

Report for Agenda Item: 7**Department: Finance and Regulatory****Setting of Rates for 2016/17****Purpose**

The purpose of this report is to set the rates for the Queenstown Lakes District Council for the 2016/17 financial year as per section 23 of the Local Government (Rating) Act 2002.

Recommendation

That Council:

1. **Notes** the content of this report; and
2. **Sets** the rates for the Queenstown Lakes District Council for the 2016/17 financial year as per section 23 of the Local Government (Rating) Act 2002 as follows:

(A) Rates and Charges for 2016/17

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 July 2014 are to be used for the 2016/17 rating year. All proposed rates in the section that follows are inclusive of GST.

Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council proposes to set a uniform annual general charge of \$74.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$1,754,178) will be used to fund the costs associated with the following activities:

- Cemeteries.
- Community development and grants.
- Property including housing and Wanaka airport
- A general contribution to the promotion of the district.

Sports, Halls & Libraries Annual Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted annual charge of \$352.00 on each separately used or inhabited part of every rating unit with a residential component in the district:

- | | |
|-----------------------------|----------|
| 1. Residential | \$359.00 |
| 2. Residence plus Flat | \$503.00 |
| 3. Hydro Electric/Utilities | \$0.00 |
| 4. Vacant Sections | \$359.00 |
| 5. Accommodation | \$0.00 |

6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$359.00
10. Country Dwelling	\$359.00
11. Other	\$0.00
12. Mixed Use Apportioned	\$359.00

The targeted Sports, Halls & Libraries Annual charge revenue (\$7,323,184) will be used to fund the costs associated with the following activities:

Community grants (for recreational activities).

District library services.

Public halls and other community facilities.

Active recreation facilities including sportsfields and community swimming pools (excludes Alpine Aqualand and Wanaka Aquatic Centre).

Governance Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential governance rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000144 cents in the \$
2. Residence plus Flat	0.000144 cents in the \$
3. Hydro Electric/Utilities	0.000072 cents in the \$
4. Vacant Sections	0.000144 cents in the \$
5. Accommodation	0.000144 cents in the \$
6. CBD Accommodation	0.000144 cents in the \$
7. Commercial	0.000144 cents in the \$
8. CBD Commercial	0.000144 cents in the \$
9. Primary Industry	0.000102 cents in the \$
10. Country Dwelling	0.000144 cents in the \$
11. Other	0.000144 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The governance rate revenue (\$2,643,340) will be used to fund 80% of the costs associated with the following activities:

- Cost of democratic functions including Council and standing committees
- Cost of communications and management of Council including corporate, financial and rating administration services.

Regulatory Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential regulatory rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000241 cents in the \$
2. Residence plus Flat	0.000241 cents in the \$
3. Hydro Electric/Utilities	0.000108 cents in the \$
4. Vacant Sections	0.000241 cents in the \$
5. Accommodation	0.000253 cents in the \$
6. CBD Accommodation	0.000253 cents in the \$
7. Commercial	0.000217 cents in the \$

8. CBD Commercial	0.000217 cents in the \$
9. Primary Industry	0.000157 cents in the \$
10. Country Dwelling	0.000224 cents in the \$
11. Other	0.000241 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The regulatory rate revenue (\$4,311,067) will be used to fund 80% of the costs associated with the following activities:

- Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

Governance & Regulatory Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Governance & Regulatory Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$66.00
2. Residence plus Flat	\$92.40
3. Hydro Electric/Utilities	\$121.00
4. Vacant Sections	\$66.00
5. Accommodation	\$91.00
6. CBD Accommodation	\$91.00
7. Commercial	\$121.00
8. CBD Commercial	\$121.00
9. Primary Industry	\$150.00
10. Country Dwelling	\$66.00
11. Other	\$66.00
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Governance & Regulatory Charge revenue (\$1,738,302) will be used to fund 20% of the costs associated with the following activities:

- Cost of democratic functions including Council and standing committees
- Cost of communications and management of Council including corporate, financial and rating administration services.
- Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

