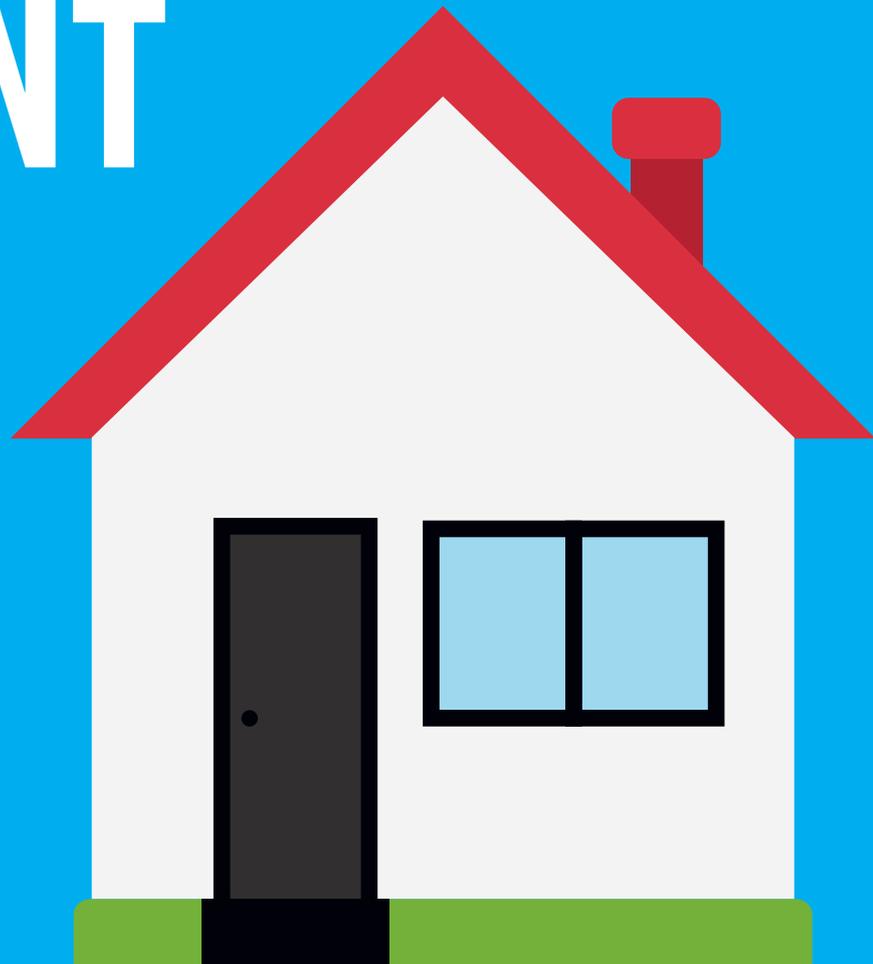


UNDERSTANDING YOUR RATES ACCOUNT

INSTALMENT 1:

**Last day for payment
30 September 2016**



HOW ARE RATES CALCULATED?

Your rates account will show the different kinds of rate that we collect. Most of them are based on the capital value of your property – that means the value of the land and any “improvements”, which generally means the buildings on the land. **The different kinds of rates are:**

RECREATION AND EVENTS RATE

PAYS FOR 50% of the cost of passive parks and reserves, walkways, public toilets, events and 10% of the operating shortfall for Alpine Aqualand. All these activities are classified as “people driven” with the impact of visitors largely passed on to the properties classified as accommodation, commercial and residential.

GOVERNANCE RATE

PAYS FOR 80% of the cost of governance, community leadership and communications.

REGULATORY RATE

PAYS FOR 80% of the cost of regulatory services (i.e. regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control, environmental health and liquor licensing that aren’t funded by user-pays charges).

GENERAL RATE

PAYS FOR emergency management, forestry and some sundry items including debt servicing for landfill acquisition and the Arrowtown / Lake Hayes wastewater main.

RATES FOR 2016/17

The overall rates increase for the district for 2016/17 is 1.99% (after allowing for 3% growth in the rating base). This is less than the 3.27% forecast in the 10-Year Plan. 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

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 annum and Arthurs Point by \$70 per annum. These increases were originally forecast for the 2017/18 year but have impacted on the 2016/17 year because of the earlier completion date. Further increases will occur in the 2017/18 year as this will be the first full year of operation.

