

QLDC Council
12 March 2020

Report for Agenda Item | Rīpoata moto e Rāraki take : 1

Department: Corporate Services

Title | Taitara : 2020-2021 Annual Plan Consultation Document and supporting document

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

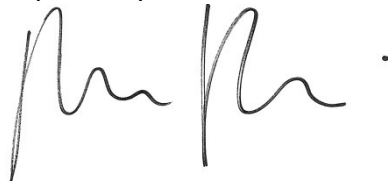
To adopt the Council's 2020-2021 Annual Plan Consultation Document and supporting document.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report;
2. **Adopt** the 2020-21 Annual Plan supporting document; and
3. **Adopt** the 2020-21 Annual Plan Consultation Document.

Prepared by:



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GM Corporate Services

28/02/2020

Reviewed and Authorised by:



Mike Theelen
Chief Executive

28/02/2020

CONTEXT | HOROPAKI

- 1 The 2018-2028 Ten Year Plan was the most detailed and complex financial plan undertaken by QLDC. It also contained the boldest ten-year capital delivery programme, three times bigger than any previous plan produced by this Council.
- 2 The Council is satisfied it can rely on that analysis for Year 3 of the Ten Year Plan as the basis for the 2020-2021 Annual Plan budget. The proposed capex programme for 2020/21 is based on the original 10-Year Plan and has been adjusted to reflect revised timings for some programmes. The capex programme amounts to \$171.9m (gross) which is around \$22.9m less than the original 2020/21 programme included in the 10 Year Plan.
- 3 The main reasons for the reduction are the impact of reprogramming the 3 Waters capital programme and the deferral of some transport projects (Parking & Queenstown Arterials). This due to the extended timeframe required for NZTA approvals. The only changes to the Ten Year Plan operating budgets are those that are non-discretionary or that ensure levels of service are maintained. Increases and decreases in expenditure are outlined in the draft Consultation Document.
- 4 Under section 95(2A), the requirement to consult (and adopt a consultation document) does not apply if the proposed Annual Plan does not include significant or material differences from the content of the long-term plan for the financial year to which the proposed Annual Plan relates.
- 5 Although the Council can rely on the Ten Year Plan Year 3 budget, as outlined, it has chosen to produce a Consultation Document in order to update the community on: project delivery progress; any timing changes and their impact; to explain the 2020-21 rates impact; and to enable the community to make submissions in relation to community grants and any other matter the community may wish to raise through the Annual Plan submission forum.
- 6 The change to this legislation 95(2A) was specifically intended to avoid repeating information already covered in the Ten Year Plan.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 7 Responding to and planning for growth continues to be the key challenge driving Council's activity and investment as we move into Year 3 of the 2018-2028 Ten Year Plan. This has seen the Council's work programme balancing the need to deliver on commitments as well as continuing to be agile where necessary.
- 8 The coming financial year will see us in the first phase of delivery of our blueprint for strategic growth management (Spatial Plan), beginning with consultation midway through this year (2020). Through the current financial year QLDC has continued to build its partnership with Central Government and Kāi Tahu to deliver a joint plan to co-ordinate both planning and funding. QLDC is delivering the plan together with Iwi and investment partners across multiple sectors.

- 9 Another important development which will see significant investment consulted through the next Ten Year Plan is Climate Change. We need to be planning for zero carbon and greenhouse gas emissions by 2050.
- 10 The 2018-2028 Ten Year Plan contained both an average annual rate increase over the next ten years of 3.4% and a projected increase for 20/21 of 3.91%.
- 11 This community cannot continue to subsidise the cost of visitors. Much has been done to ensure we can limit what effect these changes have on local residents and ratepayers. By various means such as reviewing and updating revenue budgets, reducing interest costs and increasing the loan funding of the District Plan, we have been able to reduce the average projected rates increase for this year to 6.76%.
- 12 One significant development for the future of our district is the Council's partnership with Central Government and work towards an alternative funding stream (Visitor Levy). This Council has long advocated with Central Government to find a way to ease the burden of infrastructure investment on ratepayers. A local bill is scheduled to be introduced into Parliament to commence a change in legislation in July 2020. Any potential future revenue stream will not impact the Ten Year Plan Year 3 budgets.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

- 13 Councils are no longer required to consult on Annual Plans when there is no significant or material differences from the content of the Ten Year Plan section 95(2A). This Council has taken the approach of continuing to produce a Consultation Document and engaging with the community in accordance with section 82 in order to keep our communities informed and to enable a submission and hearing process.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 14 This matter relates to the Strategic/Political/Reputation risk category. It is associated with RISK00040 within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 15 There are no financial implications in relation to adopting the Annual Plan supporting documents and Consultation Document other than minor print and circulation costs.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

- 16 The recommended option:
 - Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
 - Can be implemented through current funding under the Ten Year Plan
 - Is consistent with the Council's plans and policies; and

- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Draft Supporting Document – circulated separately
B	Draft Consultation Document