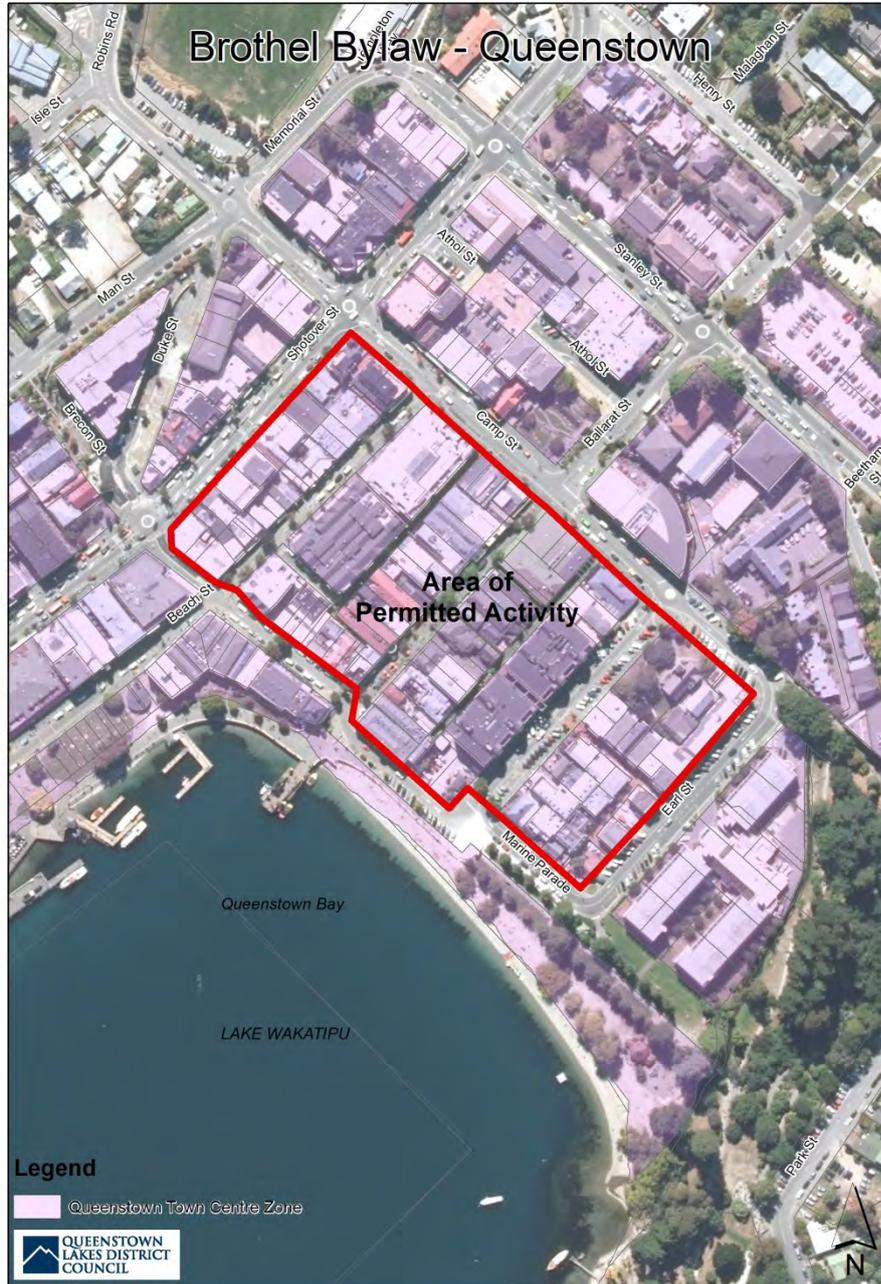
- 6.1 Every person who breaches this Bylaw commits an offence.
- 6.2 Every person who commits an offence against this Bylaw is liable on conviction to the penalty set out in Section 242(4) of the Local Government Act 2002.

The common seal of the Queenstown Lakes District Council is attached in the presence of:

Mayor:

Chief Executive:

Schedule 1 – Map of permitted areas within Queenstown Town Centre Zone



Schedule 2 – Map of permitted areas within Wanaka Town Centre Zone



QUEENSTOWN LAKES DISTRICT COUNCIL BROTHEL CONTROL BYLAW 2011

The Queenstown Lakes District Council makes this Bylaw in accordance with the powers contained in the Local Government Act 2002 and the Prostitution Reform Act 2003.

The purpose of this Bylaw is to introduce control measures that are designed to manage the potential impacts of brothels. This Bylaw restricts the establishment of brothels to specific areas of the Queenstown Lakes District and regulates the signage that advertises legally established brothels.

1. Short Title and Commencement

- 1.1 This Bylaw may be cited as “the Queenstown Lakes District Brothel Control Bylaw 2011”.
- 1.2 This Bylaw comes into force 7 days after the first public notice that the Bylaw has been adopted by Council.
- 1.3 On the coming into force of this Bylaw, the Queenstown Lakes District Council Brothel Control Bylaw 2008 is revoked.

Interpretation

In this Bylaw, unless the context otherwise requires:

“*Brothel*” means any premises kept or habitually used for the purposes of prostitution but does not include premises at which accommodation is normally provided on a commercial basis if the prostitution occurs under an arrangement initiated elsewhere.

“*Commercial Sexual Services*” means sexual services that –

- (a) involve physical participation by a person in sexual acts with, and for the gratification of another person; and
- (b) are provided for payment or other reward (irrespective of whether the reward is given to the person providing the services or another person).

“*Council*” means the Queenstown Lakes District Council.

“*District*” means the Queenstown Lakes District.

“*Premises*” means any form of building or structure of any kind or nature (whether permanent or not) and includes any aircraft, vessel or vehicle.

“*Prostitution*” means the provision of commercial sexual services.

“*Public place*” includes any place that, is open to or is being used by the public, but including only such private land as is subject to a public access easement and excludes community halls

2. Location of Brothel

- 2.1 Brothels shall only be located within a building constructed under a consent issued pursuant to the Building Act 2004 (or its predecessor) in the Queenstown and Wanaka Town Centre Zones within the areas highlighted on the map contained in Appendix A.
- 2.2 Brothels shall not be located at ground level or beneath ground level on any site.
- 2.3 Brothels shall not be located within 100 metres of any existing brothel (measured vertically or horizontally).

3. Regulation of Signage Advertising a Brothel

Signage placed on or in a brothel, which can be seen from any public space and advertises the business of the brothel, must follow the conditions below:

- (i) The only information displayed shall be the registered name of the business or the name of the person who manages the business,
- (ii) Shall not exceed 0.3 square metres in size.
- (iii) Must comply in all other respects with the QLDC Signage Bylaw 2006

4. Removal of Works in Breach of Bylaw

The Council may:

- (a) Remove or alter any work or thing that is, or has been, constructed in breach of this Bylaw.
- (b) Recover the costs of any such removal or alteration from the person who committed the breach.

TRANSITIONAL REQUIREMENTS

5. Brothels

- 5.1 Any brothel that was operating on the day the Queenstown Lakes District Council Brothel Control Bylaw 2011 comes into force and which:
 - (i) is located within the Town Centre Zones of Queenstown or Wanaka; and
 - (ii) holds any Resource Consent that may be required for the site on which that brothel is located or a certificate of compliance or has existing use rights under the Resource Management Act 1991; and
 - (ii) holds a current certificate issued under Section 35 of the Prostitution Reform Act 2003,
 Is exempt from compliance with the location controls in *Clause 2* of this Bylaw.
- 5.2 For the avoidance of doubt, the controls in *Clause 3* (signs), applied to all brothels from the date on which the Queenstown Lakes District Council Brothel Control Bylaw 2010 comes into force.

6. **Offences**

- 6.1 Every person who breaches this Bylaw commits an offence.
- 6.2 Every person who commits an offence against this Bylaw is liable on summary conviction to the penalty set out in Section 242(4) of the Local Government Act 2002 being a fine not exceeding \$20,000.

This bylaw is made under the provision of the Local Government Act 2002 and the Prostitution Reform Act 2003 by resolution of the Queenstown Lakes District Council at a meeting of the Council on (date) and publicly notified on (date). It will be reviewed within five years of the day from which the Bylaw is made.

The common seal of the Queenstown Lakes District Council is attached in the presence of:

Mayor: _____

Chief Executive: _____





**PROPOSED QUEENSTOWN LAKES DISTRICT
COUNCIL BROTHEL CONTROL BYLAW 2017**

STATEMENT OF PROPOSAL

INTRODUCTION

- 1 The Queenstown Lakes District Council (**Council**) has the power to make bylaws under the Prostitution Reform Act 2003 (**the Act**) to regulate the location of brothels and signage that advertises commercial sexual services. This bylaw making power is in addition to the Council's general power under the Local Government Act 2002 (**LGA**) to make bylaws in order to:
 - a. protect the public from nuisance;
 - b. protect, promote, and maintain public health and safety; and
 - c. minimise the potential for nuisance behaviour in public places.
- 2 The Council has completed a review of the Council's Brothel Control Bylaw 2011 (**current bylaw**). The Council considers that the current bylaw should be revoked and replaced with the proposed Brothel Control Bylaw 2017 (**proposed bylaw**). The proposed bylaw will substantially continue the controls under the current bylaw, but will include a number of amendments to update and clarify the scope of the regulation.

PROPOSAL

- 3 The Council has completed a review of the current bylaw, which is due to expire on 27 April 2018. The Council is not currently aware of any brothels operating within the District. Nevertheless, the Council considers that the current bylaw is working appropriately, and provides for reasonable regulation of the location of brothels and associated signage.
- 4 It is proposed that the existing rules in the current bylaw are substantially continued, with some modifications to improve clarity, including:
 - a. amending the terms "premises" and "public place" to align with the definitions in the Act.
 - b. amending the clause regulating the location of brothels so that it applies to any person who establishes, operates or permits the operation of a brothel.
 - c. amending the clause regulating the display of brothel signage so that it applies to any person erecting, or displaying any publicly visible sign advertising a brothel.
 - d. replacing the requirement that brothel signage comply with the Signage Bylaw 2006 (now revoked), with a requirement that brothel signage comply with the Queenstown Lakes District Council District Plan, which contains the standard signage rules applicable in the District.
 - e. inserting a new clause that provides that no person (such as a building owner) may permit the erection or display of any sign advertising a brothel, unless it complies with the terms of the proposed bylaw.
 - f. updating the maps of permitted areas within the Queenstown and Wanaka Town Centres to include street names and improved image resolution, and separating the maps into different schedules.
- 5 This Statement of Proposal has been prepared in accordance with the requirements of sections 83 and 86 of the LGA, and includes:

- a. The reason for the proposal;
- b. Consideration of whether a bylaw is the most appropriate way to address the perceived problem;
- c. Consideration of whether the proposed bylaw is the most appropriate form of bylaw;
- d. Consideration of any implications under the New Zealand Bill of Rights Act 1990;
- e. A statement that the Brothel Control Bylaw 2011 is to be revoked;
- f. A draft of the proposed Brothel Control Bylaw 2017.

REASON FOR PROPOSAL

- 6 The current bylaw is due to expire on 27 April 2018. The Act requires that the Council implement the same procedure for adopting a bylaw under the Act as for a bylaw adopted under the LGA, with one important difference: the proposed bylaw can be inconsistent with the New Zealand Bill of Rights Act 1990 (**NZBORA**).
- 7 The Act provides that the Council may make a bylaw for the purposes of regulating the location of brothels. A brothel includes a premises kept or habitually used for the purposes of prostitution, but does not include accommodation that is normally provided on a commercial basis if the prostitution occurs under an arrangement initiated elsewhere. The Act does not envisage the Council imposing a blanket ban on the establishment of brothels within the District. However, the Council can restrict the location of brothels to certain areas in order to reduce or prevent harmful effects, such as nuisances.
- 8 The Council has a broad power under the Act to prohibit or regulate advertising of commercial sexual services (**brothel advertising**) that are visible from a public place. The Council may regulate the content, form and size of brothel advertising.
- 9 The Council proposes to substantially continue its current approach to the regulation of brothels, which includes specifying suitable areas within the District for the establishment and safe operation of brothels, and requiring publicly visible brothel signage to meet minimum standards. The Council considers that this approach is consistent with the Act, and an appropriate fit for the District and the community. Some amendments are required in the proposed bylaw to update and clarify the scope of the controls.

CONSIDERATION BY COUNCIL UNDER SECTION 155 OF THE LGA2002

Problem definition

- 10 While there are currently no known brothels in operation in the District, the Council proposes that the existing reasonable limits on the location of brothels and brothel advertising should be continued under the proposed bylaw. The Council considers that areas removed from town centres (eg. residential neighbourhoods) are not suitable locations for brothels, as there is a greater potential for crime, nuisances or other harm to result. The current bylaw requires that brothels are to be located within permitted zones specified in the Queenstown Town Centre and the Wanaka Town Centre. These locations are best suited to a brothel operation as there is CCTV in operation, the areas are in close proximity to a Police Station, and there is frequent pedestrian traffic.

- 11 In July 2016, the Council expanded the size of the areas specified as town centre zones within the Queenstown Lakes District Council District Plan (**District Plan**), by making Plan Change 50 operative. The area marked as a town centre within the current bylaw is smaller than this expanded town centre zone under the District Plan. Public feedback is sought regarding the possible expansion of the town centre zone under the proposed bylaw for consistency with the District Plan. More information regarding the expanded town centre zones under Plan Change 50 can be found at <http://www.qldc.govt.nz/planning/district-plan/district-plan-changes/plan-change-50-queenstown-town-centre-zone-extension/>.
- 12 The Council is not currently aware of any brothel advertising in the District. However, the Council considers that the existing rules should be retained with some updates to clarify the scope. The proposed bylaw will require that publicly visible brothel advertising comply with requirements in the District Plan, which also applies to other commercial signage.

IS THE PROPOSED BYLAW THE MOST APPROPRIATE BYLAW?

- 13 The Council has considered the most appropriate way of addressing the issues described in the problem definition section above, the options available, and determined that the proposed bylaw is the most appropriate means for addressing the issues.
- 14 In considering whether a bylaw is the most appropriate, Council has considered the following options:
- a. Option 1 – Do nothing
 - b. Option 2 – Continue the current bylaw without amendment
 - c. Option 3 – Adopt the proposed Brothel Control Bylaw 2017

Option 1 – Do nothing

- 15 If the Council does nothing, the current bylaw will cease to have effect on 27 April 2018. After that date, there will be no restrictions on the location of brothels and display of brothel signage in the District. If in future a person decides to establish a brothel, they could do so in any area, including in a residential neighbourhood. The Council considers that this may lead to harmful effects in those areas, including nuisances. However, some members of the community may prefer less regulation of brothels.
- 16 Publicly visible brothel advertising will still be subject to the Queenstown Lakes District Council District Plan, which prohibits sexually explicit, lewd or offensive content. However, brothel advertising may still contain sexual innuendo or other content that falls short of being offensive, which would be technically permissible without a bylaw in effect.

Option 2 – Continue the current bylaw without amendment

- 17 If the Council re-adopts the current bylaw without any amendment, brothel location and signage will continue to be regulated in the same way going forward. If a brothel is established, there could be some uncertainty as to the scope and enforceability of parts of the current bylaw. For example:
- a. there are inconsistencies in definitions in the current bylaw compared to the same definitions in the Prostitution Reform Act 2003.

- b. the current bylaw may be difficult to apply to “brothels”, which do not have legal personality.
- c. the requirement to comply with the Signage Bylaw 2006 is out of date.
- d. the maps which specify the permitted areas for brothels are faded, and the streets within the permitted areas are not labelled.

Option 3 - Adopt the proposed Brothel Control Bylaw 2017

- 18 The proposed bylaw will largely continue the existing controls for brothels in the District, and publicly visible brothel advertising. Council staff consider that the controls within the proposed bylaw are consistent with the Act and an appropriate fit for the District and the community. The permitted zones specified in the Queenstown Town Centre and the Wanaka Town Centre are best suited to a brothel operation as there is CCTV in operation, the areas are in close proximity to a Police Station, and there is frequent pedestrian traffic. Council staff consider that the expansion of the permitted zones for consistency with the District Plan is not necessary, given that there have been no issues with the zones under the current bylaw. The other amendments in the proposed bylaw are required to update and clarify the scope of the controls, although this will not substantially alter existing brothel regulation.

ARE THERE ANY IMPLICATIONS UNDER THE NEW ZEALAND BILL OF RIGHTS ACT 1990?

- 19 The proposed bylaw may give rise to implications for the right of *freedom of expression* (section 14) under NZBORA. However, the Prostitution Reform Act 2003 expressly provides that the Council can adopt a bylaw even though it is inconsistent with NZBORA.

TIMETABLE FOR CONSULTATION

- 20 The following dates represent the key times in the consultation programme:
- a. Council resolves to undertake public consultation regarding the proposal – **17 August 2017**.
 - b. Advertisement in Otago Daily Times, Southland Times, Mirror and Wanaka Sun – between **19 August and 18 September 2017**.
 - c. Submissions close on **18 September 2017**.
 - d. Submissions heard by a subcommittee of Councillors **9 – 13 October 2017**.
 - e. Council considers outcome of consultation process and whether to make decisions in the Proposal – **26 October 2017**.
 - f. Public notice of final decision – **14 December 2017**.

INSPECTION OF DOCUMENTS AND OBTAINING COPIES

- 21 Copies of this Statement of Proposal and the proposed Bylaw may be inspected, and a copy obtained, at no cost, from:
- a. either of the Council offices at 10 Gorge Road, Queenstown or the Wanaka Service Centre, 47 Ardmere Street, Wanaka;

- b. any Council library within the Queenstown Lakes District; or
- c. the Council website – www.qldc.govt.nz

RIGHT TO MAKE A SUBMISSION AND BE HEARD

- 22 Any person or organisation has a right to be heard in regard to this Proposal and the Council encourages everyone with an interest to do so. Submissions should be directed toward matters that are within the scope of the Proposal.
- 23 The Council would prefer that all parties intending to make a submission:
- a. go to the Queenstown Lakes District Council Website: www.qldc.govt.nz or
 - b. post their submission to: Regulatory Department, Queenstown Lakes District Council, Private Bag 50072, Queenstown 9348.
- 24 Submissions must be received by **Monday 18 September 2017**. The Council will then convene a hearing, which it intends to hold between **Monday 9th October and Friday 13th October 2017** at which any party who wishes to do so can present their submission in person. The Council will give equal consideration to written and oral submissions.
- 25 The Council will permit parties to make oral submissions (without prior written material) or to make a late submission, only where it considers that special circumstances apply.
- 26 Every submission made to the Council will be acknowledged in accordance with the LGA, will be copied and made available to the public, and every submission will be heard in a meeting that is open to the public.
- 27 Section 82 of the LGA 2002 sets out the obligations of the Council in regard to consultation and the Council will take all steps necessary to meet the spirit and intent of the law.

MAKING AN EFFECTIVE SUBMISSION

- 28 Written submissions can take any form (e.g. Email, letter). An effective submission references the clause(s) of the proposed bylaw you wish to submit on, states why the clause is supported or not supported and states what change to the clause is sought.
- 29 Submissions on matters outside the scope of the proposal cannot be considered by the Hearings Panel.

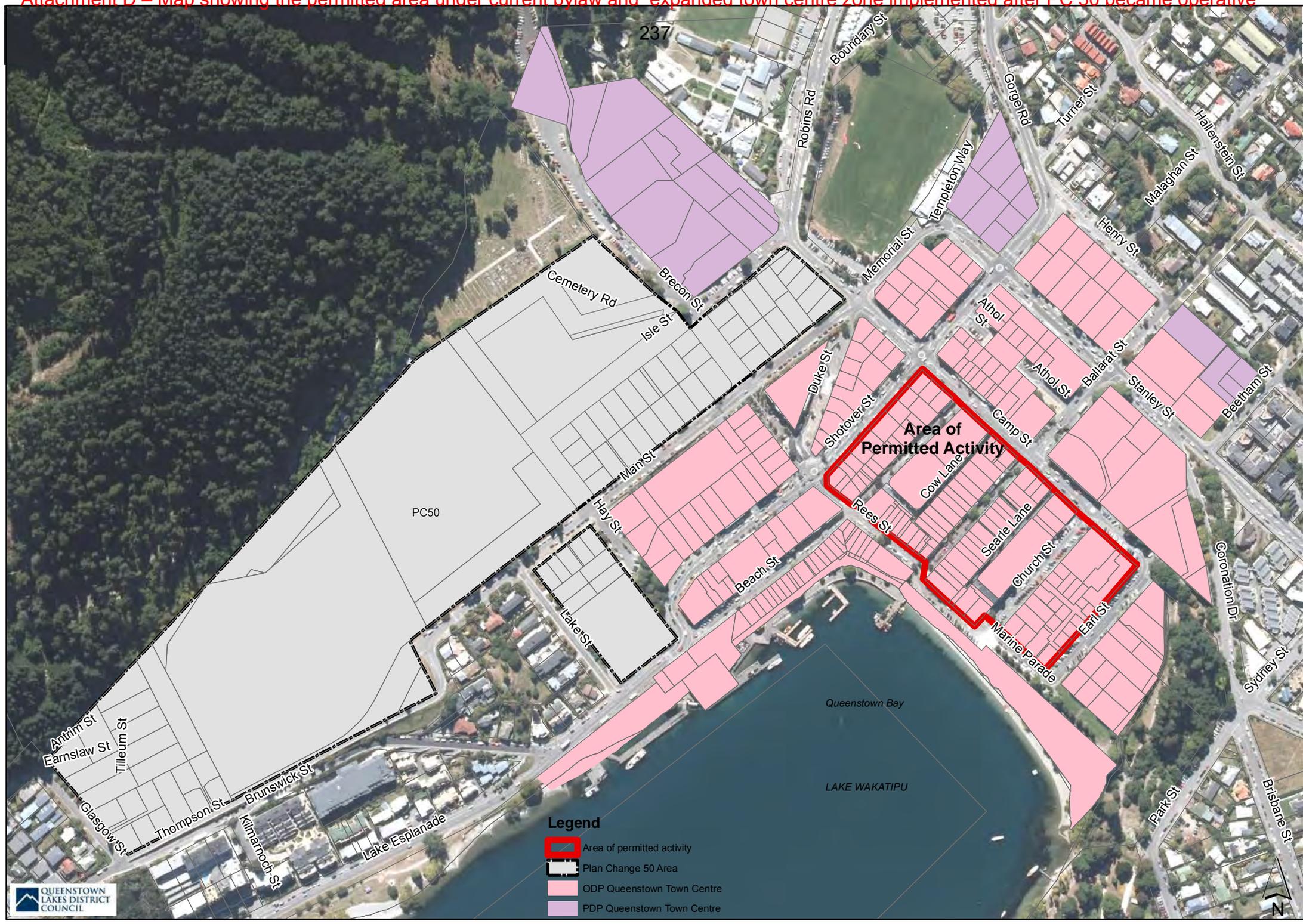
Mike Theelen
CHIEF EXECUTIVE

Attachment A – Proposed Queenstown Lakes District Council Brothel Control Bylaw 2017

Attachment B – Queenstown Lakes District Council Brothel Control Bylaw 2011

Attachment C – Map showing the permitted area under the current bylaw and the expanded town centre zone implemented after Plan Change 50 became operative

[NOTE: the above attachments are attached elsewhere in this item and are not repeated here.]



Legend

-  Area of permitted activity
-  Plan Change 50 Area
-  ODP Queenstown Town Centre
-  PDP Queenstown Town Centre



**QLDC Council
17 August 2017**

Report for Agenda Item: 9

Department: Finance & Regulatory

Class 4 TAB & Gambling Venue Policy 2017

Purpose

- 1 To consider the adoption of the proposed Class 4 Tab & Gambling Venue Policy.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Adopt** the proposed Class 4 TAB & Gambling Venue Policy 2017 as recommended by the hearing panel;
3. **Delegate** to the Community and Services Committee the power to appoint any three members for any hearing needed for Gambling Venue applications; and
4. **Appoint** three members from the Community and Services Committee to convene a hearing for a relocation application.

Prepared by:



Carrie Edgerton
Regulatory Support
Coordinator

2/08/2017

Reviewed and Authorised by:



Stewart Burns
Regulatory and Finance
General Manager

8/08/2017

Background

- 2 On 25 May 2017 Council resolved to publicly consult on its proposed Class 4 TAB & Gambling Venue Policy <http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Full-Council-Agendas/2017/25-May-2017/Item-7/7.-Class-4-and-TAB-gambling-venue-policy-review.pdf>

- 3 The principal change to the proposed policy was the introduction of a residential condition, to prohibit the introduction of new venues in residential areas and to protect the interests of the district and community.
- 4 Formal consultation was conducted from 25 May 2017 – 30 June 2017, with two submissions being received: from New Zealand Community Trust and the Southern District Health Board.
- 5 Both submissions were in support of the proposed policy and initially wanted to be heard at a hearing. However both submitters changed their request to be heard after the closing date, as both submissions were in support of the policy.

