

**QLDC Council
30 June 2015****Report for Agenda Item: 1****Department: CEO Office****10 Year Plan Adoption****Purpose**

- 1 The purpose of this report is to adopt the Queenstown Lakes District Council 2015-2018 10 Year Plan.

Executive Summary

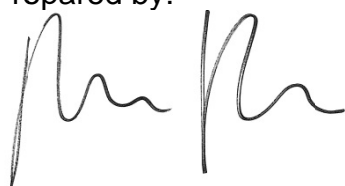
- 2 The Council adopted the Council's 2015-2025 10 Year Plan consultation document and supporting documents for public consultation on 24 March 2015 in accordance with section 93G of the Local Government Act.
- 3 Submissions opened on 28 March 2015 and closed on 29 April 2015. The Council received 552 submissions. Hearings were held on 25 and 26 May at Queenstown and Wanaka, with a record 77 individuals and organisations choosing to address the panel.
- 4 The supporting document (10 Year Plan) has been amended to reflect the submission and hearing process and subsequent decisions taken in deliberations by the panel. Internal and external submissions that have been accepted for inclusion in the plan are contained in this report and are highlighted in the supporting document.
- 5 The 10 Year Plan was due to be considered by the Audit and Risk Committee at its meeting scheduled for 19 June 2015 but this meeting was postponed due to winter weather conditions.
- 6 The rating effect of the proposed 10 Year Plan budget for 2015/16 is an average overall rates increase of 1.2% (after allowing for growth at 2.0%).

Recommendation

- 7 That Council:

Adopt the 2015-2018 10 Year Plan pursuant to sections 83, 83A, 85 and 95 of the Local Government Act 2002.

Prepared by:



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GM, Corporate Services

4/06/2015

Reviewed and Authorised by:



Adam Feeley
Chief Executive

15/06/2015

Comment

- 8 Council would like to acknowledge all those who took the opportunity to make a submission on the 10 Year Plan. All submissions were considered but not all can be funded.
- 9 Apart from the obvious funding constraints, there are often policy issues or jurisdictional considerations that must be taken into account. Council did make a number of changes to the budgets as a direct result of the submission process.
- 10 The following is a summary of the changes to the 2014/15 Consultation Document that have been approved as a result of the submission process:

Summary of external submissions approved for funding:

1. Increase budget for Wilding Pine Control by \$100,000 for 15/16, \$200,000 for 16/17 year and \$262,000 for 17/18.
2. Approve grant funding as follows:
 - a. Lakes District Air Rescue Trust of \$25,000 for 15/16
 - b. Otago Rural Fire Authority of \$85,000 for 15/16
 - c. Upper Clutha Tracks Network of \$5,000 for 15/16
 - d. Upper Clutha Historic Records of \$1,500 for 15/16
 - e. Queenstown Lakes Community Housing Trust of \$12,000 for 15/16
 - f. The Queenstown Mountain Bike Club of \$12,000 for 15/16
3. Increase grant funding for Happiness House by \$3,400 to \$15,000 p.a.
4. Reduce the grant funding for Community Networks Wanaka to \$32,000 p.a. from \$34,229
5. Approve economic development funding as follows:
 - a. Queenstown Chamber of Commerce of \$60,000 for 15/16
 - b. downtownQT of \$35,000 for 15/16 and \$15,000 for 16/17
 - c. The Cube of \$100,000 for both the 15/16 and the 16/17 years
6. Approve capital funding projects as follows:
 - a. Ardmore Street/Lakefront Streetscape of \$100,000 divided equally across 16/17 and 17/18
 - b. Track formation, Hawea Flat joining to the Main Trail, of \$100,000 divided equally across 16/17 and 17/18
 - c. Glendhu Bay Ramp toilet of \$8,000 for 15/16

- d. Construction of a toilet at Ruby Bay, \$39,000 for 15/16
 - e. Otago Rural Fire Authority of \$170,000 for 15/16
7. Bring forward \$70,000 of capital funding from 17/16 to 16/17 for Arrowtown parking

Summary of internal submissions approved for funding:

1. Bring forward capital budgets for Eastern Access Road to 15/16 and 16/17.
2. Increase capital cost and funding of the Eastern Access Road by \$8,300,176 (\$1,561,489 15/16 and \$6,738,675 16/17) to reflect updated constructions costs across stormwater, water supply, roading and sewerage.
3. Increase operating income in 15/16 by \$45,160 to reflect the Central Otago Regional Council Emergency Management agreement.
4. Increases in operating expenditure of \$631,385 15/16, \$506,328 16/17, \$450,878 17/18 and \$281,168 p.a. from 18/19 to reflect updated information of operating budgets for knowledge management, council property and roading expenditure.
5. Approve various Capital Programming changes as follows:
 - a. Three Waters: decrease 15/16 \$575,000, decrease 16/17 \$2,068,122, decrease 17/18 \$1,195,893, increase 18/19 \$500,578
 - b. Community projects: increase of \$677,194 for 15/16, decrease 19/20 \$56,150
 - d. Parks and Reserves: decrease 15/16 \$4,639, increase 16/17 \$912,917, decrease 17/18 \$155,657, decrease 19/20 \$110,000, decrease 20/21 \$512,303
 - e. Waste Management: increase 15/16 \$70,000
 - f. Roading: decrease 15/16 \$729,403, decrease 16/17 \$127,000, decrease 17/18 \$87,550
6. Bring forward capital budgets for Knowledge Management of \$40k from 16/17 into 15/16 and increase annual capital budgets by \$7k to reflect increased equipment replacement costs.

Rating Implications

- 11 The rating effect of the proposed 10 Year Plan budget for 2015/16 is an average overall rates increase of 1.2% (after allowing for growth at 2.0%). The average rate increase over 10 Years per annum is 2.8%
- 12 This does not mean that every property in the district will see a 1.2% increase for 15/16 as it is dependent on valuation, location and the nature of services received.