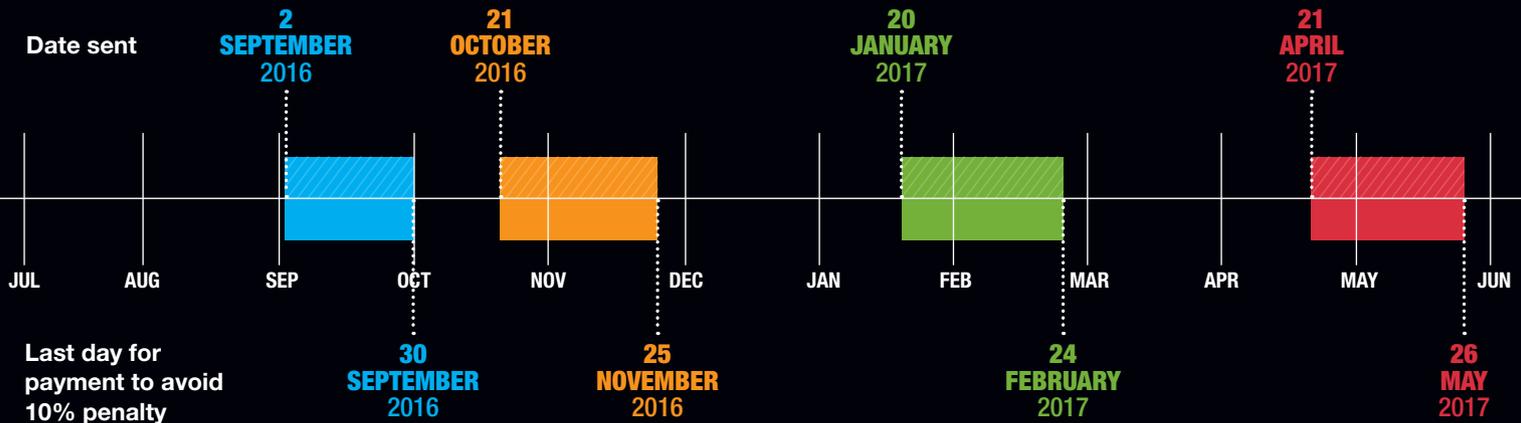
Similarly the impact of the Wanaka Pool will be localised, with a targeted rate of \$55 per residential property in the Wanaka Ward – this is a **new fixed charge rate** for residential properties in the Wanaka Ward. This amount covers the debt servicing for the project which is expected to be completed in the first quarter of the 2017/18 financial year.

A further change for the 2016/17 year is the introduction of a **new rating category** for Dwelling plus Residential Flat. This will eliminate the inequity with regard to relative rates payable by ratepayers with residential flats versus homestay flats. The impact of this change will be to reduce rates for dwellings with residential flats by around 20%. This will result in a transfer of rates incidence away from Residential Flats and to all other rating categories. Approximately \$140,000 of rates has been reallocated which has a minor impact on other ratepayers with Residential ratepayers paying an additional \$15-20 per year per property, for example.

WHEN ARE MY RATES DUE?

We collect rates in four instalments through the year:

■ Instalment 1
 ■ Instalment 2
 ■ Instalment 3
 ■ Instalment 4



PAYING YOUR RATES IN FULL

If you would prefer to pay the full amount for the year you can do so at **INSTALMENT 1** (last day for payment 30 September 2016).

WHAT ARE FIXED CHARGE RATES?

These are rates that are charged as a fixed amount, so that each property pays the same. There are five fixed charges:

SPORTS, HALLS AND LIBRARIES CHARGE

Pays for provision of sports fields, libraries and community facilities (except for Alpine Aqualand and Wanaka Aquatic Centre). This charge only applies to residential properties (including mixed use, country dwellings and primary industry).

AQUATIC CENTRE CHARGE

Applies only to residential ratepayers (including mixed use, country dwellings and primary industry) and covers 90% of the operating shortfall for the aquatic centres (Alpine Aqualand and Wanaka Aquatic Centre) with the remaining 10% charged to the Recreation and Events Rate to recover the cost of providing these facilities for visitors.

UNIFORM ANNUAL GENERAL CHARGE

Covers the public benefit portion of the following activities – cemeteries (100%), Tourism Promotion (5%), Community Grants (84%) – and the operating shortfall of the following sundry property activities – Housing (Elderly Persons' Housing) and Heritage) and Wanaka Airport.

RECREATION AND EVENTS CHARGE

Pays for 50% of the cost of passive parks and reserves, walkways, public toilets, events and 10% of the operating shortfall for Alpine Aqualand. All these activities are classified as “people driven” with the impact of visitors largely passed onto the properties classified as accommodation, commercial and residential.