Comment

- 6 As a result of no submitters wishing to be heard, no formal hearing was necessary.
- 7 However, the appointed hearings panel considered the submissions and recommended that Council adopts the proposed Class 4 TAB & Gambling Venue Policy.

Delegations

- 8 Council have received one application for a gambling venue relocation. The applicant has requested a hearing, meaning that three hearing members will need to be appointed from the Community and Services Committee.
- 9 In addition, the delegation needs to be amended for hearing recommendations. It currently sits with the Regulatory Manager, but to be fair to the applicant it is recommended that this delegation now sit with the Chair of the Community and Services Committee.

Options

10 Option 1 Status Quo

Advantages:

- 11 Renewal of the policy provides consistency with other Territorial Authorities and with the inclusion of the residential condition that protects the interest of the district and community.

Disadvantages:

- 12 The addition of the new condition will prevent new applications being approved in residential areas.

13 Option 2 No Policy

Advantages:

- 14 Some of the community may see this as being more permissive.

Disadvantages:

- 15 Council would not meet the legal requirements of the Gambling Act.
- 16 This report recommends **Option one** for addressing the matter.

Significance and Engagement

- 17 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because the changes to the policy are minor and do not affect a large proportion of the community.

Risk

- 18 This matter relates to the strategic risk SR3 – Management Practice – working within legislation as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because of the harm that could be caused to the public and environment if this policy was not in place, it can also affect our environment of our residential areas.
- 19 The recommended option considered above mitigates the risk by treating the risk - putting measures in place which directly impact the risk.

Financial Implications

- 20 There are minimal financial implications from this policy, which will be met through existing budgets.

Local Government Act 2002 Purpose Provisions

- 21 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring gaming premises are not located in a residential areas.
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 22 The persons who are affected by or interested in this matter are residents/ratepayers and visitors of the Queenstown Lakes District.
- 23 Formal consultation was conducted from 25 May 2017 – 30 June 2017 as required under the Local Government Act 2002. The appointed hearings panel considered the submissions and recommended that Council adopts the proposed Class 4 TAB & Gambling Venue Policy.

Attachments

- A Proposed Queenstown Lakes District Council Class 4 and TAB Gambling venue policy (Clean Version)

QUEENSTOWN LAKES DISTRICT COUNCIL
CLASS 4 AND TAB GAMBLING VENUE POLICY

Introduction

Under section 101 of the Gambling Act 2003 Council is required to adopt a policy to regulate the growth and location of Class 4 (non-casino electronic gaming machines) and Totalisator Agency Board (TAB) gambling within their district.

The areas where Council has authority to control are:

- To determine whether new class 4 and or TAB venues may be established within the district and if so to determine any restrictions to be placed on those locations; and
- If Class 4 venues are permitted in the district, to determine the maximum number of machines that may be in each venue, subject to statutory maxima.

Objectives of the Policy

- ensure the Council and the community has influence over the provision of new gambling venues in the district;
- To control and manage the growth of gambling in the district;
- To allow those who wish to participate in electronic gaming machine and totalisator (TAB) gambling to do so within the district;
- To prevent and minimise the harm caused by gambling;
- To create an information flow so that the ongoing effects of gambling in the district may be assessed.

Strategic Alignment

- This policy assists in the delivery of the following Council outcomes and goals:
- Protects the interests of the District and its community;
- Is cost effective and achieves the regulatory objectives; and
- Enables our community to comply with national and local legislation because they are well understood and easy to comply with.

Location of Class 4 Gambling or TAB Venues

Class 4 gambling and TAB venues may be established in the district subject to meeting the following criteria:

- a) A full application is submitted and fees paid;
 OPTION ONE:
- b) Proposed new venues must not be established in any **residential zone** and
- c) Proposed and existing venues are not located within 50metres of or adjacent to any school, early childhood centre, kindergarten, place of worship or other community facility. The applicant will be required to demonstrate that the proposed venue will not adversely impact on such institutions;
- d) Not being located so as to provide for a concentration of gambling venues;
- e) Not being a venue at which the primary activity is associated with family or children's activities;

- f) The electronic gaming machines being located within the venue must not be visible from the street, or visible to underage patrons at the venue; and
- g) No signage regarding either the provision of gaming machines or any prizes or jackpots available from gaming machines may be visible from any street or public place.

Maximum numbers of Electronic Gaming Machines permitted

- New venues may be allowed a maximum of 9 (nine) electronic gaming machines.
- Venues with licenses issued after 17 October 2001 and operating fewer than 9 (nine) electronic gaming machines may be allowed to increase the number of machines operated at the venue to 9.

Primary activity of class 4 gambling premises

New Class 4 gambling venues may only be established where the primary activity of the venue is:

- The sale and supply of alcohol for consumption on the premises as licensed under the Sale and Supply of Alcohol Act 2012.

Information Disclosure

To provide information to enable Council to monitor activities at Class 4 gambling venues, each society operating electronic gaming machines in the Queenstown Lakes District shall provide the following information to the Council for each venue operated in the district:

Net expenditure (being the difference between money paid into and paid out as winnings from electronic gaming machines);

- Site fees paid to the site operator; and
- A copy of the responsible gambling policy in place at the venue.

In addition, each society shall provide information to the Council on the grants made by it directly to organisations within the Queenstown Lakes District including:

- The name and address of the organisation;
- The purposes for which the donation was made; and
- The amount of each donation made.

Information is to be provided to Council for each six-month period ending 30 June and 31 December each year. The information is to be provided to the Council within 2 months of the end of each reporting period, 31 August and 28 February.

Applications

Applications for consent by the Queenstown Lakes District Council must be made on the approved form and must provide:

- Name and address details for the application;
- Physical address of premises proposed for the Class 4 venue;
- The names of management staff;
- Evidence that public notice of the intention to apply for a new venue (for either Class 4 or TAB venues) or an increase in electronic gaming machine numbers (for Class 4 venues) at an existing venue has been given;
- Evidence of police approval for owners and managers of the venue;
- Evidence that the primary purpose of the proposed venue complies with this policy;

- Evidence of the means by which the policy in respect of separation of gambling from non-gambling areas will be achieved; and
- A copy of the current alcohol on-licence for the premises.

Application Fees

These will be set by the Queenstown Lakes District Council from time to time and shall include consideration of:

- The cost of processing the application, including any consultation and hearings involved;
- The cost of triennially reviewing the Class 4 gambling and TAB venue policy;
- A contribution towards the cost of triennial assessments of the economic and social impact of gambling in the Queenstown Lakes District.

Public Notice Provisions

Public notice of the intention to make application under this policy shall be made by placing notices in either the Southland Times or the Otago Daily Times on two consecutive Saturday editions. A similar notice shall be placed in at least two local newspapers that are delivered in the area surrounding the applicant venue over two consecutive weeks. If there are not two local newspapers circulated in the surrounding area then the notice shall be placed in both the Southland Times and Otago Daily Times and the one local newspaper.

The notice shall specify:

- The name of the society making the application;
- The physical location of the venue or proposed venue;
- The trading name of the venue or proposed venue;
- The number of electronic gaming machines that are proposed;
- Where the application is for an increase in the number of electronic gaming machines at the venue the notice shall specify the existing number and proposed number of machines;
- That objections to the granting of the application should be made in writing to Council's regulatory contractor and specify the name and address for service;
- The period during which objections may be made, which is twenty one (21) days from the date of first public notice in the Southland Times or Otago Daily Times.

Administration

- Where any public objection is made to the application for a new venue or an increase in the number of machines at a venue under to this policy, then the application will be referred to the Community and Services Committee. This Committee will conduct a public hearing into the application that provides for community consultation.

ADOPTED 17 August 2017

**QLDC Council
17 August 2017**

Report for Agenda Item: 10

Department: Finance & Regulatory

Dog Control Policy and Practices Report 2016 - 2017

Purpose

To inform Council on the dog control policy and practices undertaken in the 2016/2017 financial year, in accordance with Section 10A of the Dog Control Act 1996.

Recommendation

That Council:

1. **Note** the contents of this report
2. **Adopt** the Dog Control Policy and Practices report 2016/2017, in accordance with the Dog Control Act 1996, Section 10A;
3. **Approve** the publication of the Dog Control Policy and Practices report 2016/2017; and
4. **Direct** Council staff to forward a copy of the Dog Control Policy and Practices report 2016/2017 to the Secretary for Local Government.

Prepared by:



Nichola McKernan
Regulatory Support

4/08/2016

Reviewed and Authorised by:



Stewart Burns
General Manager; Finance &
Regulatory
4/08/2017

Background

- 1 The Dog Control Act 1996 ("Act") requires Council to report on the administration of its dog control practices and dog control policy each financial year.
- 2 The report must include details regarding:
 - The number of registered dogs, probationary owners and disqualified owners in the district;

- The number of dogs classified menacing or dangerous as a result of their actions, and the number of dogs classified as menacing by the type or breed; and;
 - Infringement notices issued, the type and number of complaints received and prosecutions taken.
- 3 The Act also requires that the report of these activities must be publicly notified in one or more daily newspaper circulating in the district, or one or more newspapers that have at least an equivalent circulation in the district to that of daily newspaper.
 - 4 A copy of the report (Attachment A) must also be forwarded to the Secretary for the Local Government within one month of adopting the report.
 - 5 The report details the dog control activities undertaken by Queenstown Lakes District Council in the 1 July 2016 – 30 June 2017 financial year.

Comment

- 6 Council has identified dog control as a primary area of focus within its Enforcement Strategy and Enforcement Action Plan. The specific objective of the Action Plan is to “ensure a safe environment from roaming and aggressive dogs for our community”.

The key areas and figures within the report are:

- a) The increased animal control officer numbers have allowed us to be able to implement a number of education programmes, these have included
 - Trips to all schools to educate children on how to approach dogs
 - Posters placed throughout the district on fouling dogs
 - Additional bag dispensers and bins placed in the district
 - Pound open days
 - Dog registration amnesty
- b) There was an increase of 4% (183) of dogs registered (4,485 in total).
- c) There was a 57% reduction (712 to 309) in the number of registered dogs with no microchip.
- d) There were four dangerous dogs registered this year, which is the same as in 2015/16. There has been a reduction in menacing dogs from 26 to 23, due to dogs being transferred out of the district.
- e) We have one Probationary owner in our district; this is following a conviction for a dog-on-dog attack. The dog was voluntarily destroyed.
- f) The overall number of attacks reduced by 10 (16%). There have been 0 serious dog attacks on people for the second year in a row and there were also no attacks on stock in 2016/17.

- g) The number of roaming dogs remains the largest issue however there was a 9% reduction from 491 to 446 for the first time in six years.
- h) There was a 7% reduction in the number of impounded dogs from 99 to 92.

76 of these impounded dogs were first time offenders; education on first time offenders has been the priority in 2016/17. In the 2017/18 year our animal control officers will focus on infringing repeat impounded dog owners.

The impound fees have increased last financial year:

- First impound \$100 - \$125
- Second impound \$160 - \$200
- Third impound \$240 - \$300

When a dog gets impounded the positive history is removed. At the next renewal period dog owners have to pay a higher fee when re registering their dog.

- i) There were a number of signs regarding fouling dogs, additional dog poo bag dispensers and bins placed throughout the district. This saw a reduction from 13 to 9 (30%) in complaints.
- j) There was a 3.5% reduction in the number of complaints regarding barking dogs from 172 to 166. Education continues to be provided to owners of barking dogs along with the free use of barking collars to assist dog owners.
- k) There has been a significant reduction of infringements issued for a failure to keep dog controlled or confined and failure to register dog. This reflects the reduction in complaints about roaming dogs and increase of education provided to the public by having an additional Animal Control Officer

7 Option 1 Adopt the Dog Control Policies and Practices Report 2016/2017

Advantages:

- 8 Legislative compliance. This enables Council to comply with Section 10A of the Dog Control Act 1996.

Disadvantages:

- 9 Public notification. There is a small cost to publicly notify this report.

- 10 This report recommends **Option 1** for addressing the matter, as it is a statutory requirement for Council to adopt and publicly notify its annual dog control policy and practices report.

Significance and Engagement

11 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because there is a low impact on our environment and culture from the decision of the report.

Risk

12 This matter related to the operational risk OR004 – Serious injury to a member of the community, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because of the risk from roaming dogs throughout our community.

13 The recommended option mitigates the risk by treating the risk – putting measures in place which directly impact the risk, through Council's response to urgent Requests for Service within two hours across the district, conducting routine dog control patrols, enforcing Council's Dog Policy and education programmes for schools around dogs and safety.

Financial Implications

14 The costs associated with publicly notifying the adoption of the Dog Control Policy and Practices will be met from current budgets.

Council Policies, Strategies and Bylaws

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

- Dog Control Policy – This policy provides the principal rules regarding dog control throughout the district;
- Significance and Engagement Policy – the decision is not significant, as the report is to be noted and does not detail further;
- Council Enforcement Strategy and Prosecution Policy – This policy outlines Council's enforcement approach and options available.

16 The recommended option is consistent with the principles set out in the named policy/policies.

17 This matter is included in the 10-Year Plan/Annual Plan

- Volume 1 – Regulatory functions and services

Local Government Act 2002 Purpose Provisions

18 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by raising awareness of the educational and enforcement matters identified;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

19 The persons who are affected by or interested in this matter are dog owners, visitors, and the wider residents /ratepayers of the Queenstown Lakes District.

20 The Council will publicly notify the report, in addition to placing a copy on the Council's website.

Legal Considerations and Statutory Responsibilities

21 Section 10A of the Dog Control Act 1996 requires the Council to adopt a dog control policy and practices report annually. A copy of the report must be sent to the Secretary for Local Government, and the report must be publicly notified following its adoption.

Attachments

A Dog Control Policy and Practices Report 2016/2017



DOG CONTROL POLICY AND PRACTICES REPORT

2016 – 2017 Financial year

Section 10A of the Dog Control Act 1996 (“Act”) requires that Council reports on its dog control policies and practices over the financial year.

DOG CONTROL POLICY

Section 10 of the Act requires Council to develop a policy on dogs, which establishes Council’s philosophy for dog control throughout the district.

The current policy was adopted in December 2014 and establishes Council’s criteria to be followed regarding controlling dogs.

Policy - Key Aspects:

- The requirement for all dogs classified as menacing to be neutered;
- Dogs must be on a leash in public places except Rural General Zones (unless they are at a cemetery or a playground) or any dog exercise area, (Generally, most Council Controlled Tracks and Reserves);
- The expectations for dog owners to maintain owner responsibility during an emergency;
- That any Probationary and Disqualified owners shall be classified for the maximum period, unless they can demonstrate to Council’s satisfaction that the full period is unnecessary;
- The criteria for issuing a multiple dog license have been clarified;
- Fees for dog registration have been amended to recognise and reward behavior that complies with the Dog Control Act 1996.

MICRO-CHIPPING

All dogs registered for the first time on or after 1 July 2006 and all dogs classified as dangerous or menacing since 1 December 2003 are required to be micro-chipped. Council has been working with dog owners throughout the year to ensure all dogs are micro-chipped.

There was a 57% reduction (712 to 309) in the number of registered dogs with no microchip. The work to reduce this will continue through the 2017/2018 financial year

DOG REGISTRATION

Council registration fees provide a discount to dog owners with positive history for the previous two years, e.g. no impounding of a dog and also for having effective fencing at the property.

There was an increase (4%) in the number of registered dogs over the last year, which is consistent with the increasing trend over the previous years.

Council was notified of 326 deceased dogs and 402 were transferred out of Queenstown Lakes District.

Category	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017
Total number of Registered Dogs	3713	3728	3874	4073	4302	4485
a) Dangerous by owner conviction under s.31(1)(a)	0	1	1	1	2	2
b) Dangerous by sworn evidence under s.31(1)(b)	2	0	0	1	2	2
c) Dangerous by owner admittance in writing under s.31(1)(c)	0	0	0	1	0	0
Total number of Dangerous Dogs	2	1	1	3	4	4
a) Menacing under s33A(1)(b)(i) – Behaviour	14	8	19	17	17	15
b) Menacing under s33A(1)(b)(ii) - Breed characteristics	0	0	0	7	7	8
c) Menacing under s33C(1) - Schedule 4 Breed/Type	1	2	2	2	2	0
Total number of Menacing Dogs	15	10	21	26	26	23
Total number of Probationary Owners	0	1	0	0	0	1
Total number of Disqualified Owners	0	0	0	0	0	0

DISQUALIFIED AND PROBATIONARY DOG OWNERS

There was one Probationary owner. The probationary owner's dog attacked another dog. The owner voluntarily destroyed the dog. There were no Disqualified dog owners in the district within this financial period.

MENACING AND DANGEROUS DOGS

There are four dangerous dogs registered for the 2016-2017 registration period, this is the same as 2015-2016. There has been a reduction of menacing dogs, this is due to menacing dogs under s33C (1) being transferred out of the district.

DOG CONTROL RESPONSE

This section describes the number and type of complaints received and the manner in which Council has responded to address the complaints and general issues regarding dogs over the last year.

Dog Control is a priority area of focus within the QLDC Enforcement Strategy 2015. The priorities are:

- To have all dogs that live in the district registered;
- Ensure all dogs are kept under control at all times; and
- Reducing ignorance and apathy of dog owners to their responsibilities.

Category of Complaint	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017
Public Safety related complaints						
Dog attack on people - minor	4	5	15	13	14	14
Dog attack on people – serious	4	1	4	3	0	0
Dog attack on animal – minor	12	6	14	42	34	26
Dog attack on animal – serious	13	8	13	35	11	14
Dog attack on stock (worrying stock)	4	4	0	2	5	0
Dog rushing	17	8	19	25	33	49
Roaming dogs	158	348	337	436	491	548
General concern	31	22	59	67	64	32
Non-safety Concerns						
Lost dogs	184	197	300	364	319	332
Barking	152	123	137	220	172	166
Fouling	17	21	2	11	13	9
Total complaints	496	743	900	1218	1157	1190

ATTACKS

When an attack occurs on a person or animal, the incident can be extremely distressing for all parties and it is imperative that there is a fast response to such matters.

Over the last year there has been a reduction of the number of attacks from 64 to 54. There has continued to be an emphasis on education and proactive enforcement, which may have contributed to the reduction in attacks.

ROAMING DOGS

The number of roaming dogs still remains the single largest issue. Roaming dogs can frighten, intimidate or annoy others, in addition to attacking other animals and people. However we have seen a slight increase from 491 last year to 548 this year.

LOST DOGS

There has been an increase from 319 to 332 (3.9%) in the number of lost dogs.

BARKING DOGS

There was a decrease in the number of complaints received from 172 to 166. The council continues to provide free bark collars to dog owners to use, to assist in addressing this issue. Additional collars were purchased to meet demand to assist dog owners.

IMPOUNDINGS

There was a slight reduction in the amount of impounded dogs, from 99 to 92 with the majority of impounded dogs being in response to roaming dogs.

PROSECUTIONS

There was 1 prosecution resolved in court in 2016/17 following a dog attack on another dog. This resulted in the owner being prosecuted under section 53 Dog Control Act 1996, failing to keep the dog under control. The owner voluntarily put the dog to sleep. This resulted in the probationary owner in our district mentioned above.

INFRINGEMENTS

There has been a reduction in the number of infringements issued for 2016/17, this includes failing to keep a dog controlled or confined, which may be as a result of the proactive actions and education undertaken this year. We now have an additional Animal Control Officer which has enabled increased education throughout the year.

OFFENCE	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016- 2017
Failure to comply with classification	0	2	2	0	0	0
Failure to register dog	98	83	0	25	45	30
Failure to advise of address change	0	0	0	0	0	
Failure to keep dog controlled/confined on owner's property	23	12	21	34	26	3
Failure to keep dog under control	2	5	16	10	3	7
Failure to carry a leash in public	0	0	0	0	0	0
Falsely Notifying death of dog	0	0	0	1	0	0
Failure to supply owner information	0	0	0	1	0	0
Failure to comply with any bylaws authorized by the section	0	0	0	1	1	
Total	123	102	39	72	75	40

**QLDC Council
17 August 2017**

Report for Agenda Item: 11

Department: Property & Infrastructure

Lease variation for Pisa Alpine Charitable Trust

Purpose

The purpose of this report is to consider approving a variation to the terms of the Pisa Alpine Charitable Trust (PACT) lease by approving one further right of renewal of 33 years and removing the requirement to pay rates.

Recommendation

That Council:

- 1 **Note** the contents of this report;
- 2 **Approve** a variation to Council's resolution of 19 December 2013 to allow two rights of renewal of the PACT lease over Lot 5 DP 460313 of 33 years each (resulting in a total lease term of 99 years) and to remove the requirement for PACT to pay rates;
- 3 **Approve** a variation of the terms of the agreement to lease signed by the Council and PACT on 6 November 2012 to provide for the amended terms noted in recommendation 2 above;
- 4 **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to allow two rights of renewal of the PACT lease over Lot 5 DP 460313 of 33 years each (resulting in a total lease term of 99 years);
- 5 **Delegate** signing authority to the General Manager, Property and Infrastructure.

Prepared by:



Dan Cruickshank
Property Advisor - APL

2/08/2017

Reviewed and Authorised by:



Aaron Burt
Senior Planner: Parks &
Reserves

Background

- 1 The Pisa Alpine Charitable Trust (**PACT**) is a charitable trust established in 2009. PACT negotiated the purchase of the Snow Farm land on the Pisa range for \$1.7 million in 2011. Council contributed \$518,758 towards the purchase and PACT raised the balance through various grants. The land was purchased in the name of Queenstown Lakes District Council, classified as a recreation reserve pursuant to the Reserves Act 1977, and was agreed to be leased to PACT who will manage and maintain it into the future. The land is legally described as Lot 5 DP 460313, being 297.3189 hectares.
- 2 The land is used in the winter for alpine recreational pursuits such as cross country skiing, winter triathlon and biathlon, dog sledding, kite boarding and winter orienteering. In summer, the land is used for training running, mountain biking, hiking, overnight tramping and access to the Pisa Range, orienteering and rogaining and altitude training by New Zealand and international athletes.
- 3 Following notification, a lease to PACT was approved by Council in 2013 with the following terms and conditions:

Commencement:	6 November 2012
Term:	33 years
Renewal:	One right of renewal for 33 years
Rent:	\$1.00 per annum for the first 15 years
Reviews:	2027 and then 3 yearly, taking into account “the unique nature of the area and the contribution made to its purchase, maintenance and improvement by the Lessee”
Use:	Nordic sports, summer recreation activities and education activities
Assignment and sub-lease:	With written approval of the Lessor
Maintenance:	Lessee to maintain existing improvements, and keep areas clear and tidy, and will meet the Lessees share of maintenance costs of the road, water and electricity supplies
Public Liability Insurance:	\$1million
- 4 An Agreement to Lease was signed by the parties in late 2012 but the final lease has not been signed because PACT were unhappy with some of the terms, namely the requirement to pay rates and the total term of 66 years. PACT are seeking for rates to be waived and for a further term of 33 years to be included so that the total term becomes 99 years.
- 5 PACT have drafted and supplied an operating and business plan. They employ staff to assist with management of the area, and the directors of the Trust oversee the strategic and business planning. Essentially PACT is the operating entity for the land with funding for the operational facilities being raised from private benefactors. Operating funds are not being sought from Council. The proposed budgets show a small surplus each year but, without fund-raising, funds would not be sufficient to cover replacement of equipment and other capital costs over time.

- 6 The Wanaka Community Board considered notification of the proposal to vary the lease to offer a further 33 year term and to remove the requirement to pay rates on 30 March 2017 and passed the following resolution:

On the motion of Councillor McRobie and Mr Taylor it was resolved that the Wanaka Community Board:

- 1. Note the contents of this report;**
 - 2. Approve notification of the intention to grant a further lease term of 33 years to Pisa Alpine Charitable Trust and call for submissions;**
 - 3. Appoint Community Board members Rachel Brown, Quentin Smith and Ed Taylor (any two of whom can form a hearing panel) to hear any submissions and make a recommendation to Council; and**
 - 4. Approve a variation of the lease to remove the requirement to pay rates.**
- 7 The Reserves Act requires the intention to grant a new lease to be publicly notified. The notification was published and one submission was received as attached. A hearing was held on 6 June 2107. The minutes from the hearing are also attached. The hearing panel released the following decision:

*Having heard the submission received and with the guidance provided by the report, the panel, being made up of Quentin Smith (chair) and Rachel Brown, recommends that the lease extension be **granted** without additional conditions.*

Reasons for decision

The panel acknowledges the concern raised by Jonathan Holmes in his submission. He raised concerns about the operation of PACT and sought to encourage more engagement and accountability. He asked the Council to consider changes to the governance and constitutional arrangements of the Snow Farm in issuing a lease for the reserve.

The question of how much involvement Council should play in the provision of cross country ski services was considered: whether it should take a specific interest in the operation or whether it should be held at arm's length, with a fair bit of autonomy. Cross country skiing and the related activities are unique for a Council to be involved in within New Zealand and in fact, the Snow Farm operation is completely unique in nature in New Zealand. As such, the operation is of national interest, not just local. The interest in the site by national sport

body (Snow Sports New Zealand) and the role the Snow Farm plays in the New Zealand Winter Games is an example of this.

The panel acknowledges the special circumstance that led to the reserve being vested in Council in 2011 where the Trust raised approximately \$1.2 million; the Council contributed \$518,758 and the land was purchased and classified as Recreation Reserve. In this case, the Council was a minor contributor and acted to empower PACT to operate the facility for the benefit of the community. It is fair to say that it would have been unlikely that Council would have either funded the entire purchase or taken an interest in the day-to-day operation of these activities or this land without PACT.

The existence of a current agreement for a 66 year lease was also considered relevant, and the increase from 66 years to 99 years was considered to be relatively minor in effect.

The panel encourages PACT to be open and engaged with all stakeholders of the Snow Farm and suggests PACT consider making annual reports available and holding a public AGM. It however, was not considered in this case that it was the role or responsibility of the Council to manage or dictate the operation of the facility, or the constitutional structure and operation of PACT or its subsidiaries. It was considered that the conditions of the lease, the “purpose” of the Trust and the protection under the Reserves Act are sufficient to ensure that the reasons and intent of the land being purchased and vested as Recreation Reserve are upheld, and that access to the land is facilitated for the benefit of the general public, the Nordic skiing community and other recreational users.

Conclusion

Taking into account the matters raised by the submitter, the Council report, the Reserves Act and the background of the Recreation Area, the panel recommends the granting of the proposed additional 33 years lease, being a total lease of 99 years without need for further conditions.

Comment

- 8 It is uncommon for Council to grant a lease including renewals of up to 99 years. This situation is justified because PACT purchased the land for the community, albeit with a contribution from Council. While PACT acknowledge that the Reserves Act 1977 will give some protection to ensure that the land remains available for community recreational use, they believe the investment of community funds outside of Council, and their intention to grow and develop the land, justifies the need for a longer term.
- 9 The current lease requires that the Lessee “pay and discharge all rates, tax or other charges” being a standard Council lease term. However, most recreational

activities do not trigger the necessity for the land to be rated and in this case the rating department has advised that because they charge entry and rental fees, commercial rates were applied. To date, rates have been significant at around \$8,000 per annum. The Trust simply cannot afford to pay this and have asked that this clause be removed from the lease.

- 10 As PACT is a registered Charitable Trust, under the Local Government (Rating Act) 2002, the Trust could apply to Council for exemption to pay rates, if they owned the land. However, as the land is owned by Council, this clause doesn't apply. Therefore, in having the land in the name of Council even though they raised the funds to purchase it, PACT are penalised. For this reason, this situation is unique.
- 11 We have been working with Council's rating team to have the rates reassessed on the basis of the Trust's non-profit status. The team have now confirmed that the land will be banded to a non-profit setting with minimal rates being charged going forward in the region of \$200 per year. However, the Trust are concerned that this could change in the future, and are still seeking to remove the need to pay rates from the lease. If that is agreed, whatever rates are applied, they would need to be met by Council.
- 12 Varying the original lease terms to include a further renewal of 33 years, requires re-notifying the lease under the Reserves Act 1977. This has been conducted with one submission being received and the matter reviewed by a hearing panel. The hearing panel has recommended that the renewal be approved by full Council, with this recommendation recorded earlier in the report.
- 13 As the variation to the lease terms would be pursuant to the Reserves Act 1977, the consent of the Minister of Conservation is also required. That approval has been delegated to Council.

Options

- 14 Option 1 To approve a variation to the Council's original resolution of 19 December 2013 and the agreement to lease with PACT over Lot 5 DP 460313 providing 1 further renewal of 33 years, and waiving the necessity for PACT to pay rates.

Advantages:

- 15 Provides certainty to PACT to manage the site, activities, and assets over a longer time period.
- 16 The charitable organisation will not be financially encumbered with the requirement to pay rates on the land.

Disadvantages:

- 17 The land will be committed to PACT for a term of up to 99 years, which would prevent other operators taking a lease over the land.

18 Council will be required to pay the rates on the land, which will be minimal in the present but could change in the future, if the rating method changes.

19 Option 2 To approve a variation to Council's original resolution of 19 December 2013 and the agreement to lease with PACT over Lot 5 DP 460313 providing 1 further renewal of 33 years, but to decline waiving the necessity for PACT to pay rates.

Advantages:

20 Provides certainty to PACT to manage the site, activities, and assets over a longer time period.

21 Council will not be required to pay the rates on the land.

Disadvantages:

22 The land will be committed to PACT for a term of up to 99 years, which would prevent other operators taking a lease over the land.

23 PACT will be required to pay the rates on the land which may be difficult in the future, if the rating method changes.

24 Option 3 To decline a variation to Council's original resolution of 19 December 2013 and the agreement to lease with PACT over Lot 5 DP 460313 requesting 1 further renewal of 33 years, but to approve waiving the necessity for PACT to pay rates.

Advantages:

25 The lease will only be for a total term of 66 years rather than 99 years.

26 The charitable organisation will not be financially encumbered with the requirement to pay rates on the land.

Disadvantages:

27 Will not provide as much certainty to PACT to manage the site, activities, and assets over a longer time period.

28 Council will be required to pay the rates on the land.

29 Option 4 To decline a variation to Council's original resolution of 19 December 2013 and the agreement to lease with PACT over Lot 5 DP 460313 providing 1 further renewal of 33 years, and to decline waiving the necessity for PACT to pay rates.

Advantages:

30 The lease will only be for a total term of 66 years rather than 99 years.

31 Council will not have to meet the cost of rates which would sit with PACT.

Disadvantages:

- 32 Will not provide as much certainty to PACT to manage the site, activities, and assets over a longer time period.
- 33 PACT will be required to pay the rates on the land which may be difficult in the future, if the rating method changes.
- 34 This report recommends **Option 1** for addressing the matter. This is an unusual situation whereby a Trust raised significant funds in the community to enable a recreation reserve to be purchased, and then gave the land to Council. In return they are seeking the right to lease it for a total of 99 years to ensure the activities can continue and develop for the benefit of the community. They do not believe 66 years is sufficient time and their ability to grow and continue will be reduced if they are required to pay rates.
- 35 It is worth noting that any additional right of renewal provided in the lease would be subject to the terms and application of relevant sections of the Reserves Act 1977 (as is the case with the existing right of renewal), and would be drafted on that basis. This means that renewal of the lease will not happen as of right – the lessee will need to comply with the renewal requirements set out in the Reserves Act 1977 (including, by way of example only, a requirement that the lessor is satisfied that another use of the land should not have priority in the public interest).

Significance and Engagement

- 36 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it relates to a recreational reserve which is a strategic asset. However, because a lease over the land has already been approved, the significance is not seen as high.

Risk

- 37 This matter related to the operational risk OR11, decision making, as documented in the Council's risk register. The risk is classed as low.
- 38 The recommended option, considered above, mitigates the risk by ensuring the process of granting a new lease is commenced in a timely and legally compliant manner.

Financial Implications

- 39 If rates are not waived or reduced, then PACT will need to meet the on-going rates obligation, currently approximately \$200 per annum.

Council Policies, Strategies and Bylaws

- 40 The following Council policies, strategies and bylaws were considered:

- Community Facility Pricing Policy.
- Lease Terms Policy.

- 41 The recommended option is consistent with the principles set out in the Community Facility Pricing Policy, but not the Lease Terms Policy because of the unique circumstances and because the main terms and conditions were agreed prior to the adoption of that policy in 2016.
- 42 This matter is not included in the 10-Year Plan/Annual Plan and the funds for rates would need to be included in the annual plan going forward if they are not waived.

Local Government Act 2002 Purpose Provisions

43 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensure a charitable trust can continue to develop and offer recreational activities to the public at a low cost;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 44 The persons who are affected by or interested in this matter the residents of the Queenstown Lakes District.
- 45 The Council has already notified the intention to grant the original lease and no submissions were received. The Intention to vary the lease terms to offer a further term was also publicly notified with one submission being received (as attached). A hearing was held to allow the submitter to support their position and the recommendation in this report is consistent with the decision of the hearing panel on that submission.

Attachments

- A Submission to lease variation
- B Hearing panel minutes
- C PACT Report to QLDC – October 2016

Dan Cruickshank

From: Jonathan Holmes [REDACTED]
Sent: Monday, 8 May 2017 6:29 PM
To: Dan Cruickshank
Cc: Rachel Brown
Subject: PACT Lease: Submission - Not in Favour of Lease Extension

Hi Dan

Further to meeting Rachel Brown this afternoon for a very good discussion, I'd like to formally lodge a submission against the PACT Lease proposal.

Rachel recommended to prompt a dialogue and opportunity for discussion on this matter, I'd like to attend in person at any hearing that is called to discuss submissions on the PACT lease.

Rationale:

The land owned by QLDC that is leased to PACT is public land, the leasee PACT does not appear to exhibit the usual safeguards provided by organisations that manage public land and provide services to the public. When comparing PACT to other local organisations to the best of my knowledge that have leases with the QLDC or provide services to the public there appears to be significant gap with regard to the arrangements in place at PACT/Snow Farm/Merino Muster via governance and constitutional arrangements that provide for engagement and accountability for the Council as land owner and the public.

Background:

Typically organisations such as Wanaka Wastebusters through to the Upper Clutha Trail Trust have constitutions and governance that permit public engagement, provide clarity as to the services to be provided to the public, obligations on the leasee such as pest control or maintenance, etc. Typical measures might include independent appointment of trustees or directors, directors or trustees voted in, a term of tenure for directors or trustees, notifications to the public of significant changes, public meetings such as AGMs that reports can be viewed and members of the public can attend and governance structures in place such as Friends of Wanaka Wastebusters that provides direct access for the public to engage and influence how the publicly owned asset is operated. Additionally, the lease is linked to a contract for recreational services between QLDC and PACT that specifies what services are to be provided to the community, their level of performance and how these will be reported on by PACT and monitored by QLDC. Models for such things already exist within the community an example related to Wastebusters would be the kerbside recycling contract, thus a contract for service between QLDC and PACT could specify sports and recreational services and the fees to be paid by the Council, such as the waiving of the annual Rates.

I'm not aware PACT has these traditional governance and constitutional measures or a formal statement of services to be provided to the public, but would welcome the opportunity to be informed otherwise.

Suggestion:

I'd therefore suggest the Sports and Recreation group in QLDC determine an appropriate governance and constitutional arrangement, that implementing such governance and constitutional changes are a condition of the lease between QLDC and PACT and some form of written agreement between the Council and PACT as to the services and their performance level also be negotiated.

I'd just like to thank you and Rachel for providing the opportunity to explore the PACT lease proposal further and look forward to the hearing, as appropriate.

Thanks again,
Jonathan Holmes

**Consideration of Submissions
Proposed lease extension, PACT
8 JUNE 2017**

Minutes of a meeting to consider submissions on a proposed lease extension to the Pisa Alpine Charitable Trust held in the Meeting Room, Wanaka Recreation Centre, Ballantyne Road, Wanaka on Thursday, 8 June 2016 beginning at 2.30 pm

Present:

Mr Quentin Smith (Chair) and Ms Rachel Brown

In attendance:

Mr Dan Cruickshank (Property Advisor, APL Property Ltd), Mr Aaron Smith (Senior Parks and Reserves Planner) and Ms Jane Robertson (Senior Governance Advisor)

Commencement of the hearing

The Governance Advisor called the meeting to order and asked the elected members to determine the Chairperson for the hearing.

It was agreed that Mr Smith shall chair the meeting.

Mr Smith took the chair.

Declarations of Conflicts of Interest

No declarations were made.

Confirmation of Agenda

The agenda was confirmed without addition or alteration.

Hearing of Submissions

The Chair advised that the hearings panel had been formed at the meeting of the Wanaka Community Board held on 30 March 2017 and it had delegated authority to hear any submissions and make a recommendation on the lease extension to Council. The hearing would be conducted under the provisions of S 120 of the Reserves Act 1977.

He noted that members of the Pisa Alpine Charitable Trust (the lessee) were in attendance at the hearing and in the interests of fairness and natural justice he was happy to allow them to speak, provided that no objection to this course of action was raised. No objection was made.

Officer's covering report

Mr Cruickshank detailed the history of the trust and its activities leading to this point. He noted that an agreement to lease had been signed as a means to transition to full lease and there had been discussion around a further term. Under the provisions of

the Reserves Act 1977 any change to an original lease term was subject to public notification.

Mr Smith asked if the panel was being asked to determine a lease extension of 33 years (extending it from 66 to 99 years) or whether it could decide on a whole new lease term out to 99 years, starting in 2012. Mr Cruickshank stated that the panel could decide either as the trust had the option to sign the original lease agreement if a new term was not approved.

Mr Cruickshank noted that a recommendation containing a requirement for the trust to hold an AGM at which an annual report was presented could address the submitter concern. However, he added that the Council did not normally have a direct say in the constitutions of its community lessees and he could not think of another instance where the Council had similarly directed a group's constitution.

Mr Cruickshank did not believe there was any risk to Council if it agreed to extend the term to 99 years as the Reserves Act allowed the Council to terminate a lease at any time, if the land could be better served by another activity.

Submitter in opposition: Jonathan Holmes (accompanied by Ernie Maluschnig)

Mr Holmes expressed concern that there were no formal mechanisms for PACT to engage with the community and he considered this was a major opportunity being missed. It was the only commercial Nordic ski area in New Zealand, but the land was in public ownership and the Council represented the community. He believed that there was an opportunity for a closer partnership to be fused which could provide a greater good for the community.

If the Council was of a mind to grant a 99 year lease, Mr Holmes believed it would be wise to review the Trust's governance structure so that Council could guide management of the facility. He also considered that the Council, as lessor, should have a means of measuring the services the Trust provided to the public. He believed that greater scrutiny and an agreement for services would help the facility to endure and for the sport to grow.

In exchange for a 99 year lease, Mr Holmes believed that the lessor needed from the lessee visibility, transparency and engagement with the community. Mr Holmes cited other local organisations such as Wanaka Wastebusters and the Upper Clutha Tracks Trust, suggesting the PACT could have similar public accountability. Mr Holmes stated that he was not in favour of granting a lease extension without a mechanism for ensuring these things, but he would support it if appropriate conditions were imposed.

The hearings panel noted that staff advice was that conditions be added to the lease requiring the Trust's annual report to be made public and for the Trust to hold a public AGM. Mr Holmes was asked if these conditions would address his concerns adequately. Mr Holmes noted that tabling a report was retrospective and he was keen to see more of a partnership with the community, and he believed there would be more community engagement if the Council was involved in guiding the group.

Mr Smith suggested that such a request was unusual, as in terms of the Trust the Council was simply empowering a sector to undertake an activity on public land rather than being the service provider itself. He drew attention to a similar arrangement with the Queenstown Mountain Bike Club. He added that the Council had not established the Snow Farm because it recognised a gap in service provision; rather the Trust had provided a new opportunity that the Council had chosen to take. He added that the Trust had a written constitution and was a charitable organisation and he questioned why Mr Holmes did not believe there was adequate protection in those mechanisms. Mr Holmes replied that these factors were not accountabilities between lessee and lessor.

Trust Presentation

The Pisa Alpine Charitable Trust was represented at the hearing by Tom Pryde (Chair), John Hogg and Mary Lee.

Mr Pryde spoke on behalf of the Trust. He noted that all of the lease terms had been agreed with Council following discussions over a number of years and review by two legal firms. He detailed the unique circumstances and major financial contribution of the Trust. He questioned Mr Holmes' assertion that the documentation and structure of Wanaka Wastebusters was a perfect exemplar, noting that the constitutions of the two were not comparable as Wanaka Wastebusters was an incorporated society whilst PACT was a charitable Trust with two subsidiary companies, Snow Farm and Merino Musterers. Further, he stated that there was nothing in Wanaka Wastebusters' constitution that covered any of the issues Mr Holmes had raised, adding that he had never seen a lease agreement where a landlord had dictated how the tenant should run their business. Whilst he did not disagree with the philosophy of holding public meetings, he did not believe that would be great public interest in such meetings. Overall, he considered the inclusion of such conditions in a lease as a one-off was in appropriate and he was opposed to anything of that nature being included in the lease.

Mr Pryde noted that the Trust's lease had been approved and the only questions open for consideration at the hearing was an additional 33 years and waiver of rates.

The Chair asked what protection was provided to the Council in the lease. Mr Pryde considered that there was little actual difference for the Council between 66 and 99 years, but a long lease allowed the Trust to make long-term investment in the facility. Whilst the Trust employed various paid staff, the Trustees themselves were volunteers. The Trust did not want to change its constitution nor did it want to add conditions into the lease about compulsory public meetings or the rotation of directors. It was a standard commercial lease, additional conditions would be unworkable and Mr Pryde did not know of any other charity that would agree with such conditions.

Mr Hogg stated that Trusts tended not to be democratic but Trustees had to abide by the terms of the Trust and these were generally of a higher standard than a society. He believed a Trust was the right structure for this sort of operation.

Mr Maluschnig left the meeting at 3.44pm.

Mrs Lee stated that she was proud of what the Trust had done in its first 5 years. She believed that there were existing mechanisms that enabled public input into the Trust.

Mr Hogg added that the Trust was always interested in getting feedback from people and he agreed that this could be more obvious on the website.

Ms Brown asked if the Trust would consider a member of the Wanaka Community Board fulfilling a liaison role on the Trust.

Officer's Review of Recommendation

Mr Cruickshank noted that the Trust's application to extend the term of the lease had resulted in the re-notification process which did give the Council the opportunity to reconsider the terms and conditions of the lease. The Council could not renege on the existing 66 year lease but it could offer an additional 33 years with new terms. He acknowledged that making public the Trust's annual reports was more than what a similar entity would be required to do, but it was similarly unusual to offer a 99 year lease.

The Chair advised that the panel would reserve its decision and all parties would receive a copy of its decision in writing.

The members of the public left the meeting at 3.55pm.

Deliberations

It was agreed that regard was needed to the existing baseline. There was further discussion about the possible involvement of a member of the Wanaka Community Board in PACT. It was noted that the Trust had started providing its annual reports to the Council because of public interest in it and whilst requiring public AGMs would be unusual, the arrangement was not like a normal commercial lease.

It was agreed that the panel would meet together independently to formulate its decision.

The meeting concluded at 4.00pm.

PISA ALPINE CHARITABLE TRUST



c/o Cruickshank Pryde
Unit 23
Gorge Road Retail Centre
159 Gorge Road
Queenstown 9300
New Zealand

PACT Report to QLDC – October 2016

PACT Performance

PACT has achieved a surplus of \$89,636 for the 2015/2016 season. The year (ending 31 March 2016) was a particularly strong season due to excellent snow conditions as well as being a Winter Games year. In addition, we are seeing a steady increase in patronage.

Past surpluses have been applied to a range of developments that are set out as follows:

1) Lee Debt

The purchase of the trading operation was funded by two loans from the Lees. The first loan for \$150,000 was repaid from surpluses made over the first 3 years. The second loan of \$132,500 was repaid out substantial donations from other Lee family members. Both of the debts are now fully repaid.

2) Asset improvements

Various assets have needed investment as follows:

- a) Purchase of a new skidoo \$16,000
- b) Major overhaul of the groomer (circa \$40,000)
- c) Upgrade of our rental ski stock to improve customer experience (totalling \$61,265 as at March 2016)
- d) Hut upgrades with new mattresses, new fires donated by Yunca and the new deck at the Meadow Hut built by volunteers over last summer.

- e) Our snow shoe equipment has been upgraded and trails established and signed.
- f) There has been a redevelopment of our tubing area to separate it from skiing and offer more interest and enjoyment to visitors that just want a snow experience.
- g) Maps covering mountain biking, X-Country skiing and snowshoeing have been developed and published.
- h) We now have a webcam installed that can be accessed from the website (thanks to Peak Projects Ltd who were the generous sponsors)
- i) The website has been upgraded and the Snow Farm team have improved our social media presence.
- j) Also the Wanaka Biathlon Club have steadily upgraded their range including an improved shooting platform and a new storage hut. They have worked closely with the Snow Farm on their safety programme.

Snow Farm NZ Limited

The trading operations that take place on the Snow Farm land are accounted for in PACT's 100% owned charitable subsidiary - Snow Farm NZ Limited. During the year the following key events took place.

a) General Manager

The Snow Farm Board appointed a new General Manager (Nikki Holmes) on a permanent basis. The aim is to address an increase in summer time activities to complement the winter season.

b) Staff

The team building process has resulted in most of last year's crew returning.

c) Programmes and Events

School programmes have also grown and numbers of school children in the 2015 winter reached a record at 1359.

Snow Farm staff have supported youth programmes and Club camps.

The Merino Muster was supported with staff, grooming services and becoming part of the Worldloppet that has put the race more firmly on the world stage.

The joint initiative between Merino Muster and the Snow Farm led to a multisport training programme which is now an established group of keen cross trainers.

d) Skier days

Numbers have been growing steadily although the 2017 season numbers will be down due to the late start (70 days open during the winter season compared to 90 days in the 2016 financial year)

<u>Skier Days</u>	Year				% Inc
	2013	2014	2015	2016	
4001 · Daily Passes	1377	1607	1524	3076	102%
4003 · Season Passes	900	1420	1210	1210	0%
4007 · Schools Programmes	1143	1163	1017	1359	34%
4009 · Visiting Teams/Groups	640	1130	470	1190	153%
4011 · Ski Tourers	114	90	126	201	60%
4018 · Snow Shoe Tours	0	11	3	6	100%
4029 · Dog Sledge Fees	43	227	217	409	88%
4030 · Tubing/Sledding	255	843	1182	2434	106%
4031 · Hut -Summer	0	0	0	1	-
4040 · Snow Bike Revenue	0	0	0	57	-
Grand Total	4472	6491	5749	9943	73%

Foreign teams continue to use the facility as an ideal time on snow during their summers.

MERINO MUSTER LTD.

The effort made to join the Worldloppet X-Country race circuit has resulted in significant increases in skiers especially in the 42Km event. Total entrants increase from 161 in 2014 to 275 in the 2015 race.

The support from the QLDC through grants for new assets like the finish towers and the flag poles has changed the presence of the race. The improving numbers and the International place it now holds has led to an invitation for the race to be part of the Audi Quattro Winter Games in 2017.

Further funding will be needed for new small huts to support the isolated feed stations but they will then be also useful as warming huts for Snow Farm customers.

Attendance at the Worldloppet AGM has been consistent since the initial successful application and the contacts and promotion of the Snow Farm venue has been invaluable for both the race and the Snow Farm.

FUTURE PLANS

As at 31 March 2016, consolidated fixed assets were \$184,635 and available cash (ie. cash less all liabilities) was \$122,235. This meant that the trust's consolidated equity was \$306,870. A Balance Sheet and Income and Expenditure is attached for your information.

This is a sound platform on which to deliver our future plans, which includes developing another hut as well as possibly our own lodge facility. We are also very aware that the groomer is nearing the end of its life and we are developing plans to replace our groomer within 2 years.

With 5 winter seasons now behind us, PACT and its subsidiaries are now well established for the future.

.

Tom Pryde

Chairman

Pisa Alpine Charitable Trust

Registered Charity CC42514

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PISA ALPINE CHARITABLE TRUST

CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED MARCH 31, 2016

	Note	Consolidated		Parent	
		2016 \$	2015 \$	2016 \$	2015 \$
Revenue					
Grants and Donations		52,939	106,232	10,509	30,098
Trail Usage		183,436	108,144		
Equipment Hire		70,255	46,297	-	500
Events and Programmes		71,592	53,311		
Hut Income		23,288	17,490		
Dog Sledge Income		29,494	16,017		
Retail Sales		21,499	6,703		
Location Fees		41,253	22,972		
Interest Income		2,428	1,368	432	501
		<u>496,184</u>	<u>378,534</u>	<u>10,941</u>	<u>31,099</u>
Less:					
Costs of Sales		15,805	9,906		
Events Costs		32,832	61,903	6,503	15,912
Retail Costs of Sale		19,062	4,600	-	-
		<u>67,699</u>	<u>76,409</u>	<u>6,503</u>	<u>15,912</u>
Gross Profit		428,485	302,125	4,438	15,187
Expenses					
Staff Related Costs		141,086	111,180		
Marketing Costs		11,501	4,934		
Grooming Costs		61,188	9,868		
Rent		20,355	20,655		
Insurances		12,990	12,133		
Transport Costs		9,014	13,834		
Ski Rental Replacements		17,852	20,475		
Other Costs		20,056	24,052	7,946	11,509
		<u>294,042</u>	<u>217,131</u>	<u>7,946</u>	<u>11,509</u>
Net Operating Surplus		134,443	84,994	(3,508)	3,678
Depreciation		44,807	74,924	-	-
		<u>89,636</u>	<u>10,070</u>	<u>(3,508)</u>	<u>3,678</u>
Surplus/(deficit)		89,636	10,070	(3,508)	3,678

CONSOLIDATED AND PARENT STATEMENT OF MOVEMENT IN EQUITY

AS AT MARCH 31, 2016

	Consolidated		Parent	
	2016 \$	2015 \$	2016 \$	2015 \$
EQUITY AS AT 1 APRIL	212,234	202,164	241,022	237,344
Net Surplus (Deficit)	89,636	10,070	(3,508)	3,678
TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR	<u>89,636</u>	<u>10,070</u>	<u>(3,508)</u>	<u>3,678</u>
Movement in Revaluation Reserve	5,000		5,000	
EQUITY AS AT 31 MARCH	<u><u>306,870</u></u>	<u><u>212,234</u></u>	<u><u>242,514</u></u>	<u><u>241,022</u></u>

PISA ALPINE CHARITABLE TRUST

CONSOLIDATED AND PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	Note	Consolidated		Parent	
		2016 \$	2015 \$	2016 \$	2015 \$
EQUITY					
Revaluation reserves		175,000	170,000	175,000	170,000
Retained earnings		131,870	42,234	67,514	71,022
		<u>306,870</u>	<u>212,234</u>	<u>242,514</u>	<u>241,022</u>
LOANS					
			37,505		-
TOTAL EQUITY		<u><u>306,870</u></u>	<u><u>249,739</u></u>	<u><u>242,514</u></u>	<u><u>241,022</u></u>
Represented by:					
NON CURRENT ASSETS					
Property plant and equipment		184,635	224,442	175,000	170,000
		<u>184,635</u>	<u>224,442</u>	<u>175,000</u>	<u>170,000</u>
CURRENT ASSETS					
Cash at Kiwibank		189,169	57,192	19,914	23,546
Petty Cash			200		
Accounts receivable		1,373	552		-
Inventories		-	6,060		
GST receivable		6		7	
Loan to Subsidiary				54,015	54,015
Other Current Assets		-	1,372		
		<u>190,548</u>	<u>65,376</u>	<u>73,936</u>	<u>77,561</u>
CURRENT LIABILITIES					
Creditors and accruals		1,819	1,246		102
GST payable		6,545	2,519		-
Other Current Liabilities		59,949	36,314	6,422	6,437
		<u>68,313</u>	<u>40,079</u>	<u>6,422</u>	<u>6,539</u>
WORKING CAPITAL		<u>122,235</u>	<u>25,297</u>	<u>67,514</u>	<u>71,022</u>
		<u><u>306,870</u></u>	<u><u>249,739</u></u>	<u><u>242,514</u></u>	<u><u>241,022</u></u>

**QLDC Council
17 August 2017**

Report for Agenda Item: 12

Department: Property & Infrastructure

New ground lease for Queenstown Squash Club

Purpose

The purpose of this report is to consider granting a new ground lease for the Queenstown Squash Club when their current lease expires 31 March 2018.

Recommendation

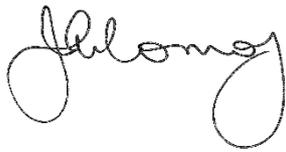
That Council:

1. **Note** the contents of this report;
2. **Approve** a new lease to Queenstown Squash Club over Lot 2 DP 18993 subject to the following terms and conditions:

Commencement	1 April 2018
Term	3 years
Renewals	1 of 3 years (by agreement of both parties)
Rent	\$1 per annum pursuant to Community Pricing Policy
Reviews	At renewal or when the Community Pricing Policy is reviewed
Early termination	18 months' notice for core infrastructure requirements
Assignment and Sublease	With Lessor's prior written approval
Use	Clubrooms, change rooms, courts, meeting space and storage facilities associated with squash
Other	At expiry, improvements to be removed. Public liability Insurance required. Health and Safety plan to be provided for approval.

3. **Delegate** signing authority to the General Manager, Property and Infrastructure.

Prepared by:



Joanne Conroy
Property Advisor - APL

28/07/2017

Reviewed and Authorised by:



Myles Lind
Acting General Manager,
Property and Infrastructure
4/08/2017

Background

- 1 Queenstown Squash Club was granted a ground lease over Lot 2 DP 18993 on Memorial Street for its clubrooms from 1 April 1999 for 19 years. The land is 149 square metres and is unencumbered freehold land.
- 2 The club is seeking a new lease from 1 April 2018. There are no other squash courts in Queenstown and membership currently sits at 73 paying members.
- 3 Council is currently considering the Queenstown Town Centre Master Plan Strategy, which could affect this site due to arterial realignments. This is currently out for community consultation and the club has been contacted and briefed on the proposal.

Comment

- 4 The club's lease is set to expire on 31 March 2018, completing a term of 20 years. The club owns their building and shares a portion of it with the Wakatipu Rugby Club. The lessee is responsible for maintenance of the building, along with internal fitout and repairs.
- 5 The Club has approached Council to initiate a new lease, and to consider what options might be available to relocate the club in time to another facility, potentially adjacent to the Frankton Events Centre.
- 6 We have conducted initial consultation with Sport and Recreation at Council who have confirmed that a review of sporting facility and uses is intended in the coming year/s. For the time being, until that review is completed it is suggested that the club seek a new lease which would ensure continuity of term.
- 7 Granting a lease for three years with a renewal provision for a further three years (by agreement of both parties) will enable the Squash Club to plan, fundraise and relocate during that six-year period if necessary. The lease will include the right for Council to terminate the lease with 18 months' notice if the land is required for core infrastructure purposes.
- 8 The club has expressed a desire to be granted a longer-term lease than 6 years, however given the state of Council planning and potential impacts to this lease, officers recommend six years.

9 Recommended terms and conditions are as follows:

Commencement	1 April 2018
Term	3 years
Renewals	1 of 3 years (by agreement of both parties)
Rent	\$1 per annum pursuant to Community Pricing Policy
Reviews	At renewal or when the Community Pricing Policy is reviewed
Early termination	18 months' notice for core infrastructure requirements
Assignment and Sublease	With Lessor's prior written approval
Use	Clubrooms, change rooms, courts, meeting space and storage facilities associated with squash.
Other	At expiry, improvements to be removed. Public liability Insurance required. Health and Safety plan to be provided for approval.

Options

- 10 Option 1 To approve a new lease to the Queenstown Squash Club over Lot 2 DP 18993 subject to the terms and conditions detailed above.

Advantages:

- 11 Will enable the Squash Club to continue to provide facilities for playing squash in Queenstown for the coming three to six years.
- 12 Will provide Council with the ability to plan towards arterial changes proposed in the Queenstown Town Centre Master Plan and Sport and Recreation improvements.

Disadvantages:

- 13 Will commit Council to having the club on the site for at least 18 months, which would need to be factored into project planning by Council.

- 14 Option 2 To approve a new lease to the Queenstown Squash Club over Lot 2 DP 18993 subject to different terms and conditions.

Advantages:

- 15 As above.

Disadvantages:

- 16 As above.

- 17 Option 3 Not to approve a new lease to the Queenstown Squash Club over Lot 2 DP 18993 and to require the Squash Club to vacate the site.

Advantages:

- 18 Would not commit Council to having the club on the site for at least 18 months, which would need to be factored into project planning by Council.

Disadvantages:

- 19 The Squash Club would cease to provide facilities for playing squash in Queenstown at the lease expiry.
- 20 This report recommends **Option 1** for addressing the matter because it will allow squash to continue in Queenstown, and allow sufficient time to organise to relocate if required. The town centre arterial, if approved, would be some years in planning and implementation so it is unlikely that will take place in the next three years.

Significance and Engagement

- 21 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it may have an effect on future roading which is a strategic asset.

Risk

- 22 This matter related to the operational risk OR011A Decision Making as documented in the Council's risk register. The risk is classed as moderate.

Financial Implications

- 23 The squash club will meet the cost of drafting the new lease.

Council Policies, Strategies and Bylaws

- 24 The following Council policies, strategies and bylaws were considered:

- Community Facility Funding Policy

- 25 The recommended option is consistent with the principles set out in the named policy/policies.

- 26 This matter is not included in the 10-Year Plan/Annual Plan and has no impact on it.

Local Government Act 2002 Purpose Provisions

- 27 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by enabling the sport of squash to continue in Queenstown for the next 3-6 years;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

28 The persons who are affected by or interested in this matter residents and visitors to the Queenstown Lakes district.

29 The Council has not undertaken public consultation and no consultation is contemplated.

Attachments

A Aerial photograph of the Squash Club building/site.

New lease for Queenstown Squash Club – Attachment A – Aerial of building and lease area



**QLDC Council
17 August 2017**

Report for Agenda Item: 13

Department: Property & Infrastructure

Easement to Aurora Energy Limited – 704 Malaghan’s Road, Wakatipu Basin

Purpose

The purpose of this report is to retrospectively grant an electrical easement over Local Purpose (Esplanade) Reserve with legal description Lot 4 DP 460171 to Aurora Energy Ltd, to run underground power lines from Malaghan’s Road to a private property.

Recommendation

That the Council:

- 1 **Note** the contents of this report;
- 2 **Approve** an electrical easement over Local Purpose (Esplanade) Reserve, Lot 4 DP 460171 subject to section 48(1)(d) of the Reserves Act 1977, to Aurora Energy Ltd subject to the following conditions:
 - a. Aurora Energy Ltd to notify and liaise with QLDC Infrastructure Department in advance of any onsite works so that they can oversee and provide input relating to existing in-ground infrastructure;
 - b. A bond of \$2,000.00 be payable to QLDC prior to any works commencing;
 - c. The work site to be evidenced by before and after photographs, video or similar to be provided by Aurora Energy Ltd;
 - d. A comprehensive safety plan must be prepared and implemented, at Aurora Energy Ltd’s cost, to ensure a safe environment is maintained around the subject site;
 - e. Certificate of adequate public liability cover to be received;
 - f. Reinstatement of the area to be completed immediately following installation and to the satisfaction of QLDC’s Infrastructure Department. Reinstatement to include any fencing or other structures.
 - g. Within 3 months of completion of the work, Aurora Energy Ltd to provide QLDC with a surveyed easement and signed Deed of Easement.
- 3 **Agree** that notification of the intention to grant the easement is not required, as the statutory test in section 48(3) of Reserves Act 1977 is met for the reasons set out in this report;

- 4 **Delegate** authority to approve final terms and conditions of the electrical easement, including location, and execution authority to the General Manager – Property & Infrastructure; and;
- 5 **Agree** to the exercise of the Minister’s consent (under delegation from the Minister of Conservation) to the granting of an easement to Aurora Energy Ltd over Lot 4 DP 460171.

Prepared by:



Blake Hoger
Property Advisor
APL Property Limited

4/07/2017

Reviewed and Authorised by:



Aaron Burt
Senior Planner: Parks &
Reserves

28/07/2017

Background

- 1 Council administers the Reserve legally described as Lot 4 DP 460171, Certificate of Title 602703 and classified as Local Purpose (Esplanade) Reserve.
- 2 The reserve dissects two parcels of land owned by Queenstown Corporation Limited (herein referred to as “the **applicant**”) and contains a watercourse known as Mill Stream. The parcels of land owned by the applicant are Lot 3 DP 460171 and Lot 1 DP 485618.
- 3 The applicant has applied to Aurora Energy Limited for a new electrical connection to an existing shed on their property. The current electrical connection to the property is fed from a 1 phase 30kVA transformer. The applicant requires a 3 phase 69kVA connection and as such there is insufficient capacity in the existing services to provide for the supply requirements requested.
- 4 It is proposed to run the new electrical connection underground from Malaghans Road to the applicant’s shed. The pathway for the connection will pass through the Local Purpose (Esplanade) Reserve and as such, an easement from QLDC has been sought.
- 5 The attached Cable Location Plan shows the path of the connection. Easement B relates to the area of Local Purpose (Esplanade) Reserve.

Comment

- 6 The existing single phase power supply to the applicant's property is via a connection from the south via easement over neighbouring private land.
- 7 It is logical that a new connection from Malaghans Road be brought through the applicant's own property. However this does require access through the Local Purpose (Esplanade) Reserve.
- 8 Earthworks will be necessary to excavate a trench within the Local Purpose (Esplanade) Reserve 7m either side of Mill Stream. However, excavation will stop and the cables will be trenched under the stream.
- 9 Works are to be undertaken in accordance with QLDC's Guide to Earthworks in the Queenstown Lakes District with a focus on preventing any damage to the stream or its water quality.
- 10 The land will need to be reinstated by Aurora Energy Limited following the installation, along with replacement of any vegetation and fencing.
- 11 The underground cable will require a 3m wide easement channel and the width of the reserve strip is 40m, equating to a total area of 120m².
- 12 As per the Easement Policy 2008, both an application fee along with a one-off underground services easement fee are applicable. In accordance with the policy, the easement fee is calculated at \$70.80 plus GST.

Land value of property	= \$55,000
Size of property	= 28,069m ²
Easement area	= 120 m ²

Calculation:

\$55,000 / 28,069 m ²	= \$1.96 / m ²
30% of \$1.96	= \$0.59 / m ²
\$0.59 x 120 m ²	= \$70.80 plus GST
- 13 The Easement Policy 2008 allows for a bond of between \$1,000 and \$5,000 to be held by Council subject to the reinstatement of the property to Council's standards and satisfaction. Given the potential damage to the reserve (being potential damage to Mill Stream and potential damage to existing landscaping) this report recommends that a bond of \$2,000 be held.
- 14 Infrastructure may exist in the reserve which may be crossed by the easement. Aurora will need to liaise with QLDC's Infrastructure Team to ensure existing infrastructure is not damaged during the installation.
- 15 Under the Reserves Act 1977, Ministerial consent is required before an easement can be granted over a reserve. This consent is now delegated to Council and must be granted prior to the easement being lodged with LINZ.

- 16 Granting an easement is permitted by the Reserves Act 1977, however, such easement must be publicly notified in accordance with Section 48(2) unless it can be shown that there is no long-term effect on the land and that people's ability to enjoy the reserve is not affected in accordance with section 48(3) below. These matters are considered below:

The reserve is vested in an administering body and is not likely to be materially altered or permanently damaged

- 17 The Council is the administering body. Aside from during the installation process, this easement will not affect the ability of the reserve to provide for its current purpose. As the infrastructure will be mostly underground apart from the transformer, it is considered that the creation of the easement will not have any long-term effect on the reserve.

The rights of the public in respect of the reserve are not likely to be permanently affected

- 18 While there will be some temporary minor disruption during the installation of the underground power lines, long term there will be no detrimental effect on the ability of the public to use and enjoy the reserve. Once the installation is complete, users of the reserve will be unaware that any changes that have been made to the reserve.
- 19 Taking into account the above factors, it is not considered that the easement will permanently affect the reserve or the ability of people to use and enjoy the reserve, and therefore public notification is not deemed necessary.
- 20 This report recommends that any approval granted for an easement be subject to the following conditions:
- a. Aurora Energy Ltd to notify and liaise with QLDC Infrastructure Department in advance of any onsite works so that they can oversee and provide input relating to existing in ground infrastructure;
 - b. A bond of \$2,000.00 be payable to QLDC prior to any works commencing;
 - c. The work site to be evidenced by before and after photographs, video or similar to be provided by the Aurora Energy Ltd;
 - d. A comprehensive safety plan must be prepared and implemented, at Aurora Energy Ltd's cost, to ensure a safe environment is maintained around the subject site;
 - e. Certificate of adequate public liability cover to be received;
 - f. Reinstatement of the area to be completed immediately following installation and to the satisfaction of QLDC's Infrastructure Department. Reinstatement to include any fencing or other structures.
 - g. Within 3 months of completion of the work, Aurora Energy Ltd to provide QLDC with a surveyed easement and signed Deed of Easement.

21 Approval for the easement was granted by the Chief Executive on 23 June 2017 due to timing constraints. This report seeks to ratify the decision of the Chief Executive and formally approve the easement retrospectively.

Options

22 Option 1 Council grants the easement over Local Purpose (Esplanade) Reserve, Lot 4 DP 460171 retrospectively, subject to the conditions outlined above.

Advantages:

23 The power supply to the applicant's property will be upgraded and undergrounded at no cost to the ratepayers or community.

24 Council will receive an easement fee of approximately \$70.80 plus GST.

Disadvantages:

25 The easement area will not be available for other utility infrastructure, without the consent of Aurora Energy Limited.

26 Access to a small area of Local Purpose (Esplanade) Reserve will be temporarily limited during the undergrounding process.

27 Option 2 Council can grant the easement over Local Purpose (Esplanade) Reserve, Lot 4 DP 460171, retrospectively subject to alternative conditions.

Advantages:

28 Similar to Option 1 however Council may wish to amend the conditions proposed.

Disadvantages:

29 Similar to Option 1.

30 Option 3 Council declines the easement over Local Purpose (Esplanade) Reserve, Lot 4 DP 460171.

Advantages:

31 The easement area will be available for other utility infrastructure.

Disadvantages:

32 The power supply to the applicant's property would not be upgraded and undergrounded at no cost to the ratepayers or community.

33 Council will not receive an Easement Fee of approximately \$70.80 plus GST.

34 The CE's decision of 23 June 2017 would not be ratified and the applicant will be required to remove the electrical infrastructure from the reserve.

35 This report recommends **Option 1** for addressing the matter, as it will allow the applicant to improve their electrical supply at no cost to the ratepayers or community.

Significance and Engagement

36 This matter is of low significance, as determined by reference to the Council's Significance and Engagement policy because it does not involve a Council strategic asset, is of low importance to the Queenstown Lakes District, is not of interest to the general community, is not inconsistent with policy and strategy and does not impact on Council's capability and capacity.

Risk

37 This matter relates to operation risk OR011A, 'Decision Making'. The risk is classed as moderate.

Financial Implications

38 Council will receive an easement fee of approximately \$70.80 plus GST in accordance with the easement policy.

39 All costs associated with the survey and registration of the easement on Council's title will be paid for by Aurora Energy Limited.

Council Policies, Strategies and Bylaws

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

- Significance & Engagement Policy 2014 – the proposal is a matter with low significance in terms of this policy as it does not impact Council's strategic assets, affect a large number of residents, ratepayers and the environment and is not expected to create a community interest in the matter.
- Easement Policy 2008 – the application is consistent with the policy.

41 The recommended option is consistent with the principles set out in the named policy/policies.

42 This matter is not included in the 10-Year Plan/Annual Plan, however can be met from existing property operating budgets.

Local Government Act 2002 Purpose Provisions

43 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by allowing improved electrical supply to a member of the public at no cost to Council;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

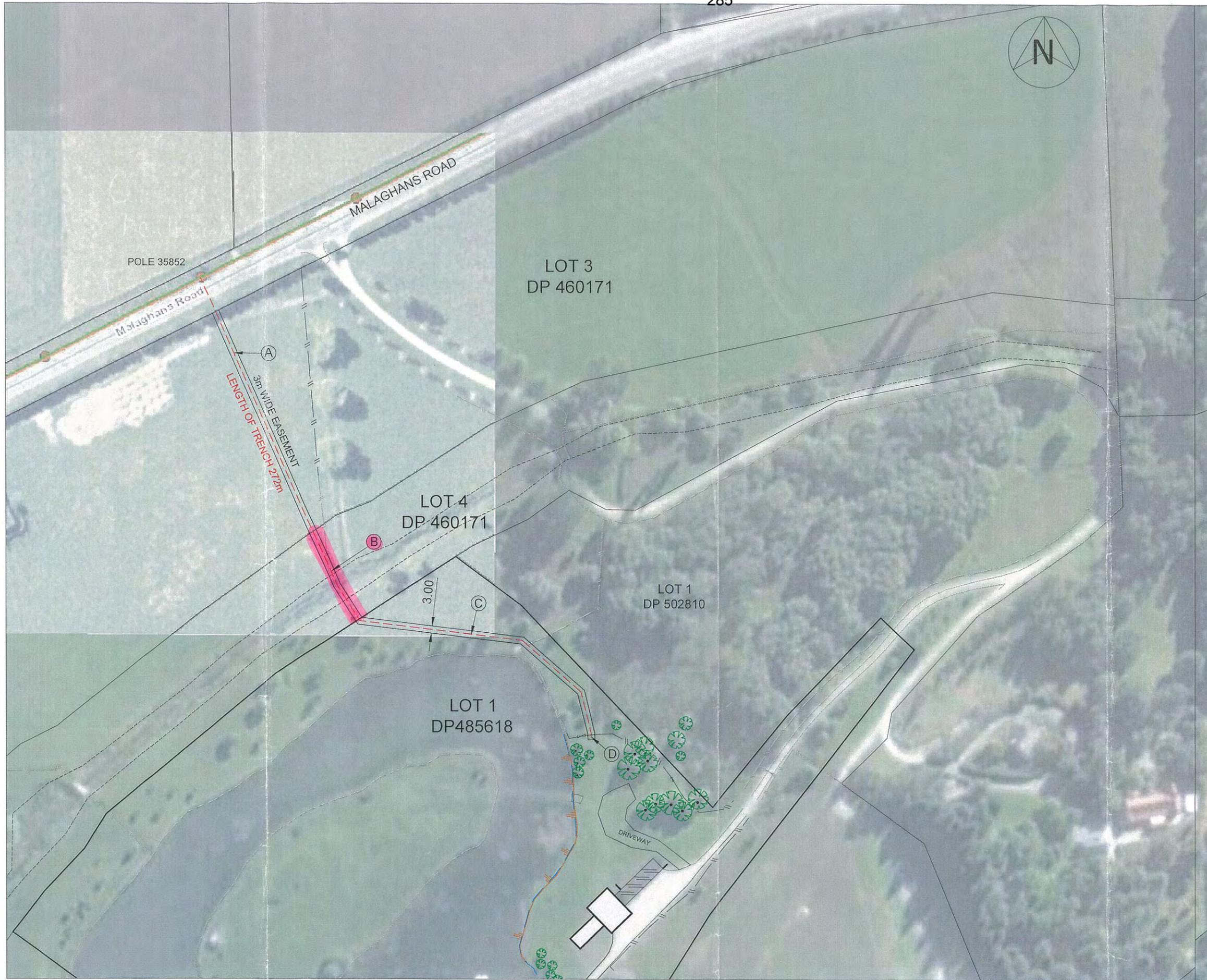
44 No consultation is envisaged or required by Council as it has low significance with regard to the Significance & Engagement Policy 2014, is consistent with s10 of the Local Government Act and is not included in the 10-Year Plan/Annual Plan. Further, it is not considered that the easement will permanently affect the reserve or affect the ability of people to use and enjoy the reserve and, therefore, public notification is not deemed necessary in accordance with sections 48(2) and 48(3) of the Reserve Act 1977.

Legal Considerations and Statutory Responsibilities

45 This matter is subject to section 48 of the Reserves Act 1977, which prescribes the requirements for the granting of an easement over a reserve. It is considered that option 1 is consistent with these requirements.

