



Report 09.364
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Committee Council
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Adoption of the 10-Year Plan 2009-19 and 2009/10 Annual Plan

1. Purpose

To present the final 10-Year Plan 2009-19 (incorporating the 2009/10 Annual Plan) for adoption by Council. The adoption of the 10-Year Plan provides a formal and public statement of the Council's intentions in relation to matters covered in the Plan.

2. Significance of the decision

The content of this report is the result of the Council's consultation with the public which took the form of submissions being made on the Proposed 10-Year Plan (incorporating the 2009/10 Annual Plan). The changes made to the Proposed Plan, outlined in a report to the Council meeting on 9 June 2009 (Report 09.298) and in this report, trigger section 76 (3)(b) of the Local Government Act 2002, as well as the Council's own policy on significance.

The formal submission process undertaken by Council on its 10-Year Plan (Long-term Council Community Plan) has complied with the decision-making and special consultative procedures set out in sections 76-79 and 83-85 of the Local Government Act 2002. Reports 09.231 and 09.241, received by the Proposed 10-Year Plan Hearing Committee, outlined the submission process and analysed the submissions that the Council received.

3. Background

The Local Government Act 2002 requires the Council to adopt its 10-Year Plan prior to the commencement of the first year to which it relates.

The process of preparing the 10-Year Plan 2009-19 started over a year ago with a series of Council workshops on identifying key strategic issues, fleshing out options, reviewing service levels and reviewing all key policies. Councillors were presented with resulting detailed financial numbers on 9 December 2008 and proposed divisional business plans were completed and distributed to all Councillors before the Christmas holiday break.

On 10 February 2009, Council approved the rate and water levy numbers for inclusion in the Proposed 10-Year Plan 2009-19 (including the Proposed 2009/10 Annual Plan). The Proposed Plan had a rates increase of 3.4% for 2009/10 with no increase in the bulk water levy.

It was approved for public consultation by Council on 9 March 2009. The consultation period ran from 23 March to 24 April 2009. A total of 464 submissions were received. The 10-Year Plan Hearings Committee heard 84 oral submissions and considered all submissions on 13, 14 and 15 May 2009. As a result, the Hearings Committee asked the Chief Executive to report further on the implications of some proposed changes to the Plan. Council received a report on 9 June 2009 that outlined changes to be made to the Proposed 10-Year Plan as a result of the following:

- The public consultation process;
- New information and changed assumptions; and
- Re-budgets of 2008/09 expenditure.

At this meeting, Council approved the re-budgeting and other adjustments, and noted their rating impacts. Council formally approved the level of regional rates and bulk water levy for the 2009/10 year and for the following nine years of the 10-Year Plan. The final increase in rates for 2009/10 is 3.8% with no increase in the bulk water levy.

4. Comment

The next 10-Year Plan will be adopted in three years time – in 2012 – although amendments can be made through due process at any time.

The final 10-Year Plan comprises two documents – *Detailed Information and Policies*. The final *Detailed Information* document is attached to this report (*Attachment 1*), as is the revised Revenue and Financing Policy that has been changed in the *Policies Document (Attachment 2)*.

A *Summary* document has not been prepared. The *Summary* of the proposed document was sent to all households in the region in order to receive public comment. As the circulation of the final document is more limited, and in order to reduce costs, it was deemed not necessary to produce another *Summary*.

All those that submitted to the Proposed 10-Year Plan 2009-19 will now receive detailed responses to their submissions.

Changes made to the *Detailed Information* reflect those outlined in Report 09.298, received by Council on 9th June. The Council Chair has also updated the *Message from the Chair* to reflect those changes and the discussions of the Hearings Committee. The changes made to the Revenue and Financing Policy in the *Policies Document* have been made to allow Greater Wellington to participate in the Energy Efficiency and Conservation Authority's scheme for

retrofitting home insulation through a targeted rate and to reflect Council's position on charging for Park & Ride. The other policies in the *Policies Document* remain unchanged from the proposed document.

5. Rail

Prior to the completion of the final 10-Year Plan, Greater Wellington received updated budgets from KiwiRail in respect of the rail operating contract. These increased costs over the 10 year period total \$64 million and relate to the increased costs of running a larger rail fleet. The fleet will increase from 150 units in 2008/09 to 209 units in 2012. Considerable uncertainty remains around the new forecast as the details of the transition to the new rolling stock are yet to be determined.

The rate impact of this increase over the 10 year period is \$25.6 million. Other smaller changes in transport have reduced the overall rate impact over the period to \$21.7 million.

For 2009/10 there is an additional \$527,000 rates requirement. Councillors should also note that the timing of capital expenditure programme for the new trains and associated infrastructure has changed, resulting in \$42 million being transferred from 2008/09 to 2009/10 and subsequent years.

All these changes were included in the rate increase numbers approved by Council on 9 June 2009.

6. Audit

The final 10-Year Plan 2009-19 has been audited. The Audit report will be presented once the Council approves the final Plan.

7. Communication

There was a media release from the 9 June 2009 meeting. However, another will be prepared announcing Council's formal adoption of its 10-Year Plan.

8. Recommendations

That Council:

- 1) *Receives the report;*
- 2) *Notes its content;*
- 3) *Notes that the 10-Year Plan 2009-19 includes the following policies:*
 - *Policy on Significance;*
 - *Policy on partnerships with the private sector;*
 - *Rates remission and postponement policies;*

- *Policy on development contributions or financial contributions;*
 - *Treasury management policy;*
 - *Revenue and financing policy.*
- 4) ***Authorises** the Chief Financial Officer to enter into any new debt facilities that are required to implement the 2009/10 Annual Plan that are in accordance with the Council's Treasury Management Policy.*
 - 5) ***Approves** the Greater Wellington Regional Council's final 10-Year Plan 2009-19 and the final 2009/10 Annual Plan.*
 - 6) ***Receives** the Audit report.*
 - 7) ***Adopts** the Council's final 10-Year Plan 2009-19 and the final 2009/10 Annual Plan.*

Report prepared by:

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Chief Executive

Attachment 1: Greater Wellington Regional Council's ten-year plan 2006-16, Incorporating the 2006/07 Annual Plan (Detailed information Document)

Attachment 2: Revenue and Financing Policy