

Full Council

27 June 2024

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

Department: Corporate Services

Title | Taitara: Long Term Plan 2024-2034: Consultation Document adoption

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to adopt the Council's 2024-2034 Long Term Plan Consultation Document and Draft Long Term Plan supporting document for public consultation.

Recommendation | Kā Tūtohuka

That the Council:

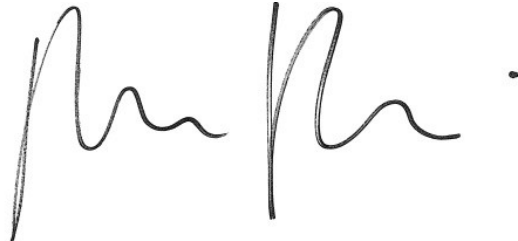
1. **Note** the contents of this report;
2. **Adopt** the Draft Long Term Plan supporting document for consultation;
3. **Adopt** the Long Term Plan Consultation Document for consultation; and
4. **Approve** consultation on the proposed amendments to the Policy on Development Contributions in accordance with Part 6, section 106 (6) of the Local Government Act 2002.

Prepared by:



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Title: Business Planning Manager
20 June 2024

Reviewed and Authorised by:



Name: Meaghan Miller
Title: General Manager, Corporate Services
20 June 2024

Context | Horopaki

1. Section 93 of the Local Government Act 2002 (LGA) requires the Council to use a Consultation Document (Attachment A) to consult with the community on its Long Term Plan. The purpose of this is to provide a fair representation of the matters that are proposed for inclusion in the Long Term Plan, whilst explaining how rates, debt and levels of service might be affected, in a way that can be readily understood by those interested or affected.
2. The Council is also specifically seeking comment on four topics highlighted in the Consultation Document:
 - Consultation Topic 1: Targeted rate on Queenstown Town Centre properties
 - Consultation Topic 2: Bringing forward investment in community and sporting facilities
 - The intent to seek alternative funding options, such as an upfront development contribution
 - The draft policy on Development Contributions.
3. Any aspect of the Draft Long Term Plan supporting document (Attachment B) can be subject to a submission to the Long Term Plan hearing panel (full Council).

Analysis and Advice | Tatāritaka me kā Tohutohu

Consultation Document and Draft Long Term Plan supporting document

4. The documents contained in the Draft LTP supporting document informing the Consultation Document include, but are not limited to, the following:
 - Council's strategic framework, including community outcomes
 - Council's activity management plans, including performance measures, funding impact statements and planned capital works by activity area
 - Financial strategy
 - Infrastructure strategy
 - Prospective financial statements
 - Rates / Rates Impact
 - Significant Forecasting Assumptions
 - Revenue and Financing Policy
 - Rates Remission and Postponement Policy
 - Development Contribution Policy
 - Treasury Management Policy
 - Significance and Engagement Policy
 - CCTO QAC disclosure

5. The supporting documents must be adopted prior to the adoption of the Consultation Document in accordance with Part 6, section 93G of the LGA. They are subject to amendment through the submission process and will constitute the final 2024-2034 Long Term Plan to be recommended for adoption on 19 September 2024.
6. The Consultation Document outlines the challenges of high growth and meeting demand or growth-related infrastructure, affordability, inflation, and the need to fund and deliver three waters services to higher regulatory standards. This is set within the difficult context of Central Government continuing to develop further reforms in this area and others, which we anticipate will require considerable replanning ahead of the next Long Term Plan in 2027.
7. The proposed capital investment programme for 2024-2034 is \$2.44 billion (close to 60% of which is for three waters). Council is proposing an average rates increase for FY2024-2025 of 15.6%.¹ This is driven by the factors identified above as well as high interest rates, debt servicing costs, increased depreciation and increasing insurance and compliance costs.

Proposed amendments to the Policy on Development Contributions

8. The LGA allows Council to amend the Policy on Development Contributions at any time in accordance with section 102 (4) (b).
9. As in previous years, Council intends to update the Policy in parallel with the Long Term Plan consultation. The Long Term Plan supporting documents include the proposed amendments to the Development Contribution Policy. A Statement of Proposal for the proposed amendments is included at Attachment C.
10. The reason for the amendment is to update the contribution amounts as a result of the capital programme within this draft Long Term Plan. As well as the tri-annual update of capital cost and contribution levels, the additional proposed amendments are intended to simplify and clarify certain areas of the policy. The proposed amendments to the policy include:
 - Updated land valuations for reserve land contributions
 - Updated Contributing Area Maps
 - Additional definitions in the glossary
 - Amended the differentials for Residential Flats and Multi Unit Residential developments
 - Changes to the grouping of contributing areas in and around Queenstown to reflect how the areas are serviced for water supply and wastewater
 - Included a provision for QLDC to apply the highest development contribution for any development that fits into more than one land use category
 - Added a clause referencing Te Ture Whenua Māori Act 1993 requirements
 - Included clarity on the annual development contribution increase permitted under the LGA 2002.