Attachments

A Cable Location Plan



LEGEND

- WATERS EDGE
- TOP OF BANK
- DRIVEWAY
- FENCE
- TREE
- TREE & TRUNK
- BDY POINT (OLD PEG)
- STAKE ON BDY
- MAJOR CONTOUR (2m INTERVAL)
- MINOR CONTOUR (0.5m INTERVAL)

PROPOSED SCHEDULE OF EASEMENTS IN GROSS

PURPOSE	SERVIENT TENEMENT	SHOWN	GRANTEE
RIGHT TO CONVEY ELECTRICITY	LOT 3 DP 460171	A	AURORA ENERGY LIMITED
	LOT 4 DP 460171	B	
	LOT 1 DP 485618	C & D	
RIGHT TO ESTABLISH AND MAINTAIN AN ELECTRICITY TRANSFORMER AND ANCILLARY EQUIPMENT	LOT 1 DP 485618	D	AURORA ENERGY LIMITED

TITLE:
PROPOSED POWER TRANSFORMER AND CABLE LOCATION PLAN

PROJECT:
704 MALAGHANS ROAD

DATUM: MT NIC 2000 GPS DERIVED SCALE: 1:1500 @ A3

DRAWING NO: CN070-04_01 REV: -

Rev.	Date	Revision Details	By
A	02.05.17	New Easement Alignment	JK

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 INNOVATION CONSTRUCTION DELIVERY
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**QLDC Council
17 August 2017****Report for Agenda Item: 14****Department: Property & Infrastructure****Glendhu Adventures – Licence to Occupy Recreation Reserve****Purpose**

The purpose of this report is to consider a new licence to Glendhu Adventure Ltd to operate a commercial kayak and stand up paddle board rental, lessons and guided tours operation on adjacent Lake Wanaka, from Rotary Park Reserve, Glendhu Bay.

Recommendation

That Council:

- 1 **Note** the contents of this report;
- 2 **Approve** a new licence over Section 14 SO 347712, Wanaka-Mount Aspiring Road, Wanaka, classified as Recreation Reserve to Glendhu Adventure Ltd for conducting commercial kayak and stand up paddle board rental, lessons and guided tours on Lake Wanaka adjacent to the licence area, subject to the following terms and conditions:

Commencement	1 November 2017
Term	5 years
Renewal	One further term of 5 years by agreement of both parties
Rent	Base rent of \$500, or 7.5% of gross turnover, whichever is the greater
Reviews	2.5 yearly
Operating Hours	8.30 am – 7.00 pm
Maximum Craft	No more than 8 stand up paddle boards and no more than 5 sit on top kayaks for hire at any one time.
Insurance	Requirement to have public liability insurance of \$2 million
Safety/Suspension	Council to retain ability to suspend the licence for safety purposes or to avoid large public events.

Other

Licensee must ensure they hold a valid resource consent for the purpose of commercial kayak and stand up paddle board rental, lessons and guided tours.

- 3 **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a licence to Glendhu Adventure Limited over Section 14 SO 347712, Wanaka-Mount Aspiring Road, Wanaka.
- 4 **Delegate** signing authority to the General Manager, Property and Infrastructure

Prepared by:



Chris Green
Property Advisor - APL

10/07/2017

Reviewed and Authorized by:



Aaron Burt
Senior Planner: Parks & Reserves

28/07/2017

Background

- 1 Glendhu Adventures Ltd (**the applicant**) has been in operation since 7 September 2015. The company provides kayak and stand up paddle board rental, lessons and guided tours based from the Reserve known as Rotary Park, Glendhu Bay, Wanaka. The water-based activities take place on the adjacent lake areas.
- 2 They previously operated on a temporary permit based out of the reserve known as Rotary Park, Glendhu Bay, Wanaka. This land is legally known as SEC 14 SO 347712 and is vested in QLDC.
- 3 The applicant previously held a temporary permit for the summer months of December 2015 through February 2016. This was subject to a maximum of no more than 40 days operation in total, with no more than 6 consecutive days, which is a Reserves Act 1977 requirement.

Comment

- 4 The applicants have requested a licence in an area approved by the Reserve Management Plan update of 2015/16. The current company director, Hamish Mclean, is currently in the process of selling half of the business to Hamish Cooper an experienced kayak guide. Both are experienced operators with a history working in the industry. They seek to offer kayak and stand up paddle board rentals, lessons and tours.

- 5 The proposed licence will be clear that the licence area is only to be used to in conjunction with water-based activities on the immediately adjacent areas of Lake Wanaka.
- 6 Glendhu Adventure Ltd have a current resource consent for the proposed activity and in line with the proposed licence terms and conditions under RM150856.
- 7 The licensee has gained approval for operations from the Harbour Master as of 22 December 2016 after review of their Safety Operational Plan (**SOP**) and emergency procedures.
- 8 The Wanaka Rotary Club has been actively involved in this land parcel. It currently holds naming rights over this land and has given support for the operation to take place.
- 9 The Wanaka Community Board considered the new licence at their meeting on 30 March 2017. They approved notification of the new lease and no submissions were received at completion of the notification period on 13 May 2017.

Options

- 10 Option 1 To approve a new licence over Section 14 SO 347712, Wanaka-Mount Aspiring Road, Wanaka, classified as Recreation Reserve to Glendhu Adventure Ltd for conducting kayak and stand up paddle board rentals, lessons and guided tours on adjacent areas of Lake Wanaka, subject to the terms and conditions outlined above.

Advantages:

- 11 Will allow commercial activity that provides a beneficial form of recreation and enjoyment of Council land and access to Lake Wanaka.
- 12 Will generate additional income for Council.

Disadvantages:

- 13 Will potentially increase commercial congestion on the reserve land and lake surface.
- 14 Option 2 To approve a licence over Section 14 SO 347712, Wanaka-Mount Aspiring Road, Wanaka, classified as Recreation Reserve to Glendhu Adventure Ltd for conducting kayak and stand up paddle board rentals, lessons and guided tours on adjacent areas of Lake Wanaka, subject to different terms and conditions.

Advantages:

- 15 Similar to above.

Disadvantages:

- 16 Similar to above.

17 Option 3 To decline the application made by Glendhu Adventure Ltd over Section 14 SO 347712, Wanaka-Mount Aspiring Road, Wanaka.

Advantages:

18 Will avoid any additional congestion that might result from the proposed kayak hire and guiding business off the reserve.

Disadvantages:

19 Will prevent a new commercial activity from operating off the reserve.

20 Will not generate additional income for Council.

21 This report recommends **Option 1** for addressing the matter as the recommendations proposed provide a balance between Council controls and the ability for the operator to conduct a successful business.

Significance and Engagement

22 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it involves a Council strategic asset being a lakefront reserve, used by a number of rate payers particularly in the summer season.

Risk

23 This matter related to the operational risk, OR011A Decision Making as documented in the Council's risk register. The risk is classed as moderate. The risk is mitigated by the need to publicly notify the licence and consider any submissions received prior to considering granting a licence.

Financial Implications

24 Council is set to receive minimum income per annum of \$500+GST, or 7.5% of gross revenue, whichever is the greater. The applicant has agreed to pay for all licence drafting and notification costs.

Council Policies, Strategies and Bylaws

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

- Wanaka Foreshore Reserves Management Plan
- Community Facility Pricing Policy 2011

26 The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions

27 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing a decision for a commercial activity to Council in a timely manner;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 28 The persons who are affected by or interested in this matter are predominantly the users of Rotary Park and its boat launching facilities.
- 29 The Rotary Foundation has been consulted prior to granting the 2015 permit and gave the applicant approval to use the reserve.
- 30 The Council has publicly notified the intention to grant a licence for this activity with no submissions being received.

Attachments

- A Location Plan



C. HUGHES & ASSOCIATES LTD
 Surveying and Resource Management • Central Otago
 WANAKA
 Level 3, 80 Ardmore Street
 P.O. Box 599
 03 443 5052
 CROMWELL
 17A Murray Terrace
 P.O. Box 551
 03 445 0376
 www.chasurveyors.co.nz



Proposed Water Based Activity
 Glendhu Adventure Ltd
 Glendhu Bay, Lake Wanaka

ISSUE	AMMENDMENTS	DATE
A	Location	25 Nov 2015
B	Boat ramp added	26 Nov 2015
C	Location	2 Dec 2015
D		
E		

Scale: 1:1000
 Datum: MSL

Job No: 5429
 Plan No: W848
 Drawn: MJS
 Date: September 2014

**QLDC Council
17 August 2017**

Report for Agenda Item: 15

Department: Property & Infrastructure

Right of Way Easement – 47 Howards Drive, Lake Hayes Estate

Purpose

The purpose of this report is to consider an application for a Right of Way Easement from Richard and Charmaine Denney, the owners of 47 Howards Drive, Lake Hayes Estate.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Grant** a Right of Way Easement over Council administered Recreation Reserve (Lot 3 DP 447156) in favour of the proprietors of 47 Howards Drive, Lake Hayes Estate (Lot 1 DP 447156) subject to the following conditions;
 - a. A Council inspector is to be present when the excavation works are undertaken to ensure Council infrastructure is not damaged or disturbed, and
 - b. In the event of damage being caused, Council infrastructure it is to be repaired by Council's maintenance contractor, at the applicant's cost, and to the satisfaction of Council engineers, and
 - c. Before any works are undertaken, a valuation is prepared, at the expense of the applicant, to determine the market value of the land. Such valuation to be accepted by both parties.
3. **Delegate** authority to approve final terms and conditions, and execution authority to the General Manager – Property and Infrastructure; and
4. **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of an easement over Lot 3 DP 447156 in favour of proposed Lot 1 DP 447156.

Prepared by:



Blake Hoger
Property Advisor
APL Property Limited
4/08/2017

Reviewed and Authorised by:



Myles Lind
Acting General Manager,
Property and Infrastructure
5/08/2017

Background

- 1 The current owners of 47 Howards Drive, Lake Hayes Estate (herein referred to as “the applicants”) purchased their property in 2016 with a pre-existing dwelling in place. The property is bordered on its western and southern boundary by Council administered recreation reserve legally described as Lot 3 DP 447156.
- 2 The access drive to the carport of the applicant’s dwelling runs along the southern boundary between the house and a retaining wall located on the boundary of the adjacent reserve. The gap between the corner of the dwelling and the retaining wall is 2.5m and is very narrow for vehicle access.
- 3 The applicants are seeking a Right of Way [‘ROW’] easement in order to reposition the existing retaining wall to widen the gap between the dwelling and the wall and improve manoeuvrability in and out of the drive.
- 4 Originally proposed by the applicants was a small triangular area of land measuring 2.5m wide at the street, and 10m in length along the shared boundary with a total area of 12.5m².

Comment

- 5 Council infrastructure, specifically a water pump for a nearby waterfall, stormwater junction and an associated manhole, is located within the reserve adjacent to the proposed ROW.
- 6 Council’s 3-Waters Contract Manager has reviewed the proposal and it is their preference to set the entire retaining wall back by 1m instead of the ROW measuring 2.5m at the street. The applicants have confirmed acceptance of this amendment. Plans of the two options are shown on Attachment A.
- 7 Council’s Contract Manager also notes that care will need to be taken when excavating close to the infrastructure and conditions of approval should include a requirement for any damage caused to be fixed by Council’s maintenance contractor, at the applicant’s cost, and, further, that a Council inspector be required to be present when the excavation works are undertaken to ensure Council infrastructure is not disturbed.
- 8 Under the Reserves Act 1977, Ministerial consent is required before an easement can be granted over a reserve. This consent is now delegated to Council and must be granted prior to the easement being lodged with LINZ. An intention to grant the easement has been publicly notified with no comments received by the public.
- 9 In accordance with Item 3 of QLDC’s Easement Policy 2008, an Easement Fee for Right of Way Easements is to be determined by an individual valuation which will determine the market value of the land.
- 10 Should QLDC wish to grant the ROW, this report recommends approval is granted subject to the following conditions;

- a. A Council inspector is to be present when the excavation works are undertaken to ensure Council infrastructure is not damaged or disturbed, and
- b. In the event of damage being caused, Council infrastructure it is to be repaired by Council's maintenance contractor, at the applicant's cost, and to the satisfaction of Council engineers, and
- c. Before any works are undertaken, a valuation is prepared, at the expense of the applicant, to determine the market value of the land. Such valuation to be accepted by both parties.

Options

- 11 Option 1 Grant a Right of Way easement subject to the conditions outlined above.

Advantages:

- 12 The applicants can improve the access to their property along the driveway.
- 13 QLDC will receive an easement fee (valuation pending).

Disadvantages:

- 14 An area of recreation reserve will be encumbered and restricted for private use.

- 15 Option 2 Grant a Right of Way easement subject to alternative conditions outlined above.

Advantages:

- 16 Similar to Option 1 however the Council may deem it appropriate to add, amend or delete some or all of the proposed conditions.

Disadvantages:

- 17 Similar to Option 1.

- 18 Option 3 Decline the Right of Way easement application.

Advantages:

- 19 An area of recreation reserve will not be encumbered by an easement for private use.

Disadvantages:

- 20 The applicants access to their property will remain restricted.
- 21 Council will not receive an easement fee.

22 This report recommends **Option 1** for addressing the matter as it will enable the applicant to improve the access to their property without expense or significant impact on Council.

Significance and Engagement

23 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because although it involves a reserve, the impact of this decision is minor.

Risk

24 This matter relates to operation risk OR011A Decision Making. The risk is classed as moderate.

Financial Implications

25 The applicant has paid an application fee and has agreed to pay for all legal and surveying costs to establish the easement.

26 Council will receive an easement fee in accordance with the Easement Policy 2008 (valuation pending).

Council Policies, Strategies and Bylaws

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

- Significance & Engagement Policy 2014 – the proposal is a matter with medium significance in terms of this policy.
- Easement Policy 2008 – the application is consistent with the policy.

28 The recommended option is consistent with the principles set out in the named policies.

29 This matter does not have any impact on the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

30 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by allowing for the establishment of a Right of Way Easement to improve access to an established property;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 31 The persons who are affected by or interested in this matter are general members of the public.
- 32 Council's intention to grant an easement has been publicly notified however no responses / submissions have been received.

Attachments

- A Plans and photos
- B Owners' application

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47 Howard Drive, Lake Hayes Estate – Right of Way Easement Application
Attachment A

Site Plan



Proposed position of ROW alongside driveway access



RoW Application – 47 Howards Drive, Lake Hayes Estate

Date: 24th February 2017.
Applicant: Richard and Charmaine Denney
Applicants Address: 47 Howards Drive, Lake Hayes Estate, Lot 1 DP 447156

A right of way (RoW) is sought over council reserve legally identified as Lot 3 DP 447156 (0.6438 hectares) within the Rural General zone.

We purchased our property in 2016 for our young family. Charmaine is a local teacher and I am a landscape architect.

Our property is bordered on its western and southern boundary by council reserve. The access drive to the carport runs to the south side of the dwelling between the dwelling and a retaining wall that is partly on the southern property boundary with the adjacent QLDC reserve. The gap between the corner of the dwelling and the wall is 2.5m and requires a slight kink to get a vehicle through. Manoeuvring through the gap takes great care, as there is little room for error and unfortunately has resulted in minor damage to the family car and scraping on the house.

We are seeking to carry out a minor realignment of the existing retaining wall to widen the gap between the dwelling and the wall and improve manoeuvrability in and out of the drive. We only need a small area of land to make the access safer and easier to use. The area of council land needed is a small triangular area measuring 2.5m by 10m with a total area of 12.5m².

We are seeking a RoW over council land or potentially, if the option was available, purchasing the land from council.



Description of activity

Excavate earth bank, realign existing retaining wall (1.5m height), batter earth slope at top of wall to match existing, and widen existing driveway by up to 2m width tapering back over a 10m length to the existing wall over a 10m length. Photos of existing site and area of land attached below.

Actual and potential effects of proposal

The area of reserve is currently part of a humped embankment between a manhole to the waterfall pump / storm water junction and the property boundary of 47 Howards Drive. The area of land of the subject site is narrow and drops steeply to the property boundary. It is modified ground formed as part of the original three-lot subdivision (two adjacent rural lots with building platforms and the balance lot vested to council as reserve as consented by RM 110281). The land is vegetated in rough grass and various perennial weeds and is not mown. A mown area is provided to the south of the manhole on flatter ground that forms part of the adjacent road reserve and foreground for the waterfall from the small lake formed as part of the Lake Hayes subdivision.

The area of works is a relatively marginally piece of land on the fringe of the reserve adjacent to an existing residential dwelling. It is a steep short bank adjacent to a residential dwelling and does not contribute to any discernible degree to the overall amenity of the broader reserve. The area of land is a very small slither and the proposed extension of the driveway would have a negligible effect on the amenity of the reserve. It is our intent to plant within our property near the reserve boundary with informal native planting consistent with the reserve planting and integrate the waterfall into our landscaped area and vice versa. We can extend native planting on the embankment adjacent to the retaining wall within the reserve if council considered this a positive outcome of the works and we are happy to provide a landscape plan or to be a condition of approval if granted. Our intent is to vegetate the boundary area to blend seamlessly with the adjacent waterfall planting both to improve our outlook but also improve the surrounding context of the waterfall by reducing the visual presence of the dwelling. We are keen to plant native vegetation in this area to also attract nearby tuis and other native birds to the property and the reserve.

Overall I consider adverse effects on the reserve would be negligible and positive outcomes achieved through indigenous planting supporting landscape amenity and indigenous ecology enhancement on a strip of land that is currently rough and steep exotic grassland.

Details of alternative locations / other routes.

The driveway and carport are existing and it would not be feasible to place an alternative access given the location of the dwelling to the boundary. The only alternative would be to partly demolish the dwelling to widen the access drive in the opposite direction. This would be at significant cost and would not be feasible for us to achieve.

We are seeking a minor adjustment to the existing boundary wall requiring the use of very small area of land to ensure the driveway functions safely. We are responsible and respectful neighbours with the reserve and wish to provide a boundary treatment that supports an enhanced and attractive landscape amenity for the community and resolve an access issue for us with negligible effect on the reserve.

Kind regards

Richard and Charmaine Denney

**QLDC Council
17 August 2017**

Report for Agenda Item: 16

Department: Finance and Regulatory

Setting of Rates for 2017/18

Purpose

The purpose of this report is to set the rates for the Queenstown Lakes District Council for the 2017/18 financial year as per section 23 of the Local Government (Rating) Act 2002.

Recommendation

That Council:

- 1. Sets the rates for the Queenstown Lakes District Council for the 2017/18 financial year as per section 23 of the Local Government (Rating) Act 2002 (Per Attachment A).***

Prepared by:



Stewart Burns
General Manager, Finance
and Regulatory
27/07/2017

Reviewed and Authorised by:



Mike Theelen
Chief Executive Officer

2/08/2017

Background

- 1 The Council adopted the Annual Plan 2017/18 on 23 June 2017, and the detailed work required to calculate the rates for 2017/18 has been completed. The rates are largely as expected. The rates resolution can only be made after the Annual Plan has been adopted.
- 2 The process for setting and assessing rates changed in 2002. The enactment of the Local Government (Rating) Act 2002 and the Local Government Act 2002 has meant that the draft Annual Plan or draft 10 Year Plan (LTP) has become the primary notification to the public of the proposed rates for the new year.
- 3 It is now necessary for the draft Annual Plan to contain all relevant rating information rather than this being subject to a separate public notification process as was previously the case. Rates can only be set by resolution of the Council.

Growth in Rating Base

- 4 The final rates for the 2017/18 year as per the attached resolution are substantially as expected.
- 5 The indicative rates information published in the Annual Plan are the Council's best estimate at that time. They are subject to change as a result of alterations made to the draft budgets through the submission process which may have a funding impact and to changes in the capital value of the district which may occur between adoption of the draft plan and 30 June.
- 6 District-wide the actual annual increase in capital value is 3.56% (2016: 3.04%) compared to 3.0% allowed for in the Annual Plan. The overall increase in the Wanaka ward was 3.4% (2016: 3.1%) compared to 3.6% (2016: 3.0%) within the combined Wakatipu/Arrowtown wards.
- 7 The total number of rateable properties for the 2017/18 year is estimated to be 25,019 (2016: 24,013) which represents an increase of 4.19% (2016: 3.26%) on last year. The overall growth factor for the year is therefore just above 3.8%; slightly more than the 3.0% allowed for in the Annual Plan.

Impact on Rates

- 8 The effect of the slightly higher than expected growth in the district results in an overall rates increase of 3.34% (2016: increase of 1.99%) after allowing for growth. This is less than the 4.15% increase signalled for the year in the Annual Plan.
- 9 There is minimal effect on the indicative rate movements shown in the Annual Plan as a result of the slightly higher than expected growth.
- 10 The main changes from the 10-Year Plan from a rating perspective are as follows:
 - No rating impact for the Queenstown Convention Centre for 2017/18 as the project is currently on hold awaiting confirmation of external funding;
 - Increased rating impact for Project Shotover for 2017/18 due to the first full year of operations for the new plant;
 - Increased rating impact for Wanaka Pool for 2017/18 – project timing advanced from the timing in the 10-Year Plan.
- 11 The overall rates increase is therefore, not evenly distributed across the district. For example, the sewerage rates for Queenstown, Arrowtown and Arthurs Point, will increase next year by \$92, \$96 and \$90 per connection respectively; Lake Hayes and Shotover Country by \$40 per connection. These increases were originally forecast for the 2017/18 year but have been spread across the last two years because of the earlier forecast completion date. No further significant increases are expected.
- 12 Similarly the impact of the Wanaka Pool will be localised, with the costs for 2017/18 to be funded from a targeted rate of \$140.00 per residential property in the Wanaka Ward.