GOVERNANCE AND REGULATORY CHARGE

Pays for 20% of the cost of governance, community leadership, communications and regulatory services (i.e. regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control, environmental health and liquor licensing that aren't funded by user-pays charges).

HOW DO WE KEEP THE RATES FAIR?

We use several ways to keep the rates fair:

DIFFERENTIALS BY LAND USE

The categories are: residential; dwelling plus residential flat; hydro-electric power; vacant sections; accommodation; CBD accommodation; commercial; CBD commercial; primary industry; country dwelling; mixed use apportioned. These categories are used to allocate the following targeted rates – roading rate; stormwater rate; tourism promotion rate; waste management charge; water supply rate; sports, halls and libraries charge; governance rate; recreation and events rate; regulatory rate; and general rate.

TARGETED RATES BASED ON LOCATION

The categories are: location within the Wanaka Ward; location within the Queenstown / Wakatipu Ward; location within the Arrowtown Ward. These categories are used to differentiate the following targeted rates – roading rate; stormwater rate; tourism promotion rate; aquatic centre rate.

TARGETED RATES BASED ON AVAILABILITY OF SERVICE

The two categories are: connected and serviceable. These categories are used to differentiate the following targeted rates – water supply rates; water scheme loan rates; sewerage rates; sewerage scheme loan rates.

You'll find more information on how we keep the rates fair in Volume 2 of the 10 Year Plan, under Rates and also the Financial Information / Revenue and Financing Policy.

WHAT DO YOUR RATES PAY FOR?

Rates help cover the cost of many different activities that the Council carries out on behalf of the community.

SEWERAGE RATE

Providing reticulated sewerage and wastewater systems for properties within the network.

ROADING RATE

The roading network, including footpaths and other amenities within the road reserve; development of commercial areas, maintaining and upgrading roading drainage systems.

WASTE MANAGEMENT CHARGE

The operating deficit of the transfer stations and the recycling initiatives proposed in the Waste Management Strategy.

WATER SUPPLY RATE

Providing a safe drinking water supply to within the network properties.

TOURISM PROMOTION RATE

Promotional activities throughout the District. This rate helps fund Destination Queenstown, Arrowtown Promotion and Business Association and Lake Wanaka Tourism.

WATER SUPPLY RATE

Maintaining and upgrading reticulated stormwater systems.



REMISSION AND POSTPONEMENT POLICIES

REMISSION POLICIES: You can apply to have part of your rates remitted under the following circumstances:

- A** Community, sporting and other organisations with property used exclusively or mainly for these purposes and which is not operated for private financial profit; e.g. St John Ambulance or the Bowling Club.
- B** Land protected voluntarily for natural, historic or cultural conservation purposes.
- C** Land affected by natural calamity or damaged by the effects of a natural disaster.
- D** Uniform Annual Charges and Targeted Rates on contiguous rating units in separate ownership, used jointly as a single entity – i.e. land owned by the same ratepayer/s and considered a single property.
- E** Rate Penalties – incurred penalties may be remitted if the ratepayer can provide evidence that it is fair to do so.
- F** Sundry Remissions – to remit rates that are the result of an error, are considered uneconomic or that are not able to be recovered.
- G** Maori Freehold Land, when the land is unoccupied and no income is generated from it.
- H** Remission of Postponed Rates – allows the Council to remit rates in accordance with approved postponement policies.
- I** Rates on Land that has made Lump Sum Contributions – allows the Council to remit annual loan rates for properties that have previously paid lump sum contributions.
- J** Rating of Separately Used or Inhabited Parts of a Rating Unit – to limit the occurrence of multiple charges on properties with separate uses or inhabitants where it is fair to do so.

POSTPONEMENT POLICIES: You can apply for a rates postponement under the following circumstances:

- K** Residential Land Subject to Zone Changes – residential rateable property which has been rezoned.
- L** Extreme Financial Hardship – residential rateable property where the ratepayer is experiencing extreme financial hardship.
- M** Rate Postponement for Farmland – rural rateable property used as farmland but has the potential for non-farming development.
- N** Rate Postponement for Elderly – residential rateable property where the ratepayer is 65 or over, a New Zealand citizen and owns no other property.

MORE INFORMATION: You will find more information on these policies in Volume 2 of the 10 Year Plan, under Rates / Rates Remission and Postponement Policies.

**FIND OUT MORE ABOUT
YOUR RATES AT** www.qldc.govt.nz/rates