

QLDC Council

28 June 2023

Report for Agenda Item | Rīpoata moto e Rāraki take [1]

Department: Corporate Services

Title | Taitara : 2023-2024 Annual Plan Adoption

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to adopt the Council's 2023-2024 Annual Plan.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Agree** the recommendation of the 2023-2024 Annual Plan Hearings Panel (being the Council as a whole) to increase the fees changes as outlined in the Consultation Document for resource and building consent fees, waste services fees, community facilities fees and parking fees (in the Queenstown Town Centre);
3. **Agree** the recommendation of the 2023-2024 Annual Plan Hearings Panel to amend the swim fees associated with sport and recreation fees (as outlined) taking into account community feedback and to agree the amended sport and recreation fees;
4. **Agree** the recommendation of the 2023-2024 Annual Plan Hearings Panel to change the capex programme as outlined and agree the internal submissions;
5. **Agree** the recommendation of the 2023-2024 Annual Plan Hearings Panel to award community grants; and
6. **Adopt** the Council's 2023-2024 Annual Plan pursuant to section 95(2A) of the Local Government Act 2002.

Prepared by:



Name: Meaghan Miller
Title: GM Corporate Services
9 June 2023

Reviewed and Authorised by:



Name: Mike Theelen
Title: Chief Executive
9 June 2023

Reviewed and Authorised by:



Name: Stewart Burns
Title: GM Assurance, Finance and Risk
9 June 2023

Context | Horopaki

1. On 23 March 2023 the Council adopted the 2023-2024 Annual Plan Consultation Document and supporting documents on the basis that the Council was satisfied it could rely on the analysis for Year 3 of the 2021-2031 Ten Year Plan as the basis for the 2023-2024 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.
2. As outlined, the proposed capex programme for 2023-2024 is based on the original 2021-2031 Ten Year Plan and has been adjusted to reflect revised timings for some programmes. The capex programme amounts to \$201.5M which is around \$1.2M less than the original 2023-2024 programme included in the 2021-2031 Ten Year Plan.
3. Although the Council can rely on the 2021-2031 Ten Year Plan Year 3 budget, it chose to produce a Consultation Document in order to update the community on: project delivery progress; the ongoing impact of leaky buildings; some fee increases; to explain the 2023-2024 rates impact; and to enable the community to make submissions in relation to community grants and any other matter the community wished to raise through the Annual Plan submission forum.

Analysis and Advice | Tatāritaka me kā Tohutohu

4. During the consultation period from 24 March 2023 to 26 April 2023, there were 301 submissions received for the 2022-23 draft Annual Plan, 30 of these were solely community grant applications. This is a significant increase from 138 submissions in 2022.
5. The following is a snapshot of engagement and communication on the Draft Annual Plan: 23,500 printed copies of the consultation document were distributed to local residents through community newspaper inserts and made available at a range of public facing points including libraries, PO Box lobbies, GP clinics and other health facilities, veterinary clinics, hospitality businesses and staff rooms.
6. A '60 second explainer' video helped people to quickly understand the draft annual plan's key changes and the importance of community feedback. Media releases and editorials and one on one engagement opportunities were all undertaken.
7. Facebook post content (including the videos above) reached a total of 28,039 users, targeting a Queenstown Lakes-based audience. Content across 13 posts received 762 engagements (likes, comments, shares and clicks). LinkedIn content reached an additional 2,564 users from five posts and attracted 78 engagements.
8. Radio ads inviting feedback on the draft Annual Plan ran across the local NZME and Mediaworks networks. An invitation to feedback was also promoted alongside education on the annual plan's purpose through other QLDC channels such as the Let's Talk newsletter, Scuttlebutt community magazine and education webinars hosted by QLDC's community partnerships team. The 'Let's

Talk' landing page for interacting with the draft annual plan content and providing feedback received 5,322 page views, where people spent an average time of a minute on the page.

9. More than twice the number of people than last year actively engaged with the main draft Annual Plan consultation information.
10. The number of respondents who indicated a location by ward includes:
 - 103 Wānaka
 - 52 Queenstown-Wakatipu (Frankton)
 - 15 Arrowtown
 - 34 Smaller communities
 - 28 Other (rural)
 - 69 Unknown
11. The Council is extremely grateful to all members of the community who took the time to have a say on a multitude of matters. A number of submissions are subject to existing work programmes or minor works funding or have now been included for further consideration and engagement.
12. There are also well received and well considered submissions that will need to be considered through the Ten Year Plan process, due to the financial constraints outlined in the Draft Annual Plan. That work (Ten Year Plan) has been underway since February. Any supported, significant, unbudgeted projects from the Annual Plan submission process will need to be considered together with all Council Ten Year Plan priorities and if prioritised, potentially consulted on through the Ten Year Plan.
13. The Annual Plan supporting document has been amended to reflect the external and internal submission and hearing process and deliberation. The impact of the changes has moved the proposed average rate increase from 13.6% to 14.2%.

Fee Changes

14. In general, there was a significant majority of both neutrality or support in relation to the six proposed fee changes. There were divergent views in relation to some matters. Note elected members continue to hold concern for increasing fees in the current financial climate, however the alternative was an increase in rates. All submissions on the key issues were considered in full and on balance the Council proposes to include the fee changes in the 2023-2024 Annual Plan (noting that Council considered the animal control fees on 1 June 2023 in order to enable the fees process to commence at the start of the financial year. The increase was approved):
 - Increase in resource and building consent fees – 70% neutral, 19% in favour and 11% opposed. Recommended for approval.

- Increase in sport and recreation fees – 61% neutral, 18% supportive, 21% opposed. Recommended change to swim lane hire charges fees based on feedback.

Swim lane hire charges after draft consultation changes are:

Hire charges	Annual Plan 23/24	Draft Annual Plan 23/24
Lane per hour – Community	\$8.00	\$9.00
Lane per hour – Standard	\$15.00	\$15.00 (No change)
Lane per hour – Commercial	\$15.00	\$20.00

- Increase in waste services fees – 65% neutral, 23% supportive, 12% opposed. Recommended for approval.
- Community facilities fees – 75% neutral, 12% supportive, 13% opposed. Recommended for approval.
- Queenstown Town Centre parking fees – 65% neutral, 24% supportive, 11% opposed. Recommended for approval.

Key Issue

- Capital expenditure programme – 53% neutral, 7% support, 40% opposed. Recommended for approval.

Other Feedback

- Themes included rates, facilities, tourism, economy, leaky buildings and climate change.

Submissions/Grants:

15. The following funding recommendations were made on the basis of external submissions:

ORGANISATION	Community Grant Awarded	Contribution from other QLDC budgets	Total Grant Awarded 2023-2024
Baskets of Blessing Charitable trust	\$ 10,000		\$ 10,000
Citizens Advice Bureau (CAB) Queenstown	\$ 5,000		\$ 5,000
Glenorchy Community Association	\$ 5,000	\$ 5,000	\$ 10,000
Glenorchy Dark Skies Group	\$ 7,500		\$ 7,500
Glenorchy Heritage Museum Group Inc	\$ 1,500		\$ 1,500
Happiness House	\$ 5,000		\$ 5,000
Hāwea Community Association	\$ 5,000		\$ 5,000
Lake Hawea Community Centre	\$ 5,000		\$ 5,000

ORGANISATION	Community Grant Awarded	Contribution from other QLDC budgets	Total Grant Awarded 2023-2024
Lake Hayes Estate and Shotover Country Community Association	\$ 5,000		\$ 5,000
Latinos for New Zealand	\$ 2,000		\$ 2,000
Mana Tāhuna Charitable Trust	\$ 10,000		\$ 10,000
Queenstown branch of the NZ Deerstalkers Association	\$ 1,000	\$ 5,000	\$ 6,000
Queenstown Harvest Community Gardens	\$ 14,000		\$ 14,000
Startup Queenstown Lakes	\$ 25,000	\$ 150,000	\$ 175,000
Te Kākano Aotearoa Trust	\$ 0	\$ 5,000	\$ 5,000
The Kiwi Kit Community Trust	\$ 8,000		\$ 8,000
The Lightfoot Initiative Charitable Trust	\$ 8,000	\$ 7,000	\$ 15,000
Upper Clutha Historical Records Society Inc	\$ 5,000		\$ 5,000
Upper Clutha Tracks Trust	\$ 15,000		\$ 15,000
Upper Clutha Wilding Tree Group	\$ 15,000		\$ 15,000
Uruuruwhenua Hauora	\$ 5,000		\$ 5,000
Volunteer South - Central Lakes	\$ 5,000		\$ 5,000
Wakatipu Community Foundation	\$ 5,000		\$ 5,000
Wānaka Alcohol Group	\$ 8,000		\$ 8,000
Whakatipu Wildlife Trust	\$ 5,000	\$ 5,000	\$ 10,000
TOTAL	\$ 180,000	\$ 177,000	\$ 357,000

16. Grant Funding Approved for 2023/2024 (note budgeted grants for the year are already included in the Annual Plan, as per the Ten Year Plan).

Budget Changes

17. Following consultation, the average annual Rates increase has moved from 13.6% to 14.2%. (After allowing for growth). The budget changes are noted in paragraphs 18 and 19.

18. Net operational expenditure increases of \$649k which is Rate funded. Which is shown by:

- a) Increase in Grants to Regional Tourism Operators \$470k. Increase to reinstate funding which was decreased in 2020/21 due to covid. The increases will allow for implementation of Destination Management Plans.
- b) Net \$179k increase in cost for resourcing for Planning and Development to improve service levels. This was approved via Internal Submissions.

19. Capital expenditure has decreased \$1,180,741 along with a decrease with external capex grants revenue of \$150,524 which was approved via Internal Submissions. Overall, this has no Rates impact. This is shown via the following table with explanations below:

Existing draft Annual Plan 2023/24 Budget	202,740,106
<u>Project Name</u>	
Wānaka Lakefront Development Plan	2,181,623
Pembroke Park – Irrigation and field improvement	(423,097)
Arthurs Point to CBD Active Travel Transport Choices	(3,465,419)
Wakatipu Active Travel Low Cost Low Risk	<u>526,152</u>
Total Internal Submissions per below	(1,180,741)
Proposed Annual Plan 2023/24 Budget	201,559,365

a. Wānaka Lakefront Development Plan

\$2.2M is requested to be brought forward from 2025/26 (year 5 of the 2021-31 Ten Year Plan) to deliver Stage 5 earlier.

b. Pembroke Park – Irrigation & field improvement

Deferred until 2024/25 (year 4) to be re-scoped as part of LTP 24. Offset to help allow for Wānaka Lakefront Development Plan budget to be brought forward.

c. Arthurs Point to CBD Active Travel Transport Choices

The proposed scope of works has been reduced to reflect what is more realistic to deliver within the funding period.

d. Wakatipu Active Travel Low-Cost Low Risk (LCLR)

Subsidised budget has been re-instated to align with Waka Kotahi funding.

20. 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.

21. Option 1 Adopt the 2023-2024 Annual Plan based on Council’s decision to adopt a Consultation and supporting document on 24 March 2023 under section 95 (2A) of the Local Government Act 2002.

22. Option 2 Resolve to make changes of a significant financial nature to the 2023-2024 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 28 June 2023.

23. This report recommends **Option 1** as the adoption of an Annual Plan is a statutory responsibility and the draft Annual Plan has been subject to the Special Consultative Procedure so seeks to address the priorities and projects identified by the public.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

24. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because Council chose to rely on the Ten Year Plan Year 3 budgets and clearly indicating any changes to that budget. It is acknowledged however that any increase in rates will be of wide public interest to ratepayers.

Māori Consultation | Iwi Rūnaka

25. The Council has Hui with iwi representatives Aukaha and Te Ao Marama that are ongoing in relation to the delivery of Ten Year plan projects.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

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

The approval of the recommended option will support the Council by allowing the risk to be avoided.

Financial Implications | Kā Riteka ā-Pūtea

27. The rating impact sees the overall average rates increase from the proposed average rate increase from 13.6% to 14.2%. (After allowing for growth).

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

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

- This matter is consistent with the principles of the communities' Vision Beyond 2050.
- 2021-31 Ten Year Plan

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

29. The recommended option:

- Is consistent with the Council's plans and policies;

- Would not significantly alter 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;
- Will help meet the current and future needs of communities for Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future;
- 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 | Kā Tāpirihaka

A	Annual Plan 2023-2024 (circulated separately)
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