13 There are reduced rates for residential properties with the reduction of the Sports Halls and Library Charge by \$32.00 per property

14 The following tables shows the final indicative rate movements:

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 17/18				
Median Values				
PROPERTY TYPE	CV	LOCATION	Rates %	Rates \$
RESIDENTIAL	\$670,176	QUEENSTOWN	3.80%	\$100
COMMERCIAL	\$1,230,333	QUEENSTOWN	3.00%	\$173
ACCOMMODATION	\$1,227,414	QUEENSTOWN	4.74%	\$422
M/U ACCOMMODATION	\$806,305	QUEENSTOWN	2.73%	\$98
VACANT	\$418,860	QUEENSTOWN	2.10%	\$41
M/U COMMERCIAL	\$806,305	QUEENSTOWN	3.26%	\$108
RESIDENTIAL	\$551,708	WANAKA	3.74%	\$94
COMMERCIAL	\$698,819	WANAKA	1.12%	\$53
ACCOMMODATION	\$698,819	WANAKA	1.61%	\$111
M/U ACCOMMODATION	\$613,009	WANAKA	2.37%	\$81
PRIMARY INDUSTRY	\$3,331,970	WANAKA	3.99%	\$152
COUNTRY DWELLING	\$1,099,941	WANAKA	3.88%	\$82
VACANT	\$306,504	WANAKA	5.48%	\$98
M/U COMMERCIAL	\$613,009	WANAKA	2.86%	\$91
RESIDENTIAL	\$547,408	ARROWTOWN	2.51%	\$62
COMMERCIAL	\$1,111,877	ARROWTOWN	1.20%	\$68
ACCOMMODATION	\$1,111,877	ARROWTOWN	3.47%	\$311
M/U ACCOMMODATION	\$733,759	ARROWTOWN	1.28%	\$45
VACANT	\$291,174	ARROWTOWN	1.69%	\$29
M/U COMMERCIAL	\$733,759	ARROWTOWN	1.68%	\$55
PRIMARY INDUSTRY	\$2,781,412	WAKATIPU	2.52%	\$68
COUNTRY DWELLING	\$1,428,348	WAKATIPU	0.48%	\$10
RESIDENTIAL	\$476,732	GLENORCHY	-1.20%	-\$27
RESIDENTIAL	\$478,985	LAKE HAYES	-3.45%	-\$87
RESIDENTIAL	\$372,948	HAWEA	2.68%	\$62
RESIDENTIAL	\$450,000	LUGGATE	0.37%	\$8
RESIDENTIAL	\$476,732	KINGSTON	-1.81%	-\$27
RESIDENTIAL	\$542,676	ARTHURS POINT	2.51%	\$65

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 17/18				
Lower Values				
			Rates	Rates
<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$422,255	QUEENSTOWN	3.80%	\$86
COMMERCIAL	\$273,910	QUEENSTOWN	5.65%	\$130
ACCOMMODATION	\$462,440	QUEENSTOWN	2.67%	\$104
M/U ACCOMMODATION	\$475,705	QUEENSTOWN	2.79%	\$80
VACANT	\$187,075	QUEENSTOWN	2.13%	\$35
M/U COMMERCIAL	\$448,980	QUEENSTOWN	3.40%	\$89
RESIDENTIAL	\$484,995	WANAKA	3.99%	\$95
COMMERCIAL	\$436,304	WANAKA	1.73%	\$59
ACCOMMODATION	\$406,556	WANAKA	0.35%	\$14
M/U ACCOMMODATION	\$417,200	WANAKA	3.02%	\$87
PRIMARY INDUSTRY	\$970,235	WANAKA	6.40%	\$109
COUNTRY DWELLING	\$735,480	WANAKA	4.31%	\$72
VACANT	\$198,170	WANAKA	6.03%	\$96
M/U COMMERCIAL	\$375,480	WANAKA	3.82%	\$98
RESIDENTIAL	\$582,610	ARROWTOWN	2.47%	\$63
COMMERCIAL	\$381,520	ARROWTOWN	3.44%	\$96
ACCOMMODATION	\$326,300	ARROWTOWN	1.71%	\$58
M/U ACCOMMODATION	\$475,600	ARROWTOWN	1.58%	\$46
VACANT	\$255,635	ARROWTOWN	1.69%	\$28
M/U COMMERCIAL	\$594,500	ARROWTOWN	1.87%	\$56
PRIMARY INDUSTRY	\$1,000,320	WAKATIPU	1.57%	\$24
COUNTRY DWELLING	\$734,019	WAKATIPU	-0.91%	-\$14
RESIDENTIAL	\$290,950	GLENORCHY	-1.56%	-\$31
RESIDENTIAL	\$414,570	LAKE HAYES	-3.62%	-\$88
RESIDENTIAL	\$288,120	HAWEA	2.76%	\$60
RESIDENTIAL	\$350,000	LUGGATE	0.29%	\$6
RESIDENTIAL	\$290,950	KINGSTON	-2.50%	-\$31
RESIDENTIAL	\$432,120	ARTHURS POINT	2.53%	\$62

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 17/18				
Higher Values				
			Rates	Rates
<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$2,244,900	QUEENSTOWN	3.80%	\$185
COMMERCIAL	\$21,860,125	QUEENSTOWN	2.73%	\$2,488
ACCOMMODATION	\$42,565,500	QUEENSTOWN	6.04%	\$16,492
M/U ACCOMMODATION	\$2,859,575	QUEENSTOWN	2.59%	\$210
VACANT	\$684,160	QUEENSTOWN	2.08%	\$48
M/U COMMERCIAL	\$983,480	QUEENSTOWN	3.21%	\$118
RESIDENTIAL	\$1,251,600	WANAKA	2.04%	\$76
COMMERCIAL	\$7,189,100	WANAKA	0.53%	\$233
ACCOMMODATION	\$8,626,920	WANAKA	2.50%	\$1,550
M/U ACCOMMODATION	\$2,607,500	WANAKA	0.27%	\$24
PRIMARY INDUSTRY	\$6,995,905	WANAKA	2.86%	\$224
COUNTRY DWELLING	\$2,043,000	WANAKA	3.29%	\$106
VACANT	\$834,400	WANAKA	3.93%	\$109
M/U COMMERCIAL	\$719,670	WANAKA	2.54%	\$88
RESIDENTIAL	\$1,397,075	ARROWTOWN	1.87%	\$70
COMMERCIAL	\$2,886,500	ARROWTOWN	1.38%	\$190
ACCOMMODATION	\$1,104,400	ARROWTOWN	1.61%	\$113
M/U ACCOMMODATION	\$1,664,600	ARROWTOWN	0.72%	\$41
VACANT	\$653,950	ARROWTOWN	1.75%	\$39
M/U COMMERCIAL	\$820,410	ARROWTOWN	1.58%	\$54
PRIMARY INDUSTRY	\$7,294,000	WAKATIPU	3.18%	\$180
COUNTRY DWELLING	\$4,209,060	WAKATIPU	2.30%	\$106
RESIDENTIAL	\$666,540	GLENORCHY	-0.90%	-\$22
RESIDENTIAL	\$712,210	LAKE HAYES	-2.90%	-\$81
RESIDENTIAL	\$668,850	HAWEA	2.48%	\$68
RESIDENTIAL	\$600,000	LUGGATE	0.48%	\$11
RESIDENTIAL	\$708,860	KINGSTON	-1.20%	-\$21
RESIDENTIAL	\$831,000	ARTHURS POINT	3.10%	\$72

Options

15 Option 1 Set the Rates for 2017/18

Advantages: Allows Council to assess and collect rates for 2017/18.

Disadvantages: None

16 Option 2 Do not Set the Rates for 2017/18

Advantages: None.

Disadvantages: Does not Allow Council to assess and collect rates for 2017/18.

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

Significance and Engagement

18 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because the setting of rates impacts on all ratepayers and is a matter of high public interest. The 10 Year Plan/ Annual Plan process, however, requires the Special Consultative Process, and as the rates are in line with those consulted on, no further consultation is required.

19 This matter relates to the strategic risk SR1 (Current and future development needs of the community), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because it provides for the delivery of Council's capital programme, which has been developed to meet the community's needs.

Financial Implications

20 The rates which are set as a result of this decision have no direct financial implication for Council. They represent the mechanism for collecting budgeted revenues adopted in the 10 Year Plan (LTP).

Council Policies, Strategies and Bylaws

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

- 10 Year Plan 2015-25, Revenue and Financing Policy

22 The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions

23 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

by providing compliance with the statutory process for the setting and collection of rates for 2017-18;

- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

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

25 The indicative rates for 2017-18 were subject to the Annual Plan process, which requires the Special Consultative Process, and as such no wider consultation is required.

Attachments

A Rates and Charges for 2017/18

(A) Rates and Charges for 2017/18

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 July 2014 are to be used for the 2017/18 rating year. All proposed rates in the section that follows are inclusive of GST.

Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council proposes to set a uniform annual general charge of \$80.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$1,991,621) will be used to fund the costs associated with the following activities:

- Cemeteries.
- Community development and grants.
- Property including housing and Wanaka airport
- A general contribution to the promotion of the district.

Sports, Halls & Libraries Annual Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted annual charge of \$327.00 on each separately used or inhabited part of every rating unit with a residential component in the district:

1. Residential	\$327.00
2. Residence plus Flat	\$458.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$327.00
5. Accommodation	\$0.00
6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$327.00
10. Country Dwelling	\$327.00
11. Other	\$0.00
12. Mixed Use Apportioned	\$327.00

The targeted Sports, Halls & Libraries Annual charge revenue (\$6,962,176) will be used to fund the costs associated with the following activities:

Community grants (for recreational activities).

District library services.

Public halls and other community facilities.

Active recreation facilities including sportsfields and community swimming pools (excludes Alpine Aqualand and Wanaka Aquatic Centre).

Governance Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential governance rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000162 cents in the \$
2. Residence plus Flat	0.000162 cents in the \$
3. Hydro Electric/Utilities	0.000081 cents in the \$
4. Vacant Sections	0.000162 cents in the \$
5. Accommodation	0.000162 cents in the \$
6. CBD Accommodation	0.000162 cents in the \$
7. Commercial	0.000162 cents in the \$
8. CBD Commercial	0.000162 cents in the \$
9. Primary Industry	0.000115 cents in the \$
10. Country Dwelling	0.000162 cents in the \$
11. Other	0.000162 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The governance rate revenue (\$3,093,319) will be used to fund 80% of the costs associated with the following activities:

- Cost of democratic functions including Council and standing committees
- Cost of communications and management of Council including corporate, financial and rating administration services.

Regulatory Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential regulatory rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000255 cents in the \$
2. Residence plus Flat	0.000255 cents in the \$
3. Hydro Electric/Utilities	0.000115 cents in the \$
4. Vacant Sections	0.000255 cents in the \$
5. Accommodation	0.000268 cents in the \$
6. CBD Accommodation	0.000268 cents in the \$
7. Commercial	0.000230 cents in the \$
8. CBD Commercial	0.000230 cents in the \$
9. Primary Industry	0.000166 cents in the \$
10. Country Dwelling	0.000237 cents in the \$
11. Other	0.000255 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The regulatory rate revenue (\$4,730,424) will be used to fund 80% of the costs associated with the following activities:

- Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

Governance & Regulatory Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Governance & Regulatory Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$70.00
2. Residence plus Flat	\$98.00
3. Hydro Electric/Utilities	\$130.00
4. Vacant Sections	\$70.00
5. Accommodation	\$92.00
6. CBD Accommodation	\$92.00
7. Commercial	\$130.00
8. CBD Commercial	\$130.00
9. Primary Industry	\$156.00
10. Country Dwelling	\$70.00
11. Other	\$70.00
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Governance & Regulatory Charge revenue (\$1,955,936) will be used to fund 20% of the costs associated with the following activities:

- Cost of democratic functions including Council and standing committees

- Cost of communications and management of Council including corporate, financial and rating administration services.
- Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

Recreation & Events Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential recreation and events rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000258 cents in the \$
2. Residence plus Flat	0.000258 cents in the \$
3. Hydro Electric/Utilities	0.000094 cents in the \$
4. Vacant Sections	0.000258 cents in the \$
5. Accommodation	0.000934 cents in the \$
6. CBD Accommodation	0.000934 cents in the \$
7. Commercial	0.000188 cents in the \$
8. CBD Commercial	0.000188 cents in the \$
9. Primary Industry	0.000034 cents in the \$
10. Country Dwelling	0.000098 cents in the \$
11. Other	0.000258 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The recreation and events rate revenue (\$5,133,258) will be used to fund 50% of the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- The provision on public toilets.
- Provision of events and facilitation events.
- Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents

Recreation & Events Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a new targeted Recreation & Events Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$163.00
2. Residence plus Flat	\$228.20
3. Hydro Electric/Utilities	\$251.00
4. Vacant Sections	\$163.00
5. Accommodation	\$737.00
6. CBD Accommodation	\$737.00
7. Commercial	\$251.00
8. CBD Commercial	\$251.00
9. Primary Industry	\$107.00
10. Country Dwelling	\$107.00
11. Other	\$163.00
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The recreation and events charge revenue (\$5,133,258) will be used to fund 50% of the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- The provision on public toilets.
- Provision of events and facilitation events.
- Contribution to the operating shortfall of Alpine Aqualand attributable to non residents

General Rate

Pursuant to Sections 13 and 14 of the Act, Council proposes to set a differential general rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000059 cents in the \$
2. Residence plus Flat	0.000059 cents in the \$
3. Hydro Electric/Utilities	0.000024 cents in the \$
4. Vacant Sections	0.000059 cents in the \$
5. Accommodation	0.000074 cents in the \$
6. CBD Accommodation	0.000074 cents in the \$
7. Commercial	0.000048 cents in the \$
8. CBD Commercial	0.000048 cents in the \$
9. Primary Industry	0.000068 cents in the \$
10. Country Dwelling	0.000064 cents in the \$
11. Other	0.000059 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The general rate revenue (\$1,182,389) will be used to fund the costs associated with the following activities:

- Provision of emergency services (civil defence & rural fire).
- Waste management including landfill establishment.
- Forestry including wilding pine control

Roading Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Wanaka ward on the Queenstown Lakes District as follows:

1. Residential	0.000643 cents in the \$
2. Residence plus Flat	0.000643 cents in the \$
3. Hydro Electric/Utilities	0.000161 cents in the \$
4. Vacant Sections	0.000965 cents in the \$
5. Accommodation	0.002411 cents in the \$
6. CBD Accommodation	0.002411 cents in the \$
7. Commercial	0.002411 cents in the \$
8. CBD Commercial	0.002411 cents in the \$
9. Primary Industry	0.000521 cents in the \$
10. Country Dwelling	0.000656 cents in the \$
11. Other	0.000643 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka roading rate revenue (\$5,364,410) will be used to fund the costs associated with the following activities:

- Wanaka wards roading network, which includes footpaths and other amenities within the road reserve.
- The development of town centre areas.
- The maintenance and upgrading of roading drainage systems.

Roading Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential	0.000364 cents in the \$
2. Residence plus Flat	0.000364 cents in the \$
3. Hydro Electric/Utilities	0.000091 cents in the \$
4. Vacant Sections	0.000546 cents in the \$
5. Accommodation	0.001365 cents in the \$
6. CBD Accommodation	0.001365 cents in the \$
7. Commercial	0.001365 cents in the \$
8. CBD Commercial	0.001365 cents in the \$
9. Primary Industry	0.000295 cents in the \$
10. Country Dwelling	0.000364 cents in the \$
11. Other	0.000364 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wakatipu/Arrowtown roading rate revenue (\$8,265,893) will be used to fund the costs associated with the following activities:

- Wakatipu/Arrowtown ward's roading network, which includes footpaths and other amenities within the road reserve.
- The development of town centre areas.
- The maintenance and upgrading of roading drainage systems.

Stormwater Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Residential	0.000152 cents in the \$
2. Residence plus Flat	0.000152 cents in the \$
3. Hydro Electric/Utilities	0.000038 cents in the \$
4. Vacant Sections	0.000152 cents in the \$
5. Accommodation	0.000152 cents in the \$
6. CBD Accommodation	0.000152 cents in the \$
7. Commercial	0.000152 cents in the \$
8. CBD Commercial	0.000152 cents in the \$
9. Other	0.000152 cents in the \$
10. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka stormwater rate revenue (\$649,867) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Stormwater Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential (ii)	0.000109 cents in the \$
2. Residence plus Flat plus Flat (ii)	0.000109 cents in the \$

3. Hydro Electric/Utilities	0.000027 cents in the \$
4. Vacant Sections (ii)	0.000109 cents in the \$
5. Accommodation	0.000109 cents in the \$
6. CBD Accommodation	0.000109 cents in the \$
7. Commercial	0.000109 cents in the \$
8. CBD Commercial	0.000109 cents in the \$
9. Other	0.000109 cents in the \$
10. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

Note (ii) Excludes property within the Jacks Point Special Zone.

The Wakatipu/Arrowtown stormwater rate revenue (\$1,079,096) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Tourism Promotion Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Accommodation	0.001539 cents in the \$
2. CBD Accommodation	0.001539 cents in the \$
3. Commercial	0.001539 cents in the \$
4. CBD Commercial	0.001539 cents in the \$
5. Hydro Electric/Utilities	0.000385 cents in the \$
6. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka tourism promotion rate revenue (\$1,145,584) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Lake Wanaka Tourism.

Tourism Promotion Rate (Queenstown/Wakatipu Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Queenstown/Wakatipu Wards of the Queenstown Lakes District as follows:

1. Accommodation	0.001169 cents in the \$
2. CBD Accommodation	0.001169 cents in the \$
3. Commercial	0.001169 cents in the \$
4. CBD Commercial	0.001169 cents in the \$
5. Hydro Electric/Utilities	0.000292 cents in the \$
6. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wakatipu tourism promotion rate revenue (\$3,814,112) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Destination Queenstown

Tourism Promotion Rate (Arrowtown Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Arrowtown Ward of the Queenstown Lakes District as follows:

1. Accommodation	0.001379 cents in the \$
2. CBD Accommodation	0.001379 cents in the \$
3. Commercial	0.001379 cents in the \$
4. CBD Commercial	0.001379cents in the \$
5. Hydro Electric/Utilities	0.000345 cents in the \$
6. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Arrowtown tourism promotion rate revenue (\$136,318) will be used to fund the costs associated with financing the following activities:

- To finance promotional activities of the Arrowtown Promotion Association.

Waste Management Charges

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted waste management charge on each separately used or inhabited part of every rating unit in the district, as follows:

1. Residential	\$129.00
2. Residence plus Flat	\$181.00
3. Hydro Electric/Utilities	\$93.00
4. Vacant Sections	\$93.00
5. Accommodation	\$93.00
6. CBD Accommodation	\$93.00
7. Commercial	\$93.00
8. CBD Commercial	\$93.00
9. Primary Industry	\$129.00
10. Country Dwelling	\$129.00
11. Other	\$93.00
12. Mixed Use Apportioned	\$129.00

The Waste Management Charge revenue (\$2,922,989) will be used to fund the costs associated with the following activities:

- To fund the operating deficit of the transfer stations and the recycling initiatives proposed in the Waste Management Strategy.

Aquatic Centre Charge (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Queenstown / Wakatipu and Arrowtown Wards, as follows:

1. Residential	\$100.00
2. Residence plus Flat	\$140.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$100.00
5. Accommodation	\$0.00
6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00

9. Primary Industry	\$100.00
10. Country Dwelling	\$100.00
11. Other	\$0.00
12. Utilities	\$0.00
13. Mixed Use Apportioned	\$100.00

The Aquatic Centre Charge revenue (\$1,318,265) will be used to fund the costs associated with the following activities:

- To fund the operating shortfall of Alpine Aqualand attributable to residents

Aquatic Centre Charge (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Wanaka Ward, as follows:

1. Residential	\$140.00
2. Residence plus Flat	\$196.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$140.00
5. Accommodation	\$0.00
6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$140.00
10. Country Dwelling	\$140.00
11. Other	\$0.00
12. Utilities	\$0.00
13. Mixed Use Apportioned	\$140.00

The Aquatic Centre Charge revenue (\$1,135,325) will be used to fund the costs associated with the following activities:

To fund the operating shortfall of Wanaka Aquatic Centre attributable to residents

Water Supply Rates

Queenstown and District Water Supply, Arrowtown Water Supply and Wanaka Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used of inhabited part of every connected or serviceable rating unit within the respective water supply areas as follows:

Queenstown and District water supply:	\$260.00
Arrowtown water supply:	\$180.00
Wanaka and District water supply:	\$180.00

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential water supply rate based on land use on the rateable capital value of all rating units connected in the following water supply areas.

	Queenstown (cents in the \$)	Arrowtown (cents in the \$)	Wanaka (cents in the \$)
1. Residential	0.000264	0.000274	0.000217
2. Residential plus Flat	0.000264	0.000274	0.000217
3. Accommodation	0.000475	0.000493	0.000391
4. CBD Accommodation	0.000475	0.000493	0.000391
5. Commercial	0.000385	0.000400	0.000317
6. CBD Commercial	0.000385	0.000400	0.000317
7. Primary Industry	0.000195	0.000203	0.000161
8. Country Dwelling	0.000216	0.000225	0.000178
9. Other	0.000264	0.000274	0.000217
10. Mixed Use Apportioned	See note (i)	See note (i)	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

Note (ii) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

Other Water Supplies

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used or inhabited part of every rating unit connected to the respective scheme, and a half charge on each separately used or inhabited part of every serviceable rating unit.

Water Supply	Full Charge (\$)	Half Charge (\$)
Arthurs Point	600.00	300.00
Glenorchy	750.00	375.00
Hawea	350.00	175.00
Lake Hayes	500.00	250.00
Luggate	560.00	280.00

The Targeted Water Supply Rates revenue (\$8,693,424) will be used to fund the costs associated with the following activities:

- (i) To provide supplies of potable (drinkable) water to the above communities.

Note (i) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

Water Scheme Loan Rate

(i) Lake Hayes Water Supply Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted water scheme loan rate of \$426.27 on every connected or serviceable rating unit within the Lake Hayes water supply area, other than those in respect of which ratepayer has elected to make the lump sum.

The Targeted Water Scheme Loan Revenue (\$12,603) will be used to fund the costs associated with the following activities

Revenue sought by way of annual loan charges is to cover the cost of financing loans raised to pay for the capital cost of water schemes.

Sewerage Rates

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage rate on every rating unit connected to a district sewerage scheme, on the basis on one full charge per first pan or urinal connected, with a discounted charge on every subsequent pan or urinal connected. A half charge will apply to every serviceable rating unit. The charges for each scheme are set out in the schedule below.

Note (i): every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

Note (ii) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

Sewerage Scheme	Charge for 1st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Wanaka/Albert Town	554.00	277.00	277.00
Arrowtown	686.00	343.00	343.00
Arthurs Point	530.00	265.00	381.60
Hawea	530.00	265.00	265.00
Lake Hayes	480.00	240.00	240.00
Luggate	680.00	340.00	340.00
Queenstown	612.00	306.00	306.00

The Targeted Sewerage Rates revenue (\$12,411,918) will be used to fund the costs associated with providing public sewerage services to the above communities.

Sewerage Scheme Loan Rates

(i) Lake Hayes Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Lake Hayes Sewerage scheme area, on the basis of one charge per pan or urinal connected or capable of being connected of \$353.18, on the first pan or urinal, and \$176.59 for each subsequent pan or urinal.

Note:

- The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer elected to make the lump sum contribution; and
- Every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

The Targeted Sewerage Scheme Loan Rates revenue (\$22,127) will be used to fund the costs associated with the following activities:

- Revenue sought by way of annual loan charges is to cover the costs of financing loans raised to pay for the capital cost of sewerage schemes.

Due Dates for Payments

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2015 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	Due Date	Last Day for Payment (without 10% penalty)
Instalment One	1 September 2017	29 September 2017
Instalment Two	20 October 2017	24 November 2017
Instalment Three	19 January 2018	23 February 2018
Instalment Four	20 April 2018	25 May 2018

Payment of Rates

Rates payments can be made during normal office hours at:

- Civic Centre, 10 Gorge Road, Queenstown
- Wanaka Service Centre, Ardmore Street, Wanaka
- Arrowtown Public Library, Buckingham Street, Arrowtown

Or by direct debit and internet banking.

Additional Charges (Penalties)

Pursuant to Sections 24, 57 and 58 of the Act, Council proposes that the following penalties will apply under delegated authority to the Rating Administrator:

- A penalty of 10% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 30 September 2017, 25 November 2017, 24 February 2018 and 26 May 2018 respectively).
- A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on 30 September 2017.
- A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on 31 March 2018.

Differential Matters Used to Define Categories of Rateable Land

Where Council's propose to assess rates on a differential basis they are limited to the list of matters specified in Schedule Two of the Local Government (Rating) Act 2002. Council is required to state which matters will be used for what purpose, and the category or categories of any differentials.

Differentials by Land Use

The categories are:

1. **Residential**

All rating units which are used exclusively or principally for residential purposes, but excluding properties categorised as pursuant to clause 9 (Primary Industry), clause 10 (Country Dwelling) or to clause 13 (Mixed Use Apportioned).

2. **Residential Plus Flat**

All rating units comprising a single dwelling and a residential flat which are used exclusively or principally for residential purposes, but excluding properties categorised as clause 11 (Country Dwelling plus Flat).

3. **Hydro Electric/ Utilities**

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power and all rating units used exclusively or principally for network utility services including water supply, wastewater, stormwater, electricity, gas & telecommunications.

4. **Vacant Sections**

All rating units which are vacant properties and suitable for development.

5. **Accommodation**

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned) or clause 5 (CBD Accommodation).

6. **CBD Accommodation**

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned).

7. **Commercial**

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes; but excluding properties categorised as Hydro-Electric Power, Accommodation, CBD Accommodation, Primary Industry, or pursuant to clause 11 (Mixed Use Apportioned) or clause 7 (CBD Commercial).

8. **CBD Commercial**

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as CBD Accommodation or pursuant to clause 11 (Mixed Use Apportioned).

9. **Primary Industry**

All rating units:

Used exclusively or principally for agricultural or horticultural purposes including dairying, stock fattening, arable farming, sheep, market gardens, vineyards, orchards, specialist livestock, forestry or other similar uses, or

Which are ten hectares or more in area and located in any of the Rural or Special Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year.

10. Country Dwelling

All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wanaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east and the land zoned as Rural General off Mt Iron Drive comprising of Liverpool Way; Cascade Drive; Bevan Place and Islington Place) or Special Zones (excluding Penrith Park; Remarkables Park; Quail Rise; Woodbury Park; Lake Hayes Estate; Shotover Country; Jacks Point; Peninsula Bay; and Meadow Park) as shown in the Queenstown Lakes District Council's District Plan, which are used exclusively for Residential purposes.

11. Country Dwelling Plus Flat

All rating units comprising a single dwelling pursuant to clause 10 and a residential flat which are used exclusively or principally for residential purposes.

12. Other

Any rating unit not classified under any of the other categories.

13. Mixed Use Apportioned

All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes. Usage in part may be determined by:

- a. The physical portion of the rating unit used for the purpose, or
- b. The amount of time (on an annual basis) that the rating unit is used for the purpose.

Note: the Mixed Use Apportioned classification will not be applied to residential rating units used for accommodation purposes for a single period of up to 28 consecutive days in any rating year.

These categories are used to differentiate the following rates:

general rate, targeted rates: sports halls & libraries charge; governance rate; regulatory rate; recreation & events rate; governance & regulatory charge; recreation & events charge; roading rate; stormwater rate; tourism promotion rates; waste management charge; aquatic centre charges; water supply rates.

Targeted Rates Based on Location

The categories are:

1. Location within the Wanaka ward.
2. Location within the Queenstown/Wakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

~ roading rate; stormwater rate; tourism promotion rates; aquatic centre charge.

Targeted Rates Based on Availability of Service

The categories are:

1. Connected
Any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.
2. Serviceable
Any rating unit within the area of service that is not connected to a Council operated water scheme but is within 100 metres of any part of the waterworks and to which water can be supplied. Any rating unit within the area of service, that is not connected to a public sewerage drain, but is within 30 metres of such a drain, and is capable of being connected.

