

Council Report

Te Rīpoata Kaunihera ā-rohe

QLDC IS COMMITTED TO VISION BEYOND 2050

A unique place. An inspiring future.
He Wāhi Tūhāhā. He Āmua Whakaohoho.

QLDC Council
27 June 2019

Report for Agenda Item | Rīpoata mot e Rāraki take : 5

Department: Corporate Services

Title | Taitara 2019-2020 Annual Plan Adoption

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO


The purpose of this report is to adopt the Council's 2019-2020 Annual Plan.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report; and
2. **Adopt** the Council's 2019-2020 Annual Plan pursuant to section 95(2A) of the Local Government Act 2002.

Prepared by:



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GM Corporate Services

12/06/2019

Reviewed and Authorised by:



Mike Theelen
Chief Executive

12/06/2019

CONTEXT | HORPOAKI

- 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 took the decision on 7 March 2019 in adopting the Annual Plan Consultation Document and supporting document, that it could be satisfied it could rely on the Ten Year Plan analysis for Year 2 as the basis for the 2019-2020 Annual Plan budget. 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.
- 3 The 2019-2020 Annual Plan does not include any new capex bids but there are some changes to the timing or approach for certain projects as we move into delivery mode. The only changes to the Ten Year Plan operating budgets are those that are non-discretionary (e.g. incorporating re-tendered contracts like Solid Waste, noting that this has already been consulted with the community).
- 4 Although the Council could rely on the Ten Year Plan Year 2 budget it chose to produce a consultation document in accordance with section 82, in order to update the community on: project delivery progress; any timing changes and their impact; to explain the 2019-2020 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.
- 5 Submissions opened on 11 March 2019 and closed on 12 April 2019. After a comprehensive engagement process based on multiple forums, the Council received 111 submissions. Of the submitters, 48 opted to speak at hearings which took place at Wanaka and Queenstown respectively on 20 and 21 May 2019.
- 6 The Annual Plan supporting document has been amended to reflect the submission and hearing process and deliberation in relation to internal submissions.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 7 The Council would like to acknowledge all those who took the opportunity to make a submission on the Annual Plan. All submissions were individually considered but not all could be funded or in some cases, fully funded.
- 8 Given the adopted approach to the Ten Year Plan and the Annual Plan, funding constraints do exist. Jurisdictional, policy and legislative issues also apply. Council was however able to make a number of changes to the budgets as a direct result of the submission process.
- 9 The following funding recommendations were made on the basis of submissions:

Awarded for two years i.e. the remaining duration of the current Ten Year Plan cycle:

1. Upper Clutha Historical Records Society - \$2k support
2. Lakes District Museum – increase from \$80k to \$100k grant
3. Luggate Community Association (Red Bridge Project) - \$10k grant
4. Aukaha Kai Tahu - \$50k grant (to note \$150k funding sought and granted but \$100k of this funding sits within existing project budget).
5. Study Queenstown - \$80k grant
6. Start Up Queenstown Lakes - \$220k grant
7. Wakatipu Youth Trust – increase from \$40k to \$51,750
8. Upper Clutha Tracks Trust – increase from \$25k to \$40k
9. Wanaka Watersports Facility Trust – \$10k grant 19/20 and \$40k grant 20/21
10. Lakes District Air Rescue Trust - \$50k grant
11. Wakatipu Heritage Trust - \$5k

For 2019/20 only

1. Wakatipu Reforestation Trust (Slopehill Road Project) - \$5k grant
2. Whakatipu Wildlife Trust - \$10k grant
3. Upper Clutha Lakes Trust - \$50k grant
4. Alpine Community Development Trust – increase from \$33.5k to \$48.5k
5. Queenstown Mountain Bike Club - \$20k grant
6. Link Upper Clutha - \$60k grant

Note: Head of the Lakes Trails Trust to receive support for its projects via the Infrastructure Minor Works Programme. The Wanaka Community House will be offered the option of QLDC to act as loan guarantor for the remaining funds sought.

Existing Budgeted Requests for Funding (Approved)

1. Community Association Grants
2. Arrowtown Promotion and Business Association
3. Te Kakano
4. Otago Museum
5. Lakes District Museum (increase approved)
6. Wakatipu Reforestation Trust (increase approved)
7. Shaping our Future
8. Queenstown Trails Trust
9. Wakatipu Youth Trust (increase approved)
10. Sport Otago
11. Alpine Community Development Trust (increase approved)
12. Upper Clutha Tracks Trust (increase approved)
13. Happiness House

Destination Queenstown

- 10 The Annual Plan 2019/2020 now includes the proposed 25% increase in funding for Destination Queenstown from the Tourism Promotion rate targeted to the Wakatipu commercial and accommodation sector. Destination Queenstown sought and received 75% member approval with 79.3% of 150 of the 919 members voting in favor of the increase in April 2019. This takes the annual funding to \$4.5M.

Internal Requests for Funding

Operational Expenditure:

1. Water Supply upgrades - \$28,064
2. Afterhours Customer Service Team and Customer Experience Survey cost increase - \$22,947
3. Data usage increases due at new office locations - \$85,700

Capital Expenditure:

1. Replacement of aquatic roof tiles and ventilation upgrades at Alpine Aqualand - \$2,237,000
2. Two new courts at the Queenstown Events Centre - \$2,250,000

Options:

- 11 Option 1 Adopt the 2019/2020 Annual Plan based on Council's decision to adopt a Consultation and supporting document on 7 March 2019 under section 95 (2A) of the Local Government Act 2002.
- 12 Option 2 Resolve to make changes of a significant financial nature to the 2019/2020 Annual Plan (rating impact). This would result in a delay/rework and Council not being in a position to adopt the Annual Plan at the meeting of 29 June 2019.
- 13 This report recommends **Option 1**.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 14 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because under Council chose to rely on the 10 Year Plan Year 2 budgets while clearly indicating changes to that budget.

> MĀORI CONSULTATION | IWI RŪNANGA

- 15 The Council consulted with Te Ao Marama and Aukaha on behalf of Mana Whenua and undertook a hui to outline projects. A subsequent submission was received from Aukaha.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

16 This matter relates to the Strategic/Political/Reputation risk.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

17 As a result of the submission process, the Council has agreed to increase the funding for community grants and to adjust certain operational budgets as a result of improved information (see above). The rating impact of these changes sees the overall average rates increase move from 8.72% to 8.87% (after allowing for growth).

18 In addition to this, the Council agreed to support the submission from Destination Queenstown to increase its funding allocation to \$4.5m for 2019/20 from \$3.6m in 2018/19. This proposal was supported by Destination Queenstown members in April 2019. The effect of this change will be an additional increase in the total rates paid by businesses in the Queenstown/Wakatipu ward of between 2.6% to 4.7%.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

The following Council policies, strategies and bylaws were considered:

19 2018-28 Ten Year Plan

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

20 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	Annual Plan 2019/2020 (Circulated separately)
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