

**Report for Agenda Item: 4****Department: Corporate Services****2016/17 Annual Plan Adoption****Purpose**

The purpose of this report is to adopt the Queenstown Lakes District Council 2016-2017 Annual Plan.

**Executive Summary**

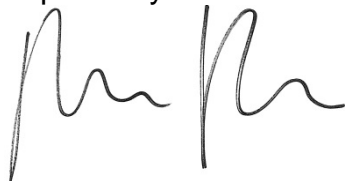
- 1 The Council adopted the 2015-2025 10 Year Plan on 30 June 2015 in accordance with section 93 of the Local Government Act 2002. In the interim years Council must adopt an Annual Plan which must identify significant changes to the 10 Year Plan.
- 2 Submissions opened on 6 April 2016 and closed on 29 April 2016. The Council received 771 submissions. Hearings were held on 31 May and 1 June 2016 at Queenstown and Wanaka.
- 3 The Draft Annual Plan has been amended to reflect the submission and hearing process and deliberation relating to internal submissions.
- 4 The rating effect of the proposed Annual Plan budget for 2016/17 is an average overall rates increase of 2.99% (after allowing for growth at 2.0%). This is below the 3.27% signalled in the 10 Year Plan for 2016/17. The proposed rates increase has risen marginally as result of the submission process.

**Recommendation**

That Council:

- 1. Adopt the 2016-2017 Annual Plan pursuant to sections 95 and 82 of the Local Government Act 2002.**

Prepared by:



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GM, Corporate Services

17/06/2016

Reviewed and Authorised by:



Mike Theelen  
Chief Executive

17/06/2016

## **Comment**

- 5 Council would like to acknowledge all those who took the opportunity to make a submission on the Annual Plan. All submissions were considered but not all can be funded.
- 6 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.
- 7 The following is a summary of the changes to the 2016/17 Annual Plan that have been approved as a result of the submission process:

### **Summary of external submissions approved for funding:**

1. Approve \$83,845 additional grant to Film Otago Southland for two years
2. Approve \$1,500 additional grant for Community Networks Wanaka
3. Approve \$10,000 grant for Queenstown Disc Golf Club
4. Approve \$5,000 grant for Wakatipu Islands Reforestation Trust
5. Approve \$5,000 grant for Wanaka Community Patrol Inc
6. Approve \$5,000 grant for The Salvation Army
7. Approve \$25,000 grant for Wanaka Community House Charitable Trust in 17/18
8. Approve \$120,000 additional economic development funding
9. Approve \$28,500 capital funding for council properties for the Arrowtown lighting project
10. Approve \$10,000 expense for pruning of the Ladies Mile trees
11. Approve \$30,000 expense for lagarosiphon management
12. Approve a reduction of \$3,000 for Sister City funding to a total of \$10,000
13. Approve \$500 expense annually for maintenance costs of the Kelvin Loop track

### **Summary of internal submissions approved for funding:**

1. Approve \$35,400 expense for parking lease
2. Approve \$16,728 expense for additional data usage
3. Approve \$24,526 additional operational deficit to align Wanaka Airport budget
4. Approve \$610,000 capital funding brought forward from 17/18 for turf and drainage improvements to the Queenstown Events Centre Oval
5. Approve \$100,000 income increase for property rents and collections
6. Approve \$159,627 capital funding to move the Frankton Marina Floating Jetty
7. Reduce \$33,060 of operational budgets for the realignment of the Planning and Development Department budgets to the adopted funding policy and increase in resources
8. Approve \$30,000 expense for compilation of an asbestos survey and register of Council property
9. Approve \$25,000 capital funding for asset management improvements
10. Remove \$56,000 capital funding for Arrowtown Pool heating system
11. Approve \$130,517 capital funding for QEC emergency generator
12. Approve \$16,700 capital funding increase to Queenstown Memorial Hall for soundproofing
13. Approve \$200,000 capital funding for Wanaka showgrounds field development