These categories are used to differentiate the following targeted rates:

~ water supply rates, water scheme loan rates, sewerage rates, sewerage scheme loan rates.

Definition of “Separately Used or Inhabited Parts of a Rating Unit”

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- Individual flats or apartments
- Separately leased commercial areas which are leased on a rating unit basis
- Vacant rating units
- Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling
- A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- Individual storage garages/sheds/portioned areas of a warehouse
- Individual offices or premises of business partners.

District Plan definition of a Kitchen:

Means any space, facilities and surfaces for the storage, rinsing preparation and/or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.

**QLDC Council
17 August 2017**

Report for Agenda Item: 17

Department: Finance and Regulatory

Budget Carry Forwards for 2017/18

Purpose

The purpose of this report is to adjust the budget for the 2016/17 and 2017/18 financial year as a result of requests for budget carry forwards and adjustments.

Recommendation

That Council:

1. Authorises adjustments to the budgets for the 2017/18 financial year in order to provide for capital expenditure carry forwards of \$10,121,905 included in Attachment A;
2. Authorises adjustments to the budgets for the 2017/18 financial year in order to provide for operational expenditure carry forwards of \$798,200 included in Attachment B; and
3. Authorises adjustments from 2017/18 into 2016/17 in order to provide for negative carry forwards of operational expenditure of \$798,200 included in Attachment A.

Prepared by:



Gaynor Webb
Financial Advisory Manager

2/08/2017

Reviewed and Authorised by:



Stewart Burns
General Manager Finance
and Regulatory

2/08/2017

Background

- 1 In some instances, it will not be possible to complete all capital or operational projects within original time-frames. Where projects have not been completed by 30 June 2017, the budget manager must request that funding be carried forward from 2016/17 to 2017/18. Alternatively, larger projects may require budget from 2017/18 to be brought forward into 2016/17 to align with construction.
- 2 Once the carry forward and the brought forward amounts are approved, the budget for 2017/18 is then adjusted.

Carry Forwards 2017/18

- 3 The process for approving carry forwards for inclusion in the 2017/18 budget is as follows:
- a) Initial requests for carry forward called for by 20 July 2017
 - b) Carry forward requests reviewed by CEO and CFO
 - c) Requests for carry forward endorsed by executive group are prepared for consideration by full Council
 - d) Final requests for carry forward updated for latest financial data
 - e) Consideration by full Council on 17 August 2017

The instructions given to budget managers regarding requests for carry forwards are as follows:

- a) The amount of carry forward is limited to the total amount of unspent capital budgets for the activity or account line in question.
 - b) Applications for carry forward must relate to the original approved project.
 - c) Budgets comprising provisions (with no defined projects) will not be considered for carry forward.
- 4 In addition to these basic principles, the executive sought to minimise carry forwards by testing requests against provision of budgets in the 2017/18 year.
- 5 Most of the final carry forwards reflect the situation where the project is committed and is underway but incomplete at 30 June 2017.

Options

- 6 Option 1 Authorise the Carry Forwards and adjust the 2017/18 budget
- 7 Advantages: Provides budget for previously approved projects in the year that the work is carried out.
- 8 Disadvantages: None
- 9 Option 2 Do not authorise the Carry Forwards and do not adjust the 2017/18 budget
- 10 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

- 11 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because all of these projects were subject to the Annual Plan process, which requires the Special Consultative Process, and as such no wider consultation is required.
- 12 This matter relates to the strategic risk SR1 (Current and future development needs of the community), as documented in the Council's risk register. The risk is

classed as high. This matter relates to this risk because it provides for the delivery of Council's capital programme, which has been developed to meet the community's needs.

Financial Implications

- 13 The approved capital budget for the Annual Plan 16/17 totalled \$82.0m, this was further supplemented by \$23.0m of carried forward budget from the 2015/16 financial year. Adjustments to this budget have been agreed throughout the year. A summary of these movements is detailed below:

		\$
Original Total Budget 16/17		82,039,676
Budget carried forwards from 15/16		23,008,655
Adjustments through out the year - carry forwards, deferrals		
Deferrals to 18/19		
- Deferral of Lakeview decision	- 30,325,984	
- Other deferrals	- 1,003,278	
Subtotal Deferrals		- 31,329,262
Carry Forwards to 17/18		
- Glenorchy Waste water	- 5,744,669	
- Wanaka Aquatic Centre	- 8,305,732	
- Other carry forwards	- 2,153,646	
Subtotal Carry Forwards		- 16,204,047
New Budget approved		
- Qtn Town Centre planning	795,095	
- Other	122,802	
Subtotal New Budget approved		917,897
Budget brought forward		81,018
Adjusted capital budget 16/17		58,513,937

- 14 \$47.3m (81%) of the adjusted capital budget of \$58.5m was spent in the financial year 2016/17.
- 15 The total of capital carry forward requests from 2016/17 to 2017/18 for approval now by Council is \$10.2m. The addition of this carry forward to carry forwards approved by Council throughout the year brings the total to \$26.3m (2016: \$23.0m). Of this \$10.3m is for the Wanaka Aquatic Centre to align with the timing of construction and \$5.7m for the change in timing of the Glenorchy Wastewater Scheme.
- 16 The total of operational carry forward requests approved by senior executives is \$0.8m (2016: 0). \$0.2m of this is for the Skyline tree project and \$0.12m for leasehold fit-out costs for Council offices, both of which have been delayed. A further \$0.13m for the transfer of funds to complete the Water Safety Plans, previously agreed.

17 Through the carry forward process we recognised negative carry forwards were required. This situation occurs when larger construction projects are ahead of schedule. The total of capital budget to be brought forward from 2017/18 to 2016/17 is \$0.73m. This is solely related to the three water construction work for Hawthorne Drive.

18 The financial impact on approved budgets for 2017/18 is neutral because the approved funding from 2016/17 is also brought forward. The funding will be a mix of loans, transfers from reserves (depreciation, development contributions and land sales), NZTA subsidy and rates.

Council Policies, Strategies and Bylaws

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

- 10 Year Plan 2015-25, Annual Plan 16-17, Annual Plan 17-18.

20 The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions

21 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing budget for the completion of the 2016-17 capital programme;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

22 The persons who are affected by or interested in this matter are residents and ratepayers of the Queenstown Lakes district community.

23 These projects were all subject to the Annual Plan process, which requires the Special Consultative Process, and as such no wider consultation is required.

Attachments

- A Combined Capital Carry Forwards from 2016/17 to 2017/18
- B Combined Operational Carry Forwards for 2017/18

Combined Capital Carry Forwards from 2016/17 to 2017/18

2nd August 2017

Line	Programme	Project Code	Project Description	Carry forward comment	Adjusted 16/17 Budget	Actuals 2016-17	Var to Adjusted Budget	Proposed Carry Forward
Carry Forward requests from 2016/17 to 2017/18								
1	Buildings	000109	Hawea Flat Hall - Extension	Carry forward all remaining budget. Works now complete and awaiting July invoices.	64,500	28,942	35,558	35,558
2		000338	Wanaka Lakefront Reclamation	Budget deferred to 17/18 to reflect project delivery programme and consultation process. Residual budget to be carried forward. Pervious carry forward approved in April Reforecast.	702,500	643,469	59,031	59,031
3		000411	Wanaka Eely Point - Jetty/Ramp	Design and consenting delays due to engineer's peer review. Budget of \$25K approved 17/18 for BBC, balance will be utilised towards the commencement of design.	40,500	9,203	31,297	31,297
4		000412	Sunshine Bay Jetty Extension	Carry forward residual budget. Project budget of \$60K 17/18 approved to complete construction.	16,500	13,228	3,272	3,272
5		000413	NZFS property settlement negotiation	This budget is to settle any claim or complete any transaction to rectify the boundary correct matter associated with the old St Johns building in Wanaka (built over the neighbouring NZ Fire Service boundary line). NZFS are currently in negotiation with Ng Tahu on the future ownership. Ultimately the boundary issue will need to be resolved.	50,000	-	50,000	50,000
6		000489	Arrowtown Property Lighting	Carry forward residual budget to complete committed works. Additional budget of \$57K approved for 17/18 through external submissions process.	28,500	1,016	27,484	27,484
7		000520	QEC Resilience Project - Stage 1	Carry forward all budget to complete emergency resilience upgrade works; fire-sprinkler, telecomms, electricity systems and lighting. Install back up potable water supply, additional fuel supply to back-up generator and investigate shatter proof glass solutions in lobby.	100,000	5,386	94,614	94,614
8	Buildings Total				1,002,500	701,244	301,257	301,257
9	Parks and Reserves	000139	Minor Renewal Reserve Works - Wanaka	Carry forward any residual budget for works 2017/18. Delays in commencement of programme which is now underway, including Makarora toilet renewals.	144,000	107,658	36,342	36,342
10		000213	Arrowtown Public Toilet Master Plan	Carry forward residual design budget to complete construction works planned for 2017. Previously approved carry forward has already been included in 17/18 Annual Plan.	40,000	25,106	14,894	14,894
11		000214	Frankton Beach Toilet Replacement	Carry forward residual design budget for construction works and landscaping 2017. Previously approved carry forward has already been included in 17/18 Annual Plan.	20,000	1,438	18,563	18,563
12		000215	Aspiring Road - replace permaloo with Ex	Carry over residual design budget for construction works and landscaping 2017. Previously approved carry forward has already been included in 17/18 Annual Plan.	20,000	2,408	17,592	17,592
13		000248	Lower Shotover Cemetery - new beams	Carry forward all budget to complete works 2017. Access way and internal road to Cemetery complete 16/17.	87,190	41,494	45,695	45,695
14		000337	Estate of Joan Mary Anderson	Initial design cost prohibitive. Final design has now been confirmed in consultation with the family. Construction planned September 2017.	112,461	5,105	107,356	107,356
15		000341	Albert Town Bridge Track link	Construction deferred to undertake further geotech assessment and consider alternative options. Works planned to commence September 17.	17,500	2,237	15,263	15,263
16		000354	Roys Bay Park Improvements	Carry forward budget to complete remedial works; including grassing in Spring and further design works required for Wanaka Lakefront.	102,300	76,302	25,998	25,998
17		000422	Walkway Renewals - Wakatipu	Carry forward budget to complete Lower Shotover Trail realignment project 17/18. Options still being considered with Trails Trust (\$90K MBIE funding secured). Install of safety barriers on Queenstown Trail network currently underway. No other 17/18 budget currently for Walkways Renewals.	324,080	106,227	217,853	217,853
18		000423	Walkway Renewals - Wanaka	Carry forward all budget. \$50K committed to Upper Clutha Tracks Trust towards completion of Newcastle Track. Parks to formalise landowner agreement. No other 17/18 budget currently for Walkways Renewals.	133,520	63,761	69,759	69,759
19	Parks and Reserves Total				1,001,051	431,737	569,313	569,313
20	Solid Waste	000190	Composting System / Dump Station	Carry forward all budget. Works to form part of the BBC recycling station and transfer station planned in 2017-18.	27,500	-	27,500	27,500
21		000370	Weighbridge Transfer Station Renewal	Carry forward budget to complete BBC 17/18. Works delayed due to Waste Minimisation Master Plan review.	2,100	-	2,100	2,100
22		000431	Public Litter Bin Upgrades	Carry forward remaining budget to purchase town centre replacement bins. Original order was cancelled due to inaccurate quote from Supplier. New supplier is currently being sourced.	50,000	25,522	24,478	24,478
23		000454	Recycle centre plant upgrade	Carry forward budget to complete BBC 17/18. Works delayed due to Waste Minimisation Master Plan review.	40,000	18,640	21,360	21,360
24	000523	Wakatipu Recycling Centre extension	Carry forward remaining budget to complete the asphalt works scheduled for August 17.	120,000	102,473	17,528	17,528	
25	Solid Waste Total				239,600	146,635	92,966	92,966
26	Storm Water	000462	Glenorchy SWater- Channel Renewal Work	Carry forward all remaining budget to complete further investigations into options.	30,000	630	29,370	29,370
27	Storm Water Total				30,000	630	29,370	29,370
28	Transport	000074	Glenorchy SPR - Minor improvements	Contract awarded for Bennetts Bluff project June 17 with construction works due to commence July 17.	311,905	39,093	272,812	272,812
29		000076	Wakatipu - Unsub Minor Improvements	Carry forward remaining budget to Project 74 - Glenorchy SPR - Minor Improvements to complete Bennetts Bluff project.	374,704	269,353	105,352	105,352
30		000077	Wanaka Unsub - Minor Improvements	Budget to be carried forward to form link between Lake Road and Roys Peak car park. To be complete in conjunction with Mt Aspiring Road widening project Spring 17/18. Project number 79.	68,998	2,080	66,919	66,919
31		000079	Wanaka Mt Aspiring Road Widening and Dra	All residual budget to be carried forward to complete works Spring 17/18. Project delayed to coincide works with lambing season (closure to public of Roys Peak).	300,000	66,288	233,712	233,712
32		000243	Resilience - GY - Rees River Bridge	Carry forward remaining budget. Works scheduled to be complete July 17.	199,600	105,211	94,390	94,390
33		000275	Wanaka Transport Strategy Implementation	Carry forward to continue strategic planning plus to allow final stages of road legalisation for Hawea unformed legal roads .	150,000	37,748	112,252	112,252

Line	Programme	Project Code	Project Description	Carry forward comment	Adjusted 16/17 Budget	Actuals 2016-17	Var to Adjusted Budget	Proposed Carry Forward
34		000284	Andrews Road Safety Improvements	Carry forward all remaining budget to complete works 2017. Works to commence August and forecast for completion by year end.	475,000	41,774	433,227	433,227
35		000379	Resilience - GY Road Land Stabilisation	Carry forward balance awaiting final geotech inspections and report which is due November 2017	90,000	12,436	77,564	77,564
36		000380	Resilience - Crown Range Road Land Const	Carry forward all remaining budget. Physical works to be carried out 2017/18.	500,000	15,754	484,246	484,246
37		000391	Ardmore St/Lakefront Streetscape	Programme has been developed in conjunction with the Wanaka Community Board including facilitation of electric charging unit install, various furniture and planting.	50,000	350	49,650	49,650
38		000456	Street lighting & Data Improvements Wak	Work committed. Awaiting finalisation of BBC to do RLTP variation - FAR 85% - potential additional budget required to retrofit the entire district (circa \$2.5M) 400 lights @ \$600 to supply and install	80,000	36,374	43,626	43,626
39		000484	Wanaka Unsub - O&M Minor Improvements	Carry forward remaining budget to Project 79 for construction of Mt Aspiring Road widening project due to be completed Spring 2017.	406,400	341,943	64,457	64,457
40		000517	Street Lighting & Data Improvements Wan	Work committed. Awaiting finalisation of BBC to do RLTP variation - FAR 85% - potential additional budget required to retrofit the entire district (circa \$2.5M) 400 lights @ \$600 to supply and install	21,000	-	21,000	21,000
41	Transport Total				3,027,608	968,404	2,059,204	2,059,204
42	Waste Water							
43		000024	Wastewater - Renewals - Queenstown	Carry forward \$300K budget to complete Bayview Rising Main works 17/18.	753,452	353,141	400,311	300,000
		000026	Wastewater - Renewals - Arrowtown	Carry forward remaining budget to complete works from 16/17 into 17/18; total cost of \$220K. Further investigation works identified a new programme; Adamson Dr, Ford Daveys Place pipeline renewals, McDonnell Rd PS switchboard refurbishment. Only \$80k budget currently for 17/18.	272,520	51,327	221,193	220,000
44		000034	Marine Parade WWPS Optimisation and Reu	Carry forward balance work in progress to be completed end of August 2017	205,000	182,196	22,804	22,804
45		000171	Wanaka Airport	Carry forward remaining budget. Further investigation into interconnection with Hawea, Luggate, Airport all to Project Pure.	90,000	36,561	53,439	53,439
46		000229	Wastewater - AM Improvements	Carry forward remaining budget. Works scheduled to be complete July 17.	84,400	61,665	22,735	22,735
47		000359	Remarkables Park Pump Stn Upgrade - Stg4	Carry forward to 17/18 as design funding phasing in 16/17 didn't match procurement of broader project. Consolidated into single year.	20,400	-	20,400	20,400
48		000366	Recreation Ground Pump Station - Stage 1	Carry forward to 17/18 as design funding phasing in 16/17 didn't match procurement of broader project. Consolidated into single year.	25,000	-	25,000	25,000
49		000439	Riverbank Rd WWPS Overhead Power Line	Project delayed. Underway with completion planned in 17/18	30,000	877	29,123	29,123
50		000440	Wanaka Airport WWater cxn Project Pure	Previously approved carry forward per November 16 reforecast.	48,998	38,840	10,158	10,158
51		000455	Establish Maintenance Access Road	Carry forward remaining budget to complete works 17/18.	80,000	55,991	24,009	24,009
52	Waste Water Total				1,609,770	780,597	829,173	727,669
53	Water Supply							
		000006	Water Supply - Renewals - Queenstown	Carry forward remaining budget for Peninsula Road watermain project. Project has now been awarded and programmed for 17/18.	395,500	214,888	180,612	180,612
54		000007	Water Supply - Renewals - Wanaka	Carry forward remaining budget to complete Collins St asbestos cement replacements works underway in 16/17.	257,600	182,356	75,244	75,244
55		000016	Wanaka Yacht Club Borefield Stage 1	Carry forward remaining budget. Progressing preferred option in 17-18.	30,000	20,312	9,688	9,688
56		000279	Shotover Country WS - Bore	Carry forward all remaining budget to complete Project 281 - Rising Main, Shotover Country to Glenda Drive 17/18. Carry forward previously approved in April Reforecast.	437,460	422,307	15,153	15,153
57		000280	Shotover Country WS - Treatment	Carry forward all remaining budget to complete Project 281 - Rising Main, Shotover Country to Glenda Drive 17/18. Carry forward previously approved in April Reforecast.	76,070	18,136	57,934	57,934
58		000281	Rising Main - Shotover Country to Glenda	Carry forward all remaining budget to complete project 17/18. Budget of \$2,292,479 approved for 17/18.	105,754	46,696	59,058	59,058
59		000311	Fernhill Reservoir Land Access	Carry forward budget to undertake BBC and investigate options. Initial BECA study identified much larger project than originally scoped.	69,500	-	69,500	69,500
60		000330	Cardrona New Water Supply Scheme	Carry forward all remaining budget. Negotiations ongoing regarding purchase of scheme.	367,296	45,613	321,684	321,684
61		000345	Arthur's Point Water Supply Upgrades	Carry forward budget. Minor works identified to reduce public health risk.	42,700	23,468	19,232	19,232
62		000348	Installation of UV treatment at Two Mile	Carry forward remaining budget to progress project enabling works 17/18; including land purchase.	100,500	83,738	16,762	16,762
63		000361	Glenorchy Water Reservoir Upgrade	Carry forward to 17/18 as design funding phasing in 16/17 didn't match procurement of broader project. Consolidated into single year.	63,500	18,792	44,708	44,708
64		000436	Backflow Prevention	Delay in starting project due to staff vacancy. Role now filled commencing July 2017.	10,000	2,481	7,519	7,519
65		000491	Water Supply - O&M Renewals - Arthurs Pt	Carry forward remaining budget. Three projects have been identified for completion 17/18 at a total cost of \$75K.	20,000	-	20,000	20,000
66		000511	Kawarau Falls Bridge Utilities	Carry forward remaining budget to complete design works. Construction works to be complete 17/18.	210,000	61,436	148,564	148,564
67		000518	Beacon Point Reservoir	All budget to be carried forward to complete enabling works to progress with new reservoir; including land purchase and treatment plant options.	220,000	-	220,000	220,000
68	Water Supply Total				2,405,880	1,140,225	1,265,656	1,265,656
69	Support							
		000151	GIS software and projects	We have joined an Otago consortium to capture aerial photography for the region. We delayed capturing data in 2016/17 so we can contribute more in the 2017/18 flying season	21,700	7,293	14,407	14,400
70		000153	QLDC Website	Library website redevelopment project has slipped in 17/18 due to procurement delays. This budget, together with the below \$10k from project 159 is now required to deliver the website workshops and build in conjunction with CODC	28,883	6,985	21,898	16,500
71		000146	Business Continuity	Establishing out of district (Cloud) backup was not established in 16/17. \$21k consultancy and setup costs are required to establish the service	119,280	97,455	21,825	21,800
72		000159	Library Systems	Library website redevelopment project as above (153)	15,100	4,943	10,157	10,000

Line	Programme	Project Code	Project Description	Carry forward comment	Adjusted 16/17 Budget	Actuals 2016-17	Var to Adjusted Budget	Proposed Carry Forward
73		000145	ICT Projects	QLDC intranet 'Yoda' project costs. Delayed delivery into 17/18. Costs are fully committed and will be spent September	95,600	59,006	36,594	32,000
74		000490	Frankton Marina Boat Ramp Reinstatement	Construction yet to commence, expected in 17/18	159,267	-	159,267	159,267
75		000493	Project Connect - New Accomodation Inves	Timing of project has stretched into 17/18	250,000	131,694	118,306	118,306
76		000148	Lakeview Development	Decision deferred	263,409	54,869	208,540	208,540
77	Support Total				953,239	362,245	590,994	580,813
78	Sport & Rec	000273	Jack Reid Park Upgrades	Delayed until 18/19	192,511	-	192,511	192,511
79	Sport & Rec Total				192,511	-	192,511	192,511
80	AMP Improvements	000230	AMP Improvements - Libraries	Delays in engaging consultants has delays the project completion. To be closed out in 17/18.	20,000	13,293	6,707	6,707
81		000263	AMP Show Grounds Wanaka	Seating deferred as a result of consultation process with A&P/Wanaka Showgrounds Society. Works to be completed 2017.	105,000	86,680	18,320	18,320
82		000374	AMP Improvements - Community Facilities	Delays in engaging consultants has delays the project completion. To be closed out in 17/18.	28,000	20,331	7,669	7,669
83		000467	AMP Improvements - Buildings	Carry forward remander as AMP rewrite project was late starting in 16/17.	20,500	15,568	4,932	4,932
84	AMP Improvements Total				173,500	135,872	37,628	37,628
85	Major Projects - Project Shotover		Project Shotover	Timing of the finalisation of stage 1 (\$150k) and Disposal Fields design (\$109k)	6,269,879	5,781,432	488,447	259,077
86	Major Projects - Eastern Access Road		Eastern Access Road EAR- Hawthorne Drive	Align budget with the construction of the roading and 3 water projects and inclusive of the Frankton Flats strategy implementation.	9,362,390	8,349,720	1,012,670	1,012,670
87	Major Projects - Qtn Town Centre Strategy		Qtn Town Centre Strategy	Carry forward the strategic planning, transition and spacial frameworks budgets. Along with the modelling budgets for the transport hub, parking facilities and inner links bypass road	1,820,203	1,105,126	715,077	715,077
88	Major Projects - Wanaka Aquatic Centre	000225	Wanaka Aquatic Centre	Budget to align with timing of construction	5,315,050	3,352,741	1,962,309	1,962,309
89	Major Projects - Lakeview	000283	Lakeview - Stormwater Upgrades	Previously approved deferral to 19/20 year per November 16 reforecast for \$495,678, hence 0.00 adjusted budget. Request reduce carry forward to \$380,678 and carry forward \$115,000 to 18/19	-	-	-	115,000
90		000285	Lakeview - Transportation Upgra	Previously approved deferral of \$1,775,900 to 19/20 year per November 16 reforecast, hence 0.00 adjusted budget. Request to retain \$70,000 in 18/19	-	-	-	70,000
91	Major Projects - Glenorchy Wastewater Scheme	000037	Glenorchy New Wastewater Scheme	Carry forward all remaining budget to complete further investigations, scoping and design 17/18. Construction budget previously approved for deferral to 18/19.	300,000	168,614	46,639	131,386
92	Major Projects Total				23,067,521	18,757,633	4,225,142	4,265,519
TOTAL CAPITAL BUDGET CARRY FORWARD FROM 2016/17 TO 2017/18					33,703,180	23,425,220	10,193,213	10,121,905
Bring forward requests from 2018/19 to 2017/18								
93	Major Projects - Eastern Access Road	000318	Frankton Flats Stormwater - Construction	Timing of construction has pushed cost into 16/17. Request pulling forward this budget from the \$3,807,007 budget in Annual Plan 17/18	3,188,517	3,584,982	- 396,466	- 396,466
94	Major Projects - Eastern Access Road	000319	Frankton Flats Water Supply - Construct	Timing of construction has pushed cost into 16/17. Request pulling forward this budget from the \$3,807,007 budget in Annual Plan 17/18	380,306	713,400	- 333,094	- 333,094
95	Major Projects Total				3,568,823	4,298,382	- 729,559	- 729,559
TOTAL CAPITAL BUDGET ADJUSTMENTS FOR 2017/18					37,272,003	27,723,602	9,463,654	9,392,346

Combined Operational Carry Forwards for 2017/18

Cost Centre	Natural Account	Amount	Comments
149 - Council Offices	2390 - Lease Costs	126,000	Remaining balance carried forward for to enable Church St leasehold fitout and additional lease cost at Church St & Shotover St
165 - Forestry - Wakatipu	2530 - Building & Grounds Maintenance	200,000	\$200k budget for Skyline tree management. Delayed due to health and safety plans to be completed
157 - Parks & Reserves - Wakatipu	2320 - Legal fees	27,300	\$150k consultancy costs and \$100k legal budgeted for Parks Contracts retender in 16/17. Tender process still underway for open spaces contract, to be completed end 2017
157 - Parks & Reserves - Wakatipu	2535 - Oth Consult	- 31,000	
159 - Parks & Reserves - Wanaka	2320 - Legal fees	34,500	
159 - Parks & Reserves - Wanaka	2535 - Oth Consult	60,800	
		91,600	
131 - WS Arrowtown	2535 - Oth Consult	27,000	Water Safety Plans to be completed by December 2017. Agreed to carry forward in memo 4/4/2017
132 - WS Glenorchy	2535 - Oth Consult	21,000	
133 - WS Lake Hayes	2535 - Oth Consult	16,000	
134 - WS Arthurs Point	2535 - Oth Consult	21,000	
138 - WS Hawea	2535 - Oth Consult	26,000	
140 - WS Luggate	2535 - Oth Consult	18,000	
		129,000	
147 - Residential Land	2535 - Oth Consult	95,000	To carry this forward for Commonage costs of sale
Dept 22 - Roading	2568 - Network Investigations	20,000	To cover the P&I components of the NPS (National Policy Statement) implementation. The costs are being split between P&D, P&I and Corporate as agreed by Mike T & Tony A to have a consolidated approach.
Dept 24 - Wastewater	2568 - Network Investigations	20,000	
Dept 26 - Water supplies	2568 - Network Investigations	20,000	
		60,000	
102 - Grants & Levies	2410 - Economic Development Fund	96,600	Delay in setting up process for Economic Development Contestable Fund
Total		798,200	

QLDC Council**17 August 2017****Report for Agenda Item: 18****Department: CEO Office****Chief Executive's Report****Purpose**

To provide updates on matters of general democratic interest and to present recommendations from the Wanaka Community Board and Community and Services Committee for Council approval.

Recommendation

That the Council:

1. **Directs** the Chief Executive to give public notice of the right for electors to demand a poll on the electoral system used for QLDC elections; and
2. **Directs** the Chief Executive to take no further action on the matter of Māori wards at this time.
3. **Appoint** Councillor Smith as a member of the:
 - a) Planning and Strategy Committee
 - b) Infrastructure Committee
 - c) Dog Control Committee
 - d) Elected Member Conduct Committee
 - e) Event Funding Panel
4. **Appoint** Councillor McRobie as the Council's representative on Lake Wanaka Tourism.
5. **Remove** Councillor MacLeod from the Infrastructure Committee and **appoint** him as Deputy Chair of Community and Services Committee;
6. **Approve** a three year funding contribution to the Otago Museum to commence from 1 July 2018.
7. **Agree** that the funding contribution be at an agreed ratio of 0.72% of the Museum's annual budget (circa \$30,000 pa).
8. **Adopt** the proposed Otago Museum Heads of Agreement 2017-27.
9. **Resolve** pursuant to section 31 of the Local Electoral Regulations 2001 that the voting papers for the 2017 Wanaka Community Board By-election be printed in random order;

10. Wanaka Community Board: Proposal to Vest Lands as Reserve and to Offset Reserve Land and Reserve Improvements Contributions as per the Development Contributions Policy

1. **Approve** the vesting of the two identified proposed reserves:
 - a. Lots 200 and 201, Kirimoko Limited Partnership, 'Kirimoko Heights' development, Kirimoko Crescent.
Subject to the following works being undertaken at the applicant's expense:
 - i. Presentation of the reserve in accordance with Council's standards for reserves;
 - ii. A potable water supply point to be provided at the boundary of the reserve lot;
 - iii. The registration of a fencing covenant under s6 of the Fencing Act 1978 on the reserves to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;
 - iv. A three year maintenance period by the current landowner commencing from vesting of the reserve;
 - v. Vesting of reserves to be undertaken in accordance with the QLDC Vesting of Roads and Reserves Policy.

2. **Offset** reserve land contributions in accordance with the Development Contributions Policy current at the time of contributions payment and the Parks and Open Space Strategy 2017, subject to recommendation (iii) above.

3. **Offset** reserve improvement contributions are offset against those payable in accordance with the Development Contributions Policy current at the time of contributions payment, subject to:
 - a. Detailed design plans for the reserves to be submitted and the approval of these to be delegated to the Parks and Reserves Planning Manager.
 - b. Final approval of reserve improvement costs to be delegated to the Parks and Reserves Planning Manager and is subject to the applicant demonstrating the actual costs of the improvements.
 - c. If the cost of work to construct the approved plans exceeds the contributions available to be credited, the additional cost shall be at the applicant's expense.

11. Community and Services Committee: Shotover Country No.2 Ltd/Shotover Country Ltd, Proposal to Vest Various Lands as Reserve and to Offset Reserve Land and Reserve Improvements Contributions as per the Development Contributions Policy

1. **Approve** the vesting of the five identified proposed reserves:
 - a. Lot 1002 SH160139 Recreation Reserve, Shotover Country.
 - b. Lot 1003 SH160139 Local Purpose Reserve (water supply, pedestrian and cycle access), Shotover Country.
 - c. Lot 1004 SH160139 Recreation Reserve, Shotover Country.
 - d. Lot 803 RM161023 Recreation Reserve, Shotover Country.
 - e. Lot 804 RM161023 Local Purpose Reserve, Shotover Country.

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

- i. Presentation of the reserve in accordance with Council's standards for reserves;
 - ii. A potable water supply point to be provided at the boundary of the reserve lot;
 - iii. The registration of a fencing covenant under s6 of the Fencing Act 1978 on the reserves to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;
 - iv. A five year maintenance period by the current landowner commencing from vesting of the reserve in accordance with the relevant consent;
 - v. Vesting of reserves to be undertaken in accordance with the QLDC Vesting of Roads and Reserves Policy.
2. **Approve** an offset of credit from reserve improvement contributions, provided the amount becomes available through the future development of consented stages of Shotover Country - Shotover Country No.2 Ltd/Shotover Country Ltd: \$209,455.90 (excl GST) subject to the following works being spent in accordance with the associated costs, and in the following order of development/offsets:
- a. Sports field in future reserve adjacent to Lower Shotover - \$72,768.95 (additional to the \$138,231.05 agreed by Council on 24 February 2016 for this purpose)
 - b. Bike pump track in Richmond Park - \$35,000
 - c. Cycleway through future reserve adjacent to Lower Shotover to trail - \$35,000
 - d. Play space in Merton Park - \$66,455.90

and subject to:

- i. Detailed design plans for the reserves to be submitted and the approval of these to be delegated to the Parks and Reserves Planning Manager.
- ii. Final approval of reserve improvement costs to be delegated to the Parks and Reserves Planning Manager and is subject to the applicant demonstrating the actual costs of the improvements.
- iii. If the cost of work to construct the approved plans exceeds the contributions available to be credited, the additional cost shall be at the applicant's expense.

1. Representation Review

Councils are required under the Local Electoral Act 2001 ('LEA') to review their representation arrangements at least once every six years. This 'Representation Review' enables Council to review the structure of its membership and how Councillors and Community Board members are elected. This includes the total number of members, whether they are elected by a ward or 'at large' from the

wider district, and the boundaries of wards. The representation structure emerging from this process will be used for the 2019 and 2022 QLDC triennial elections, unless the Council resolves to undertake an optional review prior to the 2022 election. This was discussed at the Council workshop on 10 August.

Associated tasks

In addition to the topics raised at the workshop, the representation review provides opportunities for Council to consider the adopted electoral system, specifically the model of First Past the Post ['FPP'] or Single Transferable Vote ['STV'], and the establishment of Māori wards.

The Council is not required to resolve formally on either of these issues but at any time, 5% of electors may demand a poll on the electoral system or the establishment of Māori wards. Council's only legal obligation is to publicly notify that 5% of electors may demand a poll on the electoral system to be used (Section 28, LEA).

a. Choice of Electoral System

Section 27 of the LEA states that the Council may resolve to change the electoral system that will be used for the next two elections. This resolution must occur before 12 September two years before election year.

It is recommended that the Council directs the Chief Executive to give public notice of the right for electors to demand a poll on the electoral system used for QLDC elections. This is the minimum mandatory requirement.

b. Māori Wards

LEA allows Māori wards to be established, either by Council resolution or through a favourable poll of electors. This poll may be held as a result of a Council resolution or demanded by at least 5% of electors.

Local Government Commission data specified that as of 30 June 2016 only 2.5% of the Queenstown Lakes District electoral population identified as Māori.

Furthermore, the table below demonstrates the number of members that would be elected from Māori wards if they were established in the Queenstown Lakes District. The analysis assumes the current total membership of the Council would remain the same.

Māori electoral pop ⁿ	General electoral pop ⁿ	Total pop ⁿ	Total Members	Māori Ward Members	Māori Ward Members (rounded)
900	33,800	34,700	10	0.26	0

It is recommended that no further action be taken on the matter of Māori wards at this time.

2. Committee Membership

The current committee structure was adopted by the Council on 15 December 2016. The resignation of Councillor Lawton left vacancies on the committees of which she was a member. Following the recent election of Councillor Smith, it is timely to review the current committee membership and the following changes are proposed:

Appoint Councillor Smith as a member of:

- *Planning and Strategy Committee*
- *Infrastructure Committee*
- *Dog Control Committee*
- *Elected Member Conduct Committee*
- *Event Funding Panel*

Move Councillor MacLeod from the Infrastructure Committee to become Deputy Chair of Community Services Committee.

With Councillor MacLeod's shift to the Planning and Strategy Committee, this then creates a vacancy in the Infrastructure Committee and the Mayor is discussing possible options with the Chairperson and other Councillors. This may result in a further recommendation being tabled at the meeting.

In addition, Councillor Lawton was the Council's representative on Lake Wanaka Tourism and it is recommended that Councillor McRobie be appointed in her place.

Other positions held by Councillor Lawton were determined by the Wanaka Community Board and it is appropriate therefore that the Board make these appointments at its next meeting.

3. Otago Museum Proposed Funding Contribution

The Otago Museum is currently governed under the auspices of the Otago Museum Trust Act 1996. This legislation establishes Dunedin City, Clutha, Central Otago and Waitaki Districts as the contributing authorities, and establishes both their representation on the board, and their funding contribution (the funding arrangement is managed and detailed through a ten year funding agreement between the contributing Councils). Queenstown Lakes District has no formal relationship with the Museum, or its funding. At present the funding mechanism is apportioned as follows: Dunedin City (93.07%), CODC (0.623%), Clutha (5.69%) and Waitaki (1.26%).

The matter of future funding was raised through the Mayoral Forum in 2016/17 and an alternative funding model has been proposed which would result in QLDC making a contribution to the museum. The proposed adjustment is premised on the basis that as part of the Otago region, it is appropriate that QLDC should make a financial contribution.

A number of models that considered population and distance from Dunedin were examined to establish a reasonable contribution rate. The final proposal is that QLDC will make a contribution of circa \$30,000 per annum for the next three years. This is expressed in the attached Heads of Agreement as a 0.72%

contribution. The proposed arrangement, if adopted by Council, will run for three years, and allows a minor readjustment to the contributions by the other Councils. The draft HOA expressly states that the Councils contribution is voluntary, is committed for the first three years of the next Ten Year Plan, and that beyond that, any continued contribution is entirely at the discretion of the QLDC.

In essence, the recommendation to make a contribution is a recognition by QLDC that it is part of the wider Otago region, and that there are some benefits that accrue to the broader regional community from having an active regional museum. The funding does not entitle Council to have any direct role in the governance of the museum, which would require a change in the legislation governing the institution. Council may want to consider seeking such a change if it wants to continue with funding into the future.

It is accordingly recommended:

- That Council approve a three year funding contribution to the Otago Museum to commence from 1 July 2018.
- That the funding contribution be at an agreed ratio of 0.72% of the Museums annual budget (circa \$30,000 pa).
- That Council adopt the attached proposed Heads of Agreement 2017-27.

4. Wanaka Community Board By-election

Under section 31 of the Local Electoral Regulations 2001, the Council can decide by resolution the order in which the name of candidates will appear on the voting paper, whether it is in alphabetical order of surname, pseudo random order or random order.

If there is no Council resolution, the default option of alphabetical order is used.

Modern software means that generating voting papers with names in fully random order no longer incurs additional expense, so there is no cost saving by using alphabetical or pseudo random order. Furthermore, it appears anecdotally to be the accepted best practice for local elections to use fully random order, as this removes any possibility of giving advantage to candidates whose names under alphabetical order are listed first on the voting paper.

Members may recall that in both the Dunstan Constituency (ORC) and Wanaka Ward By-elections, candidate names were printed in random order.

It is recommended that the Council resolve that the voting papers for the 2017 Wanaka Community Board By-election be printed in random order.

5. Minutes Correction

Staff noted a minor drafting error in a report recommendation from the Council meeting held on 23 June 2017 which flowed through to the minutes. Accordingly, since the meeting, the following change has been made to the minutes:

*Item 9: Chief Executive's report
Approval of Wanaka Community Board recommendation*

Approve the vesting of the 13 identified proposed reserves;

- a. Lots 200 and 201, Orchard Road Holdings 'Alpha Ridge' Meadowstone Drive.*
- b. Lots 96 and 97, GAD Ltd, Kirimoko Crescent.*
- c. Lots 100 - 105, Quartz Development Group Ltd 'Sentinel Park' Hawea*
- d. Lots 998 and 999, Willowridge Developments Ltd 'Timsfield' Hawea*
- e. Lot 1000, Universal Exclusive Developments Ltd, 'Hikuwai' Aubrey Road.*

6. Committee meetings of previous round

Wanaka Community Board – Ms R Brown (3 August 2017)

Information:

1. Temporary Road Closure - Wanaka A&P Show 2018
2. Licence to Occupy Road Reserve – Lot 8 (Business Subzone), Three Parks, Wanaka
3. Licence to Occupy Road Reserve - Otago Regional Council Ground Water Monitoring Bore, Hawea
5. Chair's report

Ratification:

4. Proposal to vest lands as reserve and to offset reserve land and Reserve Improvements Contributions as per the Development Contributions Policy

Community and Services Committee – Councillor Stevens (10 August 2017)

Information:

1. Heritage Incentive Grant Application – Wellingtonian Trees, 24 Berkshire Street, Arrowtown
2. Heritage Incentive Grant Application – McClintock's Cottage, 31 Merioneth Street, Arrowtown

Ratification

3. Shotover Country No.2 Ltd/Shotover Country Ltd, Proposal to Vest Various Lands as Reserve and to Offset Reserve Land and Reserve Improvements Contributions as per the Development Contributions Policy

Heads of Agreement – 2017–2027

BETWEEN

The Mayor and Chief Executive, Central Otago District Council

and

The Mayor and Chief Executive, Clutha District Council

and

The Mayor and Chief Executive, Dunedin City Council

and

The Mayor and Chief Executive, Queenstown Lakes District Council

and

The Mayor and Chief Executive, Waitaki District Council

and

The Chairperson and Chief Executive, Otago Museum Trust Board

1 Preamble

- 1.1 This Heads of Agreement follows and replaces the Heads of Agreement endorsed and approved by the Central Otago District Council, Waitaki District Council, Dunedin City Council and Clutha District Council in 1995 and 2000.
- 1.2 Nothing in this Agreement binds any of the parties except by any resolution that may occur in our respective authorities in due course.
- 1.3 The parties acknowledge that the Museum has been exempt from the status of Council Controlled Organisation by the Minister of Local Government and that the Long Term Plan/Annual Plan process provides a planning framework to identify the future needs of the Museum and relate these to local authorities funding priorities.
- 1.4 This Heads of Agreement is seen as a complete package by itself. The various clauses relate to each other and are mutually dependent. Alteration to any could affect the alteration of others. It is therefore recommended as a total proposal.
- 1.5 The parties acknowledge that the Otago Museum has a regional function and funding and support should recognise this. Furthermore they acknowledge the excellence achieved to date through the redevelopments and in the delivery of services in the Otago region. The wider economic impact of the Museum is noted alongside the Museum's commitment to assisting with and enhancing the wider cultural heritage in Otago.
- 1.6 The Otago Museum acknowledges that each local authority has responsibilities to other museums. There is to be prior consultation with the relevant local authority on any significant change in direction that could be perceived as being an overlap or duplication, to ensure that this is minimised. This is to be treated in good faith and is not intended to restrict the activities of the Museum or to discourage the Museum from responding to appropriate opportunities in the marketplace that require a quick response.

2 Governance

- 2.1 All parties acknowledge the importance of supporting the Otago Museum as a major Otago region cultural institution holding significant collections; with particular focus on natural sciences, human history and culture, and interactive science; having research, conservation and educational components; obtaining and promoting local, national and international exhibitions; providing various activities for interaction between the public and the collections; providing exciting and participatory learning opportunities in the community; and aiming to be relevant to the communities within which it operates and at all times, having regard for 1.6 above.
- 2.2 The parties acknowledge that the funding commitment by ratepayers is significant, given all other demands on ratepayers including similar facilities.
- 2.3 The parties acknowledge that governance representation and financial commitment is determined by the Otago Museum Trust Board Act 1996, which came about as a result of the first Heads of Agreement in 1995. Also that the Local Government Act 2002 has processes that contributing authorities need to adhere to. The Queenstown lakes District Council acknowledges that the current act does not provide for representation by QLDC (and this is in part reflected in the nature of the financial contribution made by QLDC through this MOU).
- 2.4 The constituent authorities acknowledge that the appointments to the Trust Board will be based on commitment to museological best practice, skill and with a clear view to positive development of the Otago Museum, and that the Trustees will provide to the Museum a range of skills necessary to have a complete governance board including management, financial, marketing and project management skills.

3 Relationship

- 3.1 All parties will work to enhance the relationship at all times through open communication and a willingness to appropriately raise and address issues that may arise in the future for any party.
- 3.2 It is expected that consultation and communication will be commenced in a manner to allow other parties sufficient time to respond appropriately to the significance of the issue being considered.

4 Future Funding

- 4.1 The Otago Museum will develop a Master Plan for the period 2018-28. This will form the basis by which the local authorities and Otago Museum can debate and agree an appropriate response to funding requests.
- 4.2 This Business Plan will be updated every three years to fit in with the three-year up-date of Long Term Plans by local authorities.
- 4.3 The Otago Museum Trust Board acknowledges that it will continue to manage the operations of the Museum in line with the following principles:
- Products and services to be relevant and consistently high in quality, as perceived by our communities and approved by the local authorities;
 - Effective and positive leadership and management of collections, resources and skills by all staff and board.
- 4.4 The Otago Museum Trust Board acknowledges that the Dunedin City Council is the primary funder, and will recognise the budget process of the Dunedin City Council to the extent that it includes a target maximum rate overall increase and a budgeting process which is initially delegated to the Chief Executives. To this end, therefore, the Museum and the Dunedin City Council will work together as per the Annual Plan process/timeline agreed which takes into

consideration the Otago Museum Trust Board Act and the Dunedin City Council planning cycle (Schedule 2).

4.5 Contribution from local authorities:

- a) The percentage contributed by each constituent authority is determined in Schedule 1.
- b) The local authorities will work together to review the levy contribution percentages as part of the Master Plan preparation process for the Otago Museum.
- c) The percentage funded by Queenstown Lakes District Council is a voluntary contribution, and is fixed for an initial three year term (commencing 1 July 2018). QLDC shall review its continued voluntary contribution prior to the conclusion of the term and may at its sole discretion agree to extend, amend, or withdraw its contribution beyond that date

4.6 The Otago Museum, assisted by the constituent authorities, will endeavour to seek funding from other sources, including Government, toward the above. Should such funding become available it will be reflected in the level of future contribution required from the constituent authorities.

5 Development Programme

- 5.1 The Mayors and Chief Executives of the constituent authorities are informed of the Museum's Master Plan and recognise the value and importance of such a plan in the strategic improvement of the Museum. It is understood that depending on funding and factors beyond the control of the parties to this agreement timeframes and funding requirements of this plan may change.

6 Review Clause

- 6.1 The Heads of Agreement be reviewed after 10 years as to funding, representation or any other matters, or earlier by majority agreement.
- 6.2 The parties note that the meeting every three years to review the Otago Museum Master Plan provides the opportunity to review the high level Heads of Agreement issues. The three year review is to coincide with the Long Term Plan budget round.

SCHEDULE 1

LOCAL AUTHORITY	%
Dunedin City Council	93.70%
Central Otago District Council	0.63%
Clutha District Council	3.69%
Queenstown Lakes District Council	0.72%
Waitaki District Council	1.26%
	<hr/>
	100%

SCHEDULE 2**OTAGO MUSEUM ANNUAL PLAN PROCESS/TIMELINE****Taking into consideration Otago Museum Trust Board Act and CLA planning cycles**

1	By end October	OMTB approves draft Annual Business Plan with ideal budget sought for the coming year (also identifying excluded items) and submits this to Councils by 19 October (or thereabouts as agreed). Councils given until 31 January (or thereabouts as agreed) to make submissions (this is a few days more than 3 months as per OMTB Act).
2	November	Museum Director and Council ELT discuss plan and budgets. Ideally "Agreement in Principle" reached. If not reached "DCC ELT recommendation" identified (10 November (or thereabouts as agreed)).
3	December	"Agreement in principle" figure or "DCC ELT recommendation" (whichever occurs) included in DCC January Agenda. Agenda also includes identification of Museum's full request for the coming year. Written advice to the Museum Director on the DCC ELT recommendation for January Agenda by 9 December (or thereabouts as agreed).
4	December	"Agreement in Principle" figure or "DCC ELT recommendation" (whichever occurs) noted at OMTB meeting in December.
5	January	Museum Director advised on decision in respect of OMTB Annual Business Plan approval from DCC by 31 January (or thereabouts as agreed).
6	January	Discussions with other contributing LAs if necessary.
7	February	At the February Board meeting OMTB consider contributing LA submissions to Annual Plan. The OMTB identify Museum's priorities for submission to DCC Annual Plan if necessary. This would apply if DCC Draft Annual Plan proposal is less than the OMTB requests. The OMTB to acknowledge in writing that they would accept the DCC January funding decision, as a baseline, subject to the outcome of any submissions to the DCC Draft Annual Plan. This letter will also, if necessary, identify additional funding requirements that the Museum would like considered.
8	April	If necessary OMTB makes submission to the DCC Annual Planning process.
9	2 June or earlier	Museum receives notification from DCC of final figure following DCC Annual Plan submission process.
10	June	Museum finalise Annual Plan with DCC final figure as approval within DCC Annual Plan process. Formally adopted by OMTB at Board meeting.
11	Late June	Final Annual Plan distributed to Councils along with levy sheets.

Recommendation to Exclude the Public

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

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

Confirmation of minutes of ordinary meeting held on 23 June 2017

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
10. 14 Nairn Street, - Lease Variation, Purchase and Disposal	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(h) Section 7(2)(i)
11. 43 Bedford Street, Lessee Request to Freehold	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(h) Section 7(2)(i)

12. Resolution of appeals to private Plan Change 44: Hanley Downs	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: g) maintain legal professional privilege; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(g) Section 7(2)(i)
13. Events Funding Round 2017/18	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: b)ii) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Section 7(2)(b)(ii)
14. New Management and Maintenance Services for High Profile Turf Contract	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(i)
15. Settlement Approval	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(i)

16. Governance Update – Queenstown Airport Corporation (QAC)	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons, including that of deceased natural persons h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities;	Section 7(2)(a) Section 7(2)(h)
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Agenda Items

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
xx. Funding of Legal Settlements 2016/17	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons; and i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(a) Section 7(2)(i)
xx. Chief Executive salary review and tenure	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons;	Section 7(2)(a)

This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant

part of the proceedings of the meeting in public are as shown above with respect to each item.