Recreation & Events Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential recreation and events rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000259 cents in the \$
2. Residence plus Flat	0.000259 cents in the \$
3. Hydro Electric/Utilities	0.000095 cents in the \$
4. Vacant Sections	0.000259 cents in the \$
5. Accommodation	0.000938 cents in the \$
6. CBD Accommodation	0.000938 cents in the \$

7. Commercial	0.000189 cents in the \$
8. CBD Commercial	0.000189 cents in the \$
9. Primary Industry	0.000034 cents in the \$
10. Country Dwelling	0.000098 cents in the \$
11. Other	0.000259 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The recreation and events rate revenue (\$4,889,367) will be used to fund 50% of the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- The provision on public toilets.
- Provision of events and facilitation events.
- Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents

Recreation & Events Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a new targeted Recreation & Events Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$160.00
2. Residence plus Flat	\$224.00
3. Hydro Electric/Utilities	\$248.00
4. Vacant Sections	\$160.00
5. Accommodation	\$806.00
6. CBD Accommodation	\$806.00
7. Commercial	\$248.00
8. CBD Commercial	\$248.00
9. Primary Industry	\$108.00
10. Country Dwelling	\$108.00
11. Other	\$160.00
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The recreation and events charge revenue (\$4,889,367) will be used to fund 50% of the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- The provision on public toilets.
- Provision of events and facilitation events.
- Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents

General Rate

Pursuant to Sections 13 and 14 of the Act, Council proposes to set a differential general rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000059 cents in the \$
2. Residence plus Flat	0.000059 cents in the \$
3. Hydro Electric/Utilities	0.000024 cents in the \$
4. Vacant Sections	0.000059 cents in the \$
5. Accommodation	0.000074 cents in the \$

6. CBD Accommodation	0.000074 cents in the \$
7. Commercial	0.000048 cents in the \$
8. CBD Commercial	0.000048 cents in the \$
9. Primary Industry	0.000068 cents in the \$
10. Country Dwelling	0.000064 cents in the \$
11. Other	0.000059 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The general rate revenue (\$1,148,320) will be used to fund the costs associated with the following activities:

- Provision of emergency services (civil defence & rural fire).
- Waste management including landfill establishment.
- Forestry including wilding pine control

Roading Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Wanaka ward on the Queenstown Lakes District as follows:

1. Residential	0.000648 cents in the \$
2. Residence plus Flat	0.000648 cents in the \$
3. Hydro Electric/Utilities	0.000162 cents in the \$
4. Vacant Sections	0.000972 cents in the \$
5. Accommodation	0.002430 cents in the \$
6. CBD Accommodation	0.002430 cents in the \$
7. Commercial	0.002430 cents in the \$
8. CBD Commercial	0.002430 cents in the \$
9. Primary Industry	0.000525 cents in the \$
10. Country Dwelling	0.000661 cents in the \$
11. Other	0.000648 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wanaka roading rate revenue (\$5,223,491) will be used to fund the costs associated with the following activities:

- Wanaka wards roading network, which includes footpaths and other amenities within the road reserve.
- The development of town centre areas.
- The maintenance and upgrading of roading drainage systems.

Roading Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential	0.000361 cents in the \$
2. Residence plus Flat	0.000361 cents in the \$
3. Hydro Electric/Utilities	0.000090 cents in the \$
4. Vacant Sections	0.000542 cents in the \$

5. Accommodation	0.001354 cents in the \$
6. CBD Accommodation	0.001354 cents in the \$
7. Commercial	0.001354 cents in the \$
8. CBD Commercial	0.001354 cents in the \$
9. Primary Industry	0.000292 cents in the \$
10. Country Dwelling	0.000368 cents in the \$
11. Other	0.000361 cents in the \$
12. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wakatipu/Arrowtown roading rate revenue (\$7,836,273) will be used to fund the costs associated with the following activities:

- Wakatipu/Arrowtown ward's roading network, which includes footpaths and other amenities within the road reserve.
- The development of town centre areas.
- The maintenance and upgrading of roading drainage systems.

