

Full Council

20 March 2025

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

Department: Corporate Services

Title | Taitara: Adopt User Fees and Charges draft Statement of Proposal

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to recommend that Council adopts the user fees and charges draft Statement of Proposal and proposed fee schedule for user fees and charges 2025/2026 in accordance with section 83 of the Local Government Act 2002 (LGA).

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Adopt** the user fees and charges draft Statement of Proposal for consultation (and accompanying proposed fee schedule for financial year 2025/2026) in accordance with section 83 of the Local Government Act 2002;
3. **Note** the updated Development Contributions Policy 2025-2026 and accompanying website copy explaining the changes; and
4. **Appoint** Councillor Lyal Cocks, Councillor Lisa Guy and Councillor Gavin Bartlett to the hearings panel to hear submissions and make a recommendation to Council on the user fees and charges for the financial year 2025/2026.

Prepared by:

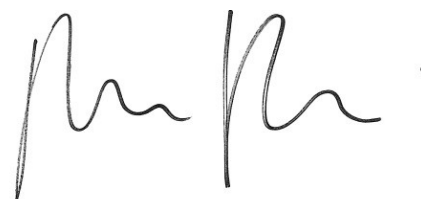


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Context | Horopaki

1. Fees and charges are usually reviewed in conjunction with the Long Term or Annual Plan process. In September 2024, Council adopted the Long Term Plan 2024-2034 (LTP), which was approximately three months later than the standard requirement to adopt an LTP by 30 June because the process had been extended by Central Government.
2. Many of Council's fees and charges must be reviewed and set ahead of the start of the government sector financial year, coming into effect on 1 July 2025. These are usually consulted on as part of the Annual Plan process.
3. In February 2025, Council agreed not to consult on the draft Annual Plan as there are no significant changes from year 2 of the LTP 2024-2034. Instead, Council agreed to inform the community about the draft plan instead. Therefore, it was agreed that a separate consultation process would be run for user fees and charges, from 21 March – 30 April 2025.
4. Fees and charges are reviewed every year to ensure they are kept up to date and reflect the actual and reasonable costs to deliver an activity or service. The review also makes sure additional processes and new costs are fully covered, in line with the Revenue and Financing Policy which is adopted by the Council as part of the LTP.
5. The Revenue and Financing Policy is a requirement of the LGA and its purpose is to set out how each of Council's activities is to be funded – that is, who pays for what, and why. It provides the target proportion of user pays fee revenue for each council activity by considering the proportion of private versus community benefit that the activity creates. Activities with a higher proportion of private benefit (e.g. parking) are set in the policy to be funded by a higher proportion of user pays fees, whilst activities with a higher proportion of community benefit (e.g. library services) are set in the policy to be funded by a higher proportion of rates.
6. Through the LTP fees and charges process in 2024, officers discussed with Elected Members that Council would seek to increase fees in line with consumers price index (CPI) inflation and rounding on an annual basis. CPI for 2025-2026 is 2.6%.
7. The purpose of increasing fees in line with CPI annually is to reduce the impact on users by minimising the need for significant price rises every few years for Council provided services.
8. Income for the 2025-2026 financial year has been reviewed and as a result officers have adopted a different approach for increasing fees in five areas:
 - a. Planning and development
 - b. Sports and recreation
 - c. Parking
 - d. Wānaka airport landing fees
 - e. Dog registration

9. The reasons why a different approach to increasing fees has been applied to these categories are highlighted in the attached draft Statement of Proposal and fee schedule that will be shared with the public for consultation if adopted by Council.
10. In financial year 2023/2024, user fees contributed \$42.7 million revenue to Council. This was 21% of the total revenue of \$202.3 million that year. In financial year 2025/2026 Council is expecting an uplift of around \$2.4 million in income from user fees per year due to the proposed changes. This equates to less than 0.9% of the forecasted revenue for 2025/2026.
11. The table below sets out the forecasted increase in revenue and subsequent rating impact for financial year 2025/26 by fee category.

Category	Forecast increased revenue for FY25-26 (\$)	Rate impact
Environmental Health Fees	31,000	0.021%
Parking Fees	545,500	0.364%
Wānaka Airport Landing Fees	66,000	0.044%
Dog Registration	62,000	0.041%
Waste Management (Landfill & Transfer Station)	520,000	0.347%
Planning and development fees and charges	835,000	0.557%
Community services and facilities fees and charges incl. sports and recreation, parks and reserves and community venues and facilities	376,500	0.251%
Library fees and charges	3,500	0.002%
Mooring Fees & Jetty Charges	7,000	0.005%
Cemetery Fees	2,400	0.002%
Alcohol Licensing	1,000	0.001%
Trade Waste	750	0.001%

12. This report presents the draft Statement of Proposal and accompanying proposed fee schedule for user fees and charges 2025/2026.

Updates to Development Contributions

13. Separate from user fees and charges, the Development Contributions (DC) Policy will be updated for 2025-2026 in line with section 1.4.4 of the policy, which was presented to Council at a workshop on 11 February 2025. This information will be shared with the community within the Statement of Proposal, but it is not subject to consultation.
14. The DC update accounts for annual inflation of 2.4% in line with the Producers Price Index (PPI) Outputs for Construction provided by Statistics New Zealand. This update is permitted by sections 106 (2B) and (2C) of the LGA.

15. The updated DC policy shared with this report contains the tables that detail how the 2024/25 Development Contributions were inflated for the 2025/26 financial year as per section 106 of the LGA.
16. The annual change between September 2023 and September 2024 PPI has been used as a proxy for one year's inflation as this is the latest data available at the time this work was prepared as part of the Annual Plan 2025-2026.

Analysis and Advice | Tatāritaka me kā Tohutohu

17. 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.
18. Option 1 Adopt the user fees and charges draft Statement of Proposal for consultation (and accompanying proposed fee schedule for financial year 2025/2026), for fees to be implemented from 1 July 2025.

Advantages:

- The draft reflects Council's actual cost to deliver the affected services and facilities and is consistent with the adopted Revenue and Financing Policy.
- Increased user pays fees reduces the rates required to fund the Council services and facilities.

Disadvantages:

- The draft proposes increased direct costs to those in the community that use and benefit from the affected services and facilities which may result in some user dissatisfaction.

19. Option 2 Adopt some proposed user fees and charges that are in the draft Statement of Proposal for consultation but recommend changing others

Advantages

- Could enable fees to be amended in line with community interests

Disadvantages

- Depending on the fee change that might occur, some funding targets set in the Revenue and Financing Policy might not be met, adversely affecting either ratepayers or service users.
- Depending on the work required to amend certain fees, this could delay the start of consultation from 21 March and affect the subsequent timeline for adoption.

- Recommendations are unlikely to meet the decision-making requirements of Part 6 of the LGA 2002 unless supported by the necessary cost and market analysis

20. Option 3 Do not adopt the user fees and charges draft Statement of Proposal for consultation (and accompanying proposed fee schedule for financial year 2025/2026).

Advantages:

- Charges to users of the private benefit services identified in this document remain the same.

Disadvantages:

- Current fees would not reflect the actual costs of delivering affected services and facilities.
- Current services with a private benefit will need to be further subsidised by rates. This means that rates would need to be increased to cover the shortfall and affect ratepayers that do not receive any direct benefit.
- Funding targets set in the Revenue and Financing Policy would not be met.

21. This report recommends **Option 1** for addressing the matter in order to align with the Revenue and Financing Policy adopted by Council and enables the average rates increase for 2025-2026 of to remain consistent with the 13.5% increase outlined in the LTP.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

22. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because a decision to not adopt the proposed user fees and charges for consultation may increase proposed rