

QLDC Council  
30 June 2022

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

Department: Corporate Services

Title | Taitara 2022-2023 Annual Plan Adoption

**PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO**

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The purpose of this report is to adopt the Council's 2022-2023 Annual Plan.

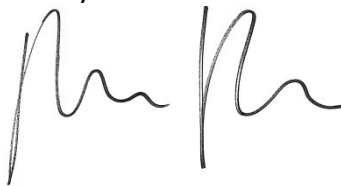
**RECOMMENDATION | NGĀ TŪTOHUNGA**

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That Council:

1. **Note** the contents of this report; and
2. **Adopt** the Council's 2022-2023 Annual Plan pursuant to section 95(2A) of the Local Government Act 2002.

Prepared by:



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9/06/2022

Reviewed and Authorised by:



Mike Theelen  
Chief Executive  
16/06/2022



Stewart Burns  
GM Regulatory and Finance

9/06/2022

## CONTEXT | HORPOAKI

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- 1 On 17 March 2022 the Council adopted the 2022-23 Annual Plan Consultation Document and supporting documents on the basis that the Council was satisfied it could rely on the analysis for Year 2 of the 2021-2031 Ten Year Plan as the basis for the 2022-2023 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 2022-2023 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 \$244.4M which is around \$23.6M less than the original 2022-2023 programme included in the 2021-2031 Ten Year Plan.
- 3 Although the Council can rely on the 2021-2031 Ten Year Plan Year 2 budget, as outlined, it chose to produce a Consultation Document in order to update the community on: project delivery progress; the impact of the latest Quotable Valuation revaluation and proposed changes to funding assumptions; the ongoing impact of leaky buildings; some fee increases; to explain the 2022-2023 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 | TATĀRITANGA ME NGĀ TOHUTOHU

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- 4 During the consultation period from 21 March 2022 to 25 April 2022, there were 138 submissions received for the 2022-23 draft Annual Plan, 24 of these were solely community grant applications.
- 5 Submitters that used the online Let's Talk platform or filled out a hard copy of the survey template and posted it, were offered a series of survey questions relating to the different components of the 2022-2023 draft Annual Plan. The form asked submitters whether they supported, opposed or were neutral for each proposed change. There was also a place for submitters to write any supplementary feedback. Some submitters provided additional information in the form of an attachment.
- 6 The percentage of respondents by ward includes:
  - 50% Wanaka
  - 32% Queenstown-Wakatipu
  - 4% Arrowtown
  - 14% Other
- 7 All submissions were assessed by officers and an officer response provided to elected members to assist with deliberations. 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.

- 8 The Annual Plan supporting document has been amended to reflect the external and internal submission and hearing process and deliberation. The impact of two of the changes (increasing the Climate Change budget by \$420k and increasing the work force review implementation budget by \$200k) has moved the proposed average rate increase from 5.96% to 6.50%. This breaches our self-imposed rates increase limit of 6%.

### Key Issues

- 9 In general, there was community neutrality or support for the preferred options in relation to the key issues. 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 options in the 22/23 Annual Plan:
  - Climate Change and Biodiversity Funding - 48% of responses to this survey question were in support of increasing the budget to deliver the actions in the Climate and Biodiversity Plan, 25% neutral, 27% were opposed.
  - Increase in resource and building consent fees – 51% neutral, 28% in favour and 21% opposed.
  - Increase in sport and recreation fees – 39% neutral, 35% supportive, 26% opposed.
  - Increase in waste services fees – 45% neutral, 35% supportive, 20% opposed.
  - Three-tier structure for film permits – 53% neutral, 39% supportive, 8% opposed.
  - Proposed adjustment to the rating differentials as outlined in the section Mitigating the Impact of Revaluation on Rates – 69% neutral, 24% supportive, 7% opposed.

### Submissions/Grants:

- 10 The following funding recommendations were made on the basis of external submissions:

Grant Funding Approved for 22/23 (note budgeted grants for the year are already included in the Annual Plan, as per the Ten Year Plan).

- Bike Wānaka - \$21,000
- ChildPlayWorks Charitable Trust - \$2,000
- Citizens Advice Bureau - \$5,000
- Friends of Bullock Creek Inc. - \$10,000 grant
- Glenorchy Heritage and Museum Group - \$5,000
- Glenorchy Trails Trust - \$20,000
- Happiness House Trust - \$10,000
- Hāwea Community Association - \$8,000

- Volunteer South | Kaitūao o te Taitonga - \$10,000
- Queenstown Harvest Community Gardens - \$5,000
- Shaping our Future, Inc. - \$40,000
- Southern Lakes Branch – New Zealand Deerstalkers Association - \$6,500
- Southern Wellbeing Trust - \$13,000
- Te Kākano Aotearoa Trust - \$3,500
- The Lightfoot Initiative Charitable Trust - \$20,000
- Upper Clutha Tracks Trust - \$21,000

**Internal Submissions**

11 Net operational expenditure increase of \$221,304 rate funded

- Wānaka Youth & Community Centre (Mitre 10) \$15,290 net cost increase due to change in fitout and use of centre.
- Ngāi Tahu reforecast of 2022-2023 Shotover Jet income based on Covid border restrictions \$206,014 income reduction
- Spatial plan revenue and expenditure updated to reflect the utilisation of Tranche 1 of the DIA Three Waters Better off Fund net cost increase of \$2,115,000 offset by funding.
- \$2,192,000 decrease in dividend income to align to the latest dividend forecast in the QAC Statement of Intent.

12 Capital expenditure decrease of \$23,774,105

- a. Total Internal Submissions \$5,871,271 increase
- b. Offset deferrals from 2022-2023 to future years 3-6 to mitigate against the high 2022-2023 budget -\$35,719,040
- c. Net pre-approved deferrals from 2021-2022 to 2022-2023 per 28 April 2022 Council Paper \$6,073,664

13 Budget comparison

	<b>DAP 22/23\$M</b>	<b>AP 22/23\$M</b>	<b>Change \$M</b>
Capital Works	268.0	244.3	-23.7
Operating Cost	198.0	199.9	+1.9
Total Revenue	260.0	253.0	-7.0
Debt Repayment	19.5	17.4	-2.1
New Loans	180.0	162.4	-17.6
Rates Increase	5.96%	6.50%	0.54%

**Options:**

- 14 **Option 1** Adopt the 2022-2023 Annual Plan based on Council's decision to adopt a Consultation and supporting document on 17 March 2022 under section 95 (2A) of the Local Government Act 2002.
- 15 **Option 2** Resolve to make changes of a significant financial nature to the 2022-2023 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 30 June 2022.
- 16 This report recommends **Option 1**.

**CONSULTATION PROCESS | HĀTEPE MATAPAKI:**

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**> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA**

- 17 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 2 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 RŪNANGA**

- 18 Huis with iwi representative Aukaha and Te Ao Marama are ongoing in relation to the delivery of Ten Year plan projects.

**RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA**

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- 19 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**

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- 20 The rating impact sees the overall average rates increase from the proposed average rate increase from 5.96% to 6.50%. (after allowing for growth).

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

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- 21 The following Council policies, strategies and bylaws were considered:

22 2021-31 Ten Year Plan

- 23 This matter is consistent with the principles of the communities' Vision Beyond 2050.

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

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- 24 The recommended option:

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

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A	Annual Plan 2022/2023 (circulated separately)
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