Stormwater Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Residential	0.000158 cents in the \$
2. Residence plus Flat	0.000158 cents in the \$
3. Hydro Electric/Utilities	0.000040 cents in the \$
4. Vacant Sections	0.000158 cents in the \$
5. Accommodation	0.000158 cents in the \$
6. CBD Accommodation	0.000158 cents in the \$
7. Commercial	0.000158 cents in the \$
8. CBD Commercial	0.000158 cents in the \$
9. Other	0.000158 cents in the \$
10. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Wanaka stormwater rate revenue (\$645,955) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Stormwater Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential (ii)	0.000119 cents in the \$
2. Residence plus Flat plus Flat (ii)	0.000119 cents in the \$
3. Hydro Electric/Utilities	0.000030 cents in the \$
4. Vacant Sections (ii)	0.000119 cents in the \$
5. Accommodation	0.000119 cents in the \$
6. CBD Accommodation	0.000119 cents in the \$

7. Commercial	0.000119 cents in the \$
8. CBD Commercial	0.000119 cents in the \$
9. Other	0.000119 cents in the \$
10. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

Note (ii) Excludes property within the Jacks Point Special Zone.

The Wakatipu/Arrowtown stormwater rate revenue (\$1,126,964) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Tourism Promotion Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Accommodation	0.001506 cents in the \$
2. CBD Accommodation	0.001506 cents in the \$
3. Commercial	0.001506 cents in the \$
4. CBD Commercial	0.001506 cents in the \$
5. Hydro Electric/Utilities	0.000377 cents in the \$
6. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wanaka tourism promotion rate revenue (\$1,068,678) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Lake Wanaka Tourism.

Tourism Promotion Rate (Queenstown/Wakatipu Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Queenstown/Wakatipu Wards of the Queenstown Lakes District as follows:

1. Accommodation	0.001201 cents in the \$
2. CBD Accommodation	0.001201 cents in the \$
3. Commercial	0.001201 cents in the \$
4. CBD Commercial	0.001201 cents in the \$
5. Hydro Electric/Utilities	0.000300 cents in the \$
6. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Wakatipu tourism promotion rate revenue (\$3,701,645) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Destination Queenstown

Tourism Promotion Rate (Arrowtown Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Arrowtown Ward of the Queenstown Lakes District as follows:

1. Accommodation	0.001434 cents in the \$
2. CBD Accommodation	0.001434 cents in the \$
3. Commercial	0.001434 cents in the \$
4. CBD Commercial	0.001434 cents in the \$
5. Hydro Electric/Utilities	0.000359 cents in the \$
6. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Arrowtown tourism promotion rate revenue (\$131,869) will be used to fund the costs associated with financing the following activities:

- To finance promotional activities of the Arrowtown Promotion Association.

Waste Management Charges

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted waste management charge on each separately used or inhabited part of every rating unit in the district, as follows:

1. Residential	\$141.00
2. Residence plus Flat	\$198.00
3. Hydro Electric/Utilities	\$93.00
4. Vacant Sections	\$93.00
5. Accommodation	\$93.00
6. CBD Accommodation	\$93.00
7. Commercial	\$93.00
8. CBD Commercial	\$93.00
9. Primary Industry	\$141.00
10. Country Dwelling	\$141.00
11. Other	\$93.00
12. Mixed Use Apportioned	\$141.00

The Waste Management Charge revenue (\$3,024,357) will be used to fund the costs associated with the following activities:

- To fund the operating deficit of the transfer stations and the recycling initiatives proposed in the Waste Management Strategy.

Aquatic Centre Charge (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge of \$95.00 on each separately used or inhabited part of every rating unit with a residential component in the Queenstown / Wakatipu and Arrowtown Wards:

1. Residential	\$107.00
2. Residence plus Flat	\$150.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$107.00
5. Accommodation	\$0.00

6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$107.00
10. Country Dwelling	\$107.00
11. Other	\$0.00
12. Utilities	\$0.00
13. Mixed Use Apportioned	\$107.00

The Aquatic Centre Charge revenue (\$1,344,924) will be used to fund the costs associated with the following activities:

- To fund the operating shortfall of Alpine Aqualand attributable to residents

Aquatic Centre Charge (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge of \$101.00 on each separately used or inhabited part of every rating unit with a residential component in the Wanaka Ward:

1. Residential	\$55.00
2. Residence plus Flat	\$77.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$55.00
5. Accommodation	\$0.00
6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$55.00
10. Country Dwelling	\$55.00
11. Other	\$0.00
12. Utilities	\$0.00
13. Mixed Use Apportioned	\$55.00

The Aquatic Centre Charge revenue (\$427,064) will be used to fund the costs associated with the following activities:

To fund the operating shortfall of Wanaka Aquatic Centre attributable to residents

Water Supply Rates

Queenstown and District Water Supply, Arrowtown Water Supply and Wanaka Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used or inhabited part of every connected or serviceable rating unit within the respective water supply areas as follows:

Queenstown and District water supply:	\$250.00
Arrowtown water supply:	\$180.00
Wanaka and District water supply:	\$180.00

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential water supply rate based on land use on the rateable capital value of all rating units connected in the following water supply areas.

	Queenstown (cents in the \$)	Arrowtown (cents in the \$)	Wanaka (cents in the \$)
1. Residential	0.000235	0.000290	0.000263
2. Residential	0.000235	0.000290	0.000263
3. Accommodation	0.000423	0.000522	0.000473
4. CBD Accommodation	0.000423	0.000522	0.000473
5. Commercial	0.000343	0.000423	0.000384
6. CBD Commercial	0.000343	0.000423	0.000384
7. Primary Industry	0.000174	0.000215	0.000195
8. Country Dwelling	0.000193	0.000238	0.000216
9. Other	0.000235	0.000290	0.000263
10. Mixed Use Apportioned	See note (i)	See note (I)	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

Note (ii) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

Other Water Supplies

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used or inhabited part of every rating unit connected to the respective scheme, and a half charge on each separately used or inhabited part of every serviceable rating unit.

Water Supply	Full Charge (\$)	Half Charge (\$)
Arthurs Point	600.00	300.00
Glenorchy	750.00	375.00
Hawea	300.00	150.00
Lake Hayes	600.00	300.00
Luggate	580.00	290.00

The Targeted Water Supply Rates revenue (\$8,281,063) will be used to fund the costs associated with the following activities:

- (i) To provide supplies of potable (drinkable) water to the above communities.

Note (i) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

Water Scheme Loan Rate

(i) Lake Hayes Water Supply Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted water scheme loan rate of \$426.27 on every connected or serviceable rating unit within the Lake Hayes water supply area, other than those in respect of which ratepayer has elected to make the lump sum.

The Targeted Water Scheme Loan Revenue (\$12,603) will be used to fund the costs associated with the following activities

Revenue sought by way of annual loan charges is to cover the cost of financing loans raised to pay for the capital cost of water schemes.

Sewerage Rates

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage rate on every rating unit connected to a district sewerage scheme, on the basis on one full charge per first pan or urinal connected, with a discounted charge on every subsequent pan or urinal connected. A half charge will apply to every serviceable rating unit. The charges for each scheme are set out in the schedule below.

Note (i): every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

Note (ii) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

Sewerage Scheme	Charge for 1st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Wanaka/Albert Town	500.00	250.00	250.00
Arrowtown	590.00	295.00	295.00
Arthurs Point	450.00	225.00	324.00
Hawea	580.00	290.00	290.00
Lake Hayes	450.00	225.00	225.00
Luggate	650.00	325.00	325.00
Queenstown	520.00	260.00	260.00

The Targeted Sewerage Rates revenue (\$10,384,472) will be used to fund the costs associated with providing public sewerage services to the above communities.

Sewerage Scheme Loan Rates

(i) Lake Hayes Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Lake Hayes Sewerage scheme area, on the basis of one charge per pan or urinal connected or capable of being connected of \$353.18, on the first pan or urinal, and \$176.59 for each subsequent pan or urinal.

Note:

- The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer elected to make the lump sum contribution; and
- Every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

The Targeted Sewerage Scheme Loan Rates revenue (\$22,127) will be used to fund the costs associated with the following activities:

- Revenue sought by way of annual loan charges is to cover the costs of financing loans raised to pay for the capital cost of sewerage schemes.