14. Approve \$105,000 capital funding for A&P showgrounds Wanaka
15. Remove \$152,500 capital funding for Wanaka Airport
16. Approve \$250,000 capital funding for Queenstown Mall
17. Approve \$420,000 capital funding for Inner Links Route Assessment
18. Approve \$250,000 capital funding for Marine Parade renovation
19. Approve \$22,450 capital funding for Council Offices in Shotover Street
20. Approve \$10,980 increase in capital funding for computer hardware
21. Reduce \$3,540,645 in capital funding to align roading projects with NZTA approved budgets
22. Approve \$45,000 capital funding for Wanaka Cemetery improvements
23. Approve \$7,500 capital funding Gorge Road car pound upgrade
24. Approve \$40,000 capital funding for recycle centre plant upgrade
25. Approve \$20,000 capital funding for Kawarau Falls Bridge utilities
26. Approve \$1,400,000 capital funding brought forward from 17/18 for Project Shotover
27. Reduce \$210,000 in capital funding for Queenstown marine parade WWPS optimisation
28. Approve \$337,048 increase in capital funding for Frankton Flats Wastewater
29. Approve \$80,000 capital funding for maintenance access road to Threepwood pump station
30. Approve \$45,000 capital funding for street lighting improvements
31. Defer \$3,736,567 to 2017/18 of capital funding for revised project timing of Hawthorne Drive (EAR)
32. Approve \$385,000 capital funding for Mt Aspiring Road booster
33. Reduce \$140,000 capital funding for the Wanaka Yacht Club Borefield
34. Approve \$632,988 increase in capital funding for Frankton Flats water supply
35. Approve \$291,152 increase in three waters renewal programmes
36. Approve \$161,000 capital funding for Bremner Park three waters
37. Approve \$195,000 capital funding for installation of water meters
38. Align timing of the capital funding for the Wanaka Aquatic Centre construction. Result being an increase from the Draft Annual Plan of \$2,757,780 capital funding. The total budget remains unchanged.

## Rating Implications

- 8 As outlined the proposed rates increase for 2016/17 is 2.99% (after allowing for growth of 2.0% in the rates database). This is below the 3.27% signalled in the 10 Year Plan for 2016/17. The proposed rates increase has risen marginally as result of the submission process.
- 9 The main changes from the 10 Year Plan from a rating perspective are as follows:
  - No rating impact for the Queenstown Convention Centre for 2016/17 as the project is currently on hold awaiting confirmation of external funding.
  - Increased rating impact for Project Shotover for 2016/17 due to an earlier than expected completion date (Dec 16) – advanced by 6 months compared to 10 Year Plan.
  - Increased rating impact for Wanaka Pool for 2016/17 – project brought forward with expected opening in the first quarter of the 2017/18 financial year. Please note the Scurr Heights sale will not impact on this rate for 2016/17, but pending a decision of Council on the allocation of these funds to

reduce the debt for the facility, lower than forecast rates could apply for the facility for 2017/18 and beyond.

- The overall rates increase is therefore, not evenly distributed across the district. For example, the sewerage rates for Queenstown, Arrowtown, Lake Hayes and Shotover Country will increase next year by \$120 per connection; and Arthurs Point by \$60 per annum. These increases were originally forecast for the 2017/18 year but have impacted on 2016/17 because of the earlier forecast completion date. Further increases will occur in 2017/18 as this will be the first full year of operation.
- Similarly the impact of the Wanaka Pool will be localised, with a targeted rate of \$56.00 per residential property in the Wanaka Ward. This amount covers the debt servicing for the project which is expected to be completed in the first quarter of the 2017/18 year.

### ***Options***

- 10 The Annual Plan is a statutory requirement under the Local Government Act 2002 (section 95). Council must prepare and adopt an Annual Plan each financial year.

### ***Significance and Engagement***

- 11 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy. In accordance with section 95 (2) a local authority must consult in a manner that gives effect to the consultation requirement of section 82 before adopting an Annual Plan (given the plan contained material changes to the 10 Year Plan). The Annual 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***

- 12 This matter relates to the strategic risks namely SR1 current and future development needs, SR3 Legislation and SR5 Business capacity. The Annual Plan highlights changes to Council's core business, financial strategy and work programme.

### **Financial Implications**

- 13 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.

### **Council Policies, Strategies and Bylaws**

- 14 The following Council policies, strategies and bylaws were considered:
- Policy on Significance – the adoption of the Annual Plan was subject to consultation.
  - 10-Year Plan 2012-22

## Local Government Act 2002 Purpose Provisions

15 The Annual 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 Annual 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

16 The 2016/17 Annual Plan consultation saw a Consultation Document published online, available from Libraries and Council offices and circulated as per Scuttlebutt (Council newsletter) distribution, in accordance with sections 95 and 82. The following is an outline of consultation key dates:

Date	Milestone
5 April 2016	Consultation Document adopted
6 April 2016	Public Submissions opened
29 April 2016	Public Submissions closed
31 May-1 June 2016	Hearing of Submissions
30 June 2016	Annual Plan recommended for adoption

## Legal Considerations and Statutory Responsibilities

17 The Annual Plan is a statutory requirement under the Local Government Act 2002 (section 95).

### Attachments (Circulated separately)

A 2016/17 Annual Plan