

**QLDC Council
7 March 2019**

Report for Agenda Item: 6

Department:
Corporate Services

2019-2020 Annual Plan Consultation Document

Purpose

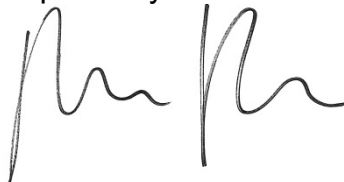
To adopt the Council's 2019-2020 Annual Plan Consultation Document and supporting document.

Recommendation

That Council:

1. **Notes** the contents of this report;
2. **Adopts** the 2019-2020 Annual Plan supporting document; and
3. **Adopts** the 2019-2020 Annual Plan Consultation Document.

Prepared by:



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GM Corporate Services

25/02/2019

Reviewed and Authorised by:



Mike Theelen
Chief Executive

26/03/2019

Background

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 is satisfied it can rely on that analysis for Year 2 of the Ten Year Plan 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 can rely on the Ten Year Plan Year 2 budget it has chosen to produce a Consultation Document in order to update the community on: project delivery progress; any timing changes and their impact; to explain the 2019-20 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. The change to this legislation 95(2A) was specifically intended to avoid repeating information already covered in the Ten Year Plan. It is not intended that every variation or departure be identified or explained, only material or significant differences.

Comment

6. The 2018-2028 Ten Year Plan outlined our commitment to making Queenstown Lakes District a place where people can afford to live, where you don't waste time in traffic, you have great transport options, places to enjoy, relax, exercise or be enriched and entertained. Where you can rely on the infrastructure and services, and that these things all complement the incredible landscapes in which we live. We continue to strive to achieve that and to innovate by exploring ways to be more efficient, sustainable, cost-effective and future-thinking. As such we have made significant progress on a number of projects. Many of these are outlined in the Consultation Document.
7. The 2018-2028 Ten Year Plan contained both an average annual rate increase over the next ten years of 3.4% and a projected increase for 2019/20 of 5.99%. The effect of the new Solid Waste Contract will add approximately 3.25% and along with the revised IT contract – which will add a further 1%. These along with other required changes initially pushed the average increase rates to over 11% which this Council did not think was acceptable.
8. By various means such as reviewing and updating revenue budgets, reducing interest costs, making other savings and increasing the loan funding of the District Plan, we have been able to arrive at an average projected rates increase for this year of 8.72%. Please note the higher rates increase reflects the impact of the new Solid Waste Contract. As discussed in the Consultation Document, many properties will be able to offset the additional \$160 in rates against savings in current costs for hiring refuse bins and or purchasing blue bags. Year on year increases are not sustainable and we continue to forecast a lower rates increase next year.
9. Council continues to work with Central Government on an alternative funding stream. Any potential future revenue stream will not impact the Ten Year Plan Year 2 budgets.

Financial Implications

10. There are no financial implications in relation to adopting the Annual Plan supporting documents and Consultation Document.

Local Government Act 2002 Purpose Provisions

11. Councils are no longer required to consult on Annual Plans when there is no significant or material differences from the content of the Ten Year Plan section 95(2A). This Council has taken the approach of continuing to produce a Consultation Document and engaging with the community in accordance with section 82 in order to keep our communities informed and to enable a submission and hearing process.

Council Policies

12. The following Council Policies were considered:

- 2018-28 Ten Year Plan

Consultation

13. Following its adoption, the 2018-2019 Draft Annual Plan Consultation Document will be published online, available from Libraries and Council offices and circulated as per Scuttlebutt (Council newsletter) distribution in accordance with section 82. The following is an outline of consultation key dates:

7 March 2019	Consultation Document and Supporting Document adopted
11 March 2019	Public Submissions open
12 April 2019	Public Submissions close
20 May – 21 May 2019	Hearing of Submissions
27 June 2019	Annual Plan recommended for adoption

Attachments (Circulated separately)

- A 2019-2020 Annual Plan supporting document
- B Draft Consultation Document