Due Dates for Payments

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2015 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	Due Date	Last Day for Payment (without 10% penalty)
Instalment One	2 September 2016	30 September 2016
Instalment Two	21 October 2016	25 November 2016
Instalment Three	20 January 2017	24 February 2017
Instalment Four	21 April 2017	26 May 2017

Payment of Rates

Rates payments can be made during normal office hours at:

- Civic Centre, 10 Gorge Road, Queenstown
- Wanaka Service Centre, Ardmore Street, Wanaka
- Arrowtown Public Library, Buckingham Street, Arrowtown

Or by direct debit and internet banking.

Additional Charges (Penalties)

Pursuant to Sections 24, 57 and 58 of the Act, Council proposes that the following penalties will apply under delegated authority to the Rating Administrator:

- A penalty of 10% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 1 October 2016, 26 November 2016, 25 February 2017 and 27 May 2017 respectively).
- A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on 30 September 2016.
- A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on 31 March 2017.

Differential Matters Used to Define Categories of Rateable Land

Where Council's propose to assess rates on a differential basis they are limited to the list of matters specified in Schedule Two of the Local Government (Rating) Act 2002. Council is required to state which matters will be used for what purpose, and the category or categories of any differentials.

Differentials by Land Use

The categories are:

1. Residential

All rating units which are used exclusively or principally for residential purposes, but excluding properties categorised as pursuant to clause 8 (Primary Industry), clause 9 (Country Dwelling) or to clause 11 (Mixed Use Apportioned).

2. Residential Plus Flat

All rating units comprising a single dwelling and a residential flat which are used exclusively or principally for residential purposes.

3. Hydro Electric/ Utilities

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power and all rating units used exclusively or principally for network utility services including water supply, wastewater, stormwater, electricity, gas & telecommunications.

4. Vacant Sections

All rating units which are vacant properties and suitable for development.

5. Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned) or clause 5 (CBD Accommodation).

6. CBD Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned).

7. Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes; but excluding properties categorised as Hydro-Electric Power, Accommodation, CBD Accommodation, Primary Industry, or pursuant to clause 11 (Mixed Use Apportioned) or clause 7 (CBD Commercial).

8. CBD Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as CBD Accommodation or pursuant to clause 11 (Mixed Use Apportioned).

9. Primary Industry

All rating units:

Used exclusively or principally for agricultural or horticultural purposes including dairying, stock fattening, arable farming, sheep, market gardens, vineyards, orchards, specialist livestock, forestry or other similar uses, or which are ten hectares or more in area and located in any of the Rural or Special Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year.

10. Country Dwelling

All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wanaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east and the land zoned as Rural General off Mt Iron Drive comprising of Liverpool Way; Cascade Drive; Bevan Place and Islington Place) or Special Zones (excluding Penrith Park; Remarkables Park; Quail Rise; Woodbury Park; Lake Hayes Estate; Shotover Country; Jacks Point; Peninsula Bay; and Meadow Park) as shown in the Queenstown Lakes District Council's District Plan, which are used exclusively for Residential purposes.

11. Other

Any rating unit not classified under any of the other categories.

12. Mixed Use Apportioned

All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes. Usage in part may be determined by:

- a. The physical portion of the rating unit used for the purpose, or
- b. The amount of time (on an annual basis) that the rating unit is used for the purpose.

Note: the Mixed Use Apportioned classification will not be applied to residential rating units used for accommodation purposes for a single period of up to 28 consecutive days in any rating year.

These categories are used to differentiate the following rates:

general rate, targeted rates: sports halls & libraries charge; governance rate; regulatory rate; recreation & events rate; governance & regulatory charge; recreation & events charge; roading rate; stormwater rate; tourism promotion rates; waste management charge; aquatic centre charges; water supply rates.

Targeted Rates Based on Location

The categories are:

1. Location within the Wanaka ward.
2. Location within the Queenstown/Wakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

- roading rate; stormwater rate; tourism promotion rates; aquatic centre charge.