13 Indicative Rate Movements for 2015/16 (with no adjustment for growth)

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 15/16

Median Values

<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	Rates %	Rates \$
RESIDENTIAL	\$670,176	QUEENSTOWN	3.77%	\$91
COMMERCIAL	\$1,230,333	QUEENSTOWN	-5.02%	-\$305
ACCOMMODATION	\$1,227,414	QUEENSTOWN	1.68%	\$142
M/U ACCOMMODATION	\$806,305	QUEENSTOWN	2.94%	\$100
VACANT	\$418,860	QUEENSTOWN	2.38%	\$43
M/U COMMERCIAL	\$806,305	QUEENSTOWN	1.28%	\$40
RESIDENTIAL	\$558,055	WANAKA	4.41%	\$104
COMMERCIAL	\$698,819	WANAKA	3.43%	\$154
ACCOMMODATION	\$698,819	WANAKA	6.42%	\$413
M/U ACCOMMODATION	\$620,061	WANAKA	6.93%	\$218
PRIMARY INDUSTRY	\$3,331,970	WANAKA	-1.23%	-\$48
COUNTRY DWELLING	\$1,099,941	WANAKA	0.94%	\$19
VACANT	\$310,031	WANAKA	5.29%	\$87
M/U COMMERCIAL	\$620,061	WANAKA	5.68%	\$166
RESIDENTIAL	\$547,408	ARROWTOWN	8.15%	\$176
COMMERCIAL	\$1,111,877	ARROWTOWN	-6.77%	-\$407
ACCOMMODATION	\$1,111,877	ARROWTOWN	0.16%	\$13
M/U ACCOMMODATION	\$733,759	ARROWTOWN	9.20%	\$287
VACANT	\$291,174	ARROWTOWN	6.73%	\$104
M/U COMMERCIAL	\$733,759	ARROWTOWN	7.50%	\$218
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PRIMARY INDUSTRY	\$2,781,412	WAKATIPU	10.17%	-\$325
COUNTRY DWELLING	\$1,428,348	WAKATIPU	-8.44%	-\$202
RESIDENTIAL	\$476,732	GLENORCHY	2.40%	\$52
RESIDENTIAL	\$305,623	ALBERT TOWN	5.52%	\$105
RESIDENTIAL	\$372,948	HAWEA	3.33%	\$71
RESIDENTIAL	\$476,732	KINGSTON	1.51%	\$22
RESIDENTIAL	\$542,676	ARTHURS POINT	3.09%	\$76

Funding and Financial Policy

14 In accordance with sections 102 and 103 of the Local Government Act 2002 the Council further consulted specifically on proposed amendments to its Funding and Financial Policy in the 10 Year Plan.

15 Council received five submissions relating to the Proposed Amendments to Funding and Financial Policies; Policy on Development Contributions, Revenue and Financing Policy and the Rates Remission and Postponement Policies. All five submissions received were related to the proposed Policy on Development Contributions. At the time of writing the final submission will be heard on 23 June 2015 and an update of the result from these deliberations tabled at this meeting.

Options

16 The 10 Year Plan (Long Term Plan) is a statutory requirement under the Local Government Act 2002 (section 93).

Significance and Engagement

17 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy and has therefore been the subject of the special consultation process. The 10 Year Plan triggers three of the criteria for assessing the significance threshold namely: importance to the district; community interest and; impact on the 10 Year Plan and Financial Strategy.

Risk

18 This matter relates to the strategic risks namely SR1 current and future development needs, SR3 Legislation and SR5 Business capacity. The 10 Year Plan dictates Council's core business, financial strategy and work programme and accountability for the next 10 years (to be reviewed in 2018).

Financial Implications

19 The financial implications are in accordance with the 10 Year Plan funding and financial policies which are in accordance with section 102 of the Local Government Act:

(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).

(2) The policies are—

(a) a revenue and financing policy; and

(b) a liability management policy; and

(c) an investment policy; and

(d) a policy on development contributions or financial contributions Council Policies, Strategies and Bylaws

Council Policies, Strategies and Bylaws

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

Policy on Significance – the adoption of the 10 Year Plan requires the use of the special consultative procedure.

Policy on Development Contributions – the annual revision of the Policy is undertaken along with the Annual Plan/ 10 Year Plan process

10-Year Plan 2012-22

Annual Plan 2014-15

Local Government Act 2002 Purpose Provisions

21 The 10 Year Plan is core to the Local Government Act 2002 purpose provisions (ss10, 11, 11A) because it provides for public accountability around Council

activities and their associated costs. The following are therefore all relevant to the 10 Year Plan:

- Activity (local democracy, infrastructure, local public services or performance of regulatory functions);
- Quality (efficient, effective and appropriate to present and future circumstances); and, or
- Economic (most cost-effective for households and businesses).

Consultation: Community Views and Preferences

22 The 2015-2025 10 Year Plan consultation saw the Consultation Document published online, available from Libraries and Council offices and circulated as per Scuttlebutt (Council newsletter) distribution, in accordance with the Special Consultation Procedure (as prescribed under section 93 and in accordance with section 83). The following is an outline of consultation key dates:

24 March 2015	2015-2025 10 Year Plan consultation document adopted
28 March 2015	Public Submissions opened
29 April 2015	Public Submissions closed
25-26 May 2015	Hearing of Submissions
30 June 2015	10 Year Plan recommended for adoption

Legal Considerations and Statutory Responsibilities

23 The 10 Year Plan (Long Term Plan) is a statutory requirement under the Local Government Act 2002 (section 93).

Attachments

A 10 Year Plan: Volumes 1 and 2 (circulated separately)