¹ After allowing for growth of 3.5% in rateable properties in the rates database.

Options

11. Option 1 – Do not adopt the Consultation Document, Draft Long Term Plan supporting document and proposed amendments to the Policy on Development Contributions for consultation.

Advantages

- This would allow for substantive changes to be made to the documents, if this was directed by Council.

Disadvantages

- Choosing not to adopt the Consultation Document and Draft Long Term Plan supporting document for consultation with the community would result in a delay that could inhibit the ability of QLDC to conclude the Long Term Plan process within legislatively required timeframes in September 2024.
- Choosing not to adopt the proposed amendments to the Policy on Development Contributions for consultation would require a separate community consultation for the policy to be organised at a later date.

12. Option 2 – Adopt the Consultation Document, Draft Long Term Plan supporting document and proposed amendments to the Policy on Development Contributions for consultation.

Advantages

- Choosing to adopt the Consultation Document and Draft Long Term Plan supporting document for consultation with the community now would ensure that from a timing perspective, the overall the Long Term Plan process could progress through consultation and then conclude within legislatively required timeframes in September 2024.
- Choosing to adopt the proposed amendments to the Policy on Development Contributions for consultation would mean that this could be efficiently combined with the wider Long Term Plan consultation process.

Disadvantages

- Precludes the opportunity for any further substantive edits to the documents, if this was directed by Council.
13. This report recommends **Option 2** because it is appropriate to seek community feedback at this juncture in the Long Term Plan process and it is efficient to consult on the proposed amendments to the Policy on Development Contributions at the same time. Undertaking consultation now will ensure that the community's views can be integrated into the finalised 2024-2034 Long Term Plan when this is proposed for adoption in September 2024.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

14. This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy 2021 because the Long Term Plan is an important element of Council's engagement with the community on items that are likely to significantly affect community wellbeing, including delivery of Council's core functions, community facilities, levels of service, rates and borrowing. It is therefore subject to a Special Consultative Procedure.
15. Following its adoption, the Consultation Document and the Draft Long Term Plan supporting document will be published online, and available from libraries and Council offices, in accordance with the Special Consultative Procedure (as prescribed under Part 6, section 93 and in accordance with Part 6, section 83 of the LGA).
16. Key dates in the consultation process are:
- | | |
|---------------------|---|
| 27 June | Consultation Document and Draft Long Term Plan supporting document adopted for consultation |
| 28 June | Public submissions open |
| 28 July | Public submissions close |
| 26 August | Hearing of submissions in Queenstown |
| 27 August | Hearing of submissions in Wānaka |
| 28 August | Deliberations meeting |
| 19 September | 2024-2034 Long Term Plan recommended for adoption by full Council |

Māori Consultation | Iwi Rūnaka

17. The Council has engaged with Te Ao Marama Incorporated and Aukaha as representatives of our treaty partnership with Kāi Tahu as part of the Long Term Plan process. It is expected that they will make submissions during the Long Term Plan public consultation which will be considered once received.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

18. This matter relates to the Regulatory/Legal/Compliance risk category. It is associated with RISK10029 Ineffective compliance management practices within the QLDC Risk Register. This risk has been assessed as having a low residual risk rating.
19. The approval of the recommended option will allow Council to retain the risk at its current level. This will be achieved by commencing public consultation within an overall project timeline that enables the final Long Term Plan to be adopted within legislatively required timeframes in September 2024.

Financial Implications | Kā Riteka ā-Pūtea

20. There are minimal financial implications in relation to adopting the supporting documents and the Consultation Document. These relate to the costs associated with the consultation.

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

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

- Long Term Plan 2021-2031
- Annual Plan 2023-2024

22. Adopting the Consultation Document and Draft Long Term Plan supporting document for public consultation is consistent with the principles set out in the named materials.

23. The supporting materials to the Consultation Document, within the Draft Long Term Plan supporting document, include the following strategies and policies:

- Financial strategy
- Infrastructure strategy
- Revenue and Financing Policy
- Rates Remission and Postponement Policy
- Development Contribution Policy
- Treasury Management Policy

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

24. 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. The recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

Attachments | Kā Tāpirihaka

A	Long Term Plan Consultation Document
B	Draft Long Term Plan supporting document (Circulated separately)
C	Statement of Proposal: Proposed Amendments to the Policy on Development Contributions