Targeted Rates Based on Availability of Service

The categories are:

1. Connected

Any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.

2. Serviceable

Any rating unit within the area of service that is not connected to a Council operated water scheme but is within 100 metres of any part of the waterworks and to which water can be supplied. Any rating unit within the area of service, that is not connected to a public sewerage drain, but is within 30 metres of such a drain, and is capable of being connected.

These categories are used to differentiate the following targeted rates:

- water supply rates, water scheme loan rates, sewerage rates, sewerage scheme loan rates.

Definition of “Separately Used or Inhabited Parts of a Rating Unit”

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- Individual flats or apartments
- Separately leased commercial areas which are leased on a rating unit basis

- Vacant rating units
- Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling
- A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/bathroom/laundry facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- Individual storage garages/sheds/portioned areas of a warehouse
- Individual offices or premises of business partners.

District Plan definition of a Kitchen:

Means any space, facilities and surfaces for the storage, rinsing preparation and/or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.

Prepared by:



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3/08/2016

Reviewed and Authorised by:



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3/08/2016

Background

- 1 The Council adopted the Annual Plan 2016/17 on 30 June 2016, and the detailed work required to calculate the rates for 2016/17 has been completed. The rates are largely as expected. The rates resolution can only be made after the Annual Plan has been adopted.
- 2 The process for setting and assessing rates changed in 2002. The enactment of the Local Government (Rating) Act 2002 and the Local Government Act 2002 has meant that the draft Annual Plan or draft 10 Year Plan (LTP) has become the primary notification to the public of the proposed rates for the new year.
- 3 It is now necessary for the draft Annual Plan to contain all relevant rating information rather than this being subject to a separate public notification process as was previously the case. Rates can only be set by resolution of the Council.

Growth in Rating Base

- 4 The final rates for the 2016/17 year as per the attached recommendation are substantially as expected.

- 5 The indicative rates information published in the Annual Plan are the Council's best estimate at that time. They are subject to change as a result of alterations made to the draft budgets through the submission process which may have a funding impact and to changes in the capital value of the district which may occur between adoption of the draft plan and 30 June.
- 6 District-wide the actual annual increase in capital value is 3.04% (2015: 2.48%) compared to 2.0% allowed for in the Annual Plan. The overall increase in the Wanaka ward was 3.1% (2015: 3.1%) compared to 3.0% (2015: 2.18%) within the combined Wakatipu/Arrowtown wards.
- 7 The total number of rateable properties for the 2016/17 year is estimated to be 23,977 (2015: 23,220) which represents an increase of 3.26% (2015: 2.4%) on last year. The overall growth factor for the year is therefore just above 3.0%; slightly more than the 2.0% allowed for in the Annual Plan.

Impact on Rates

- 8 The effect of the slightly higher than expected growth in the district results in an overall rates increase of 1.99% (2015: increase of 0.8%) after allowing for growth. This is less than the 2.99% increase signalled for the year in the Annual Plan.
- 9 There is minimal effect on the indicative rate movements shown in the Annual Plan as a result of the slightly higher than expected growth.
- 10 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; and
 - Reduced rates for residences which incorporate a residential flat.
- 11 The overall rates increase is therefore, not evenly distributed across the district. For example, the sewerage rates for Queenstown and Arrowtown will increase next year by \$130 per connection; Lake Hayes and Shotover Country by \$80 per connection and Arthurs Point by \$70 per annum. These increases were originally forecast for the 2017/18 year but have impacted in 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.
- 12 Similarly the impact of the Wanaka Pool will be localised, with the operational deficit for 2016/17 to be funded from a targeted rate of \$55.00 per residential property in the Wanaka Ward.
- 13 The following tables shows the final indicative rate movements:

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 16/17				
Median Values				
			Rates	Rates
<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$670,176	QUEENSTOWN	5.15%	\$129
COMMERCIAL	\$1,230,333	QUEENSTOWN	-0.93%	-\$54
ACCOMMODATION	\$1,227,414	QUEENSTOWN	3.49%	\$300
M/U ACCOMMODATION	\$806,305	QUEENSTOWN	2.79%	\$98
VACANT	\$418,860	QUEENSTOWN	4.35%	\$81
M/U COMMERCIAL	\$806,305	QUEENSTOWN	3.21%	\$103
RESIDENTIAL	\$551,708	WANAKA	1.38%	\$34
COMMERCIAL	\$698,819	WANAKA	1.36%	\$64
ACCOMMODATION	\$698,819	WANAKA	0.60%	\$41
M/U ACCOMMODATION	\$613,009	WANAKA	1.59%	\$54
PRIMARY INDUSTRY	\$3,331,970	WANAKA	-1.22%	-\$47
COUNTRY DWELLING	\$1,099,941	WANAKA	1.46%	\$30
VACANT	\$306,504	WANAKA	3.12%	\$54
M/U COMMERCIAL	\$613,009	WANAKA	1.88%	\$59
RESIDENTIAL	\$547,408	ARROWTOWN	6.35%	\$148
COMMERCIAL	\$1,111,877	ARROWTOWN	1.83%	\$102
ACCOMMODATION	\$1,111,877	ARROWTOWN	5.49%	\$467
M/U ACCOMMODATION	\$733,759	ARROWTOWN	4.15%	\$141
VACANT	\$291,174	ARROWTOWN	5.23%	\$86
M/U COMMERCIAL	\$733,759	ARROWTOWN	4.69%	\$146
PRIMARY INDUSTRY	\$2,781,412	WAKATIPU	-4.06%	-\$115
COUNTRY DWELLING	\$1,428,348	WAKATIPU	-2.48%	-\$54
RESIDENTIAL	\$476,732	GLENORCHY	0.99%	\$22
RESIDENTIAL	\$478,985	LAKE HAYES	4.20%	\$102
RESIDENTIAL	\$372,948	HAWEA	1.94%	\$44
RESIDENTIAL	\$476,732	KINGSTON	1.51%	\$22
RESIDENTIAL	\$542,676	ARTHURS POINT	3.57%	\$90

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 16/17				
Higher Values				
			Rates	Rates
<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$2,244,900	QUEENSTOWN	0.76%	\$37
COMMERCIAL	\$21,860,125	QUEENSTOWN	-1.44%	-\$1,333
ACCOMMODATION	\$42,565,500	QUEENSTOWN	5.06%	\$13,153
M/U ACCOMMODATION	\$2,859,575	QUEENSTOWN	-0.91%	-\$74
VACANT	\$684,160	QUEENSTOWN	3.14%	\$70
M/U COMMERCIAL	\$983,480	QUEENSTOWN	2.48%	\$89
RESIDENTIAL	\$1,251,600	WANAKA	-0.66%	-\$25
COMMERCIAL	\$7,189,100	WANAKA	1.46%	\$629
ACCOMMODATION	\$8,626,920	WANAKA	0.84%	\$519
M/U ACCOMMODATION	\$2,607,500	WANAKA	-0.30%	-\$27
PRIMARY INDUSTRY	\$6,995,905	WANAKA	-1.99%	-\$160
COUNTRY DWELLING	\$2,043,000	WANAKA	-0.28%	-\$9
VACANT	\$834,400	WANAKA	0.64%	\$18
M/U COMMERCIAL	\$719,670	WANAKA	1.60%	\$54
RESIDENTIAL	\$1,397,075	ARROWTOWN	3.27%	\$118
COMMERCIAL	\$2,886,500	ARROWTOWN	2.46%	\$332
ACCOMMODATION	\$1,104,400	ARROWTOWN	0.45%	\$31
M/U ACCOMMODATION	\$1,664,600	ARROWTOWN	1.97%	\$110
VACANT	\$653,950	ARROWTOWN	3.31%	\$71
M/U COMMERCIAL	\$820,410	ARROWTOWN	4.35%	\$143
PRIMARY INDUSTRY	\$7,294,000	WAKATIPU	-5.57%	-\$334
COUNTRY DWELLING	\$4,209,060	WAKATIPU	-4.62%	-\$224
RESIDENTIAL	\$666,540	GLENORCHY	0.64%	\$16
RESIDENTIAL	\$712,210	LAKE HAYES	3.48%	\$94
RESIDENTIAL	\$668,850	HAWEA	0.83%	\$22
RESIDENTIAL	\$708,860	KINGSTON	0.81%	\$14
RESIDENTIAL	\$831,000	ARTHURS POINT	3.54%	\$80
SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 16/17				
Lower Values				
			Rates	Rates
<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$422,255	QUEENSTOWN	6.71%	\$143
COMMERCIAL	\$273,910	QUEENSTOWN	3.67%	\$81
ACCOMMODATION	\$462,440	QUEENSTOWN	0.86%	\$33
M/U ACCOMMODATION	\$475,705	QUEENSTOWN	4.56%	\$126
VACANT	\$187,075	QUEENSTOWN	5.88%	\$90
M/U COMMERCIAL	\$448,980	QUEENSTOWN	5.35%	\$132
RESIDENTIAL	\$484,995	WANAKA	1.69%	\$40
COMMERCIAL	\$436,304	WANAKA	1.07%	\$36
ACCOMMODATION	\$406,556	WANAKA	0.35%	\$15
M/U ACCOMMODATION	\$417,200	WANAKA	2.19%	\$62
PRIMARY INDUSTRY	\$970,235	WANAKA	1.86%	\$31
COUNTRY DWELLING	\$735,480	WANAKA	2.79%	\$45
VACANT	\$198,170	WANAKA	4.02%	\$62
M/U COMMERCIAL	\$375,480	WANAKA	2.72%	\$68
RESIDENTIAL	\$582,610	ARROWTOWN	6.16%	\$147
COMMERCIAL	\$381,520	ARROWTOWN	4.23%	\$114
ACCOMMODATION	\$326,300	ARROWTOWN	2.99%	\$99
M/U ACCOMMODATION	\$475,600	ARROWTOWN	5.37%	\$150
VACANT	\$255,635	ARROWTOWN	5.48%	\$87
M/U COMMERCIAL	\$594,500	ARROWTOWN	5.34%	\$150
PRIMARY INDUSTRY	\$1,000,320	WAKATIPU	-1.80%	-\$28
COUNTRY DWELLING	\$734,019	WAKATIPU	-0.78%	-\$12
RESIDENTIAL	\$290,950	GLENORCHY	1.42%	\$28
RESIDENTIAL	\$414,570	LAKE HAYES	4.43%	\$104
RESIDENTIAL	\$288,120	HAWEA	2.35%	\$50
RESIDENTIAL	\$290,950	KINGSTON	2.29%	\$28
RESIDENTIAL	\$432,120	ARTHURS POINT	3.93%	\$93

Options

- 14 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 15 Option 1 Set the rates for 2016/17
- Advantages: Allows Council to assess and collect rates for 2016/17.
 - Disadvantages: None
- 16 This report recommends only one option for addressing the matter because rates are the Council's main form of revenue and must be set by a resolution of the local authority as per section 23 of the Local Government (Rating) Act 2002.

Significance and Engagement

- 17 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because the setting of rates impacts on all ratepayers and is a matter of high public interest. The 10 Year Plan/ Annual Plan process, however, requires the Special Consultative Process, and as the rates are in line with those consulted on, no further consultation is required.
- 18 This matter relates to the strategic risk SR1 (Current and future development needs of the community), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because it provides for the delivery of Council's capital programme, which has been developed to meet the community's needs.

Financial Implications

- 19 The rates which are set as a result of this decision have no direct financial implication for Council. They represent the mechanism for collecting budgeted revenues adopted in the 10 Year Plan (LTP).

Council Policies, Strategies and Bylaws

- 20 The following Council policies, strategies and bylaws were considered:
- 10 Year Plan 2015-25, Revenue and Financing Policy
- 21 The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions

- 22 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

by providing compliance with the statutory process for the setting and collection of rates for 2016-17;

- 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.

Consultation: Community Views and Preferences

23 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes district community.

24 The indicative rates for 2016-17 were subject to the Annual Plan process, which requires the Special Consultative Process, and as such no wider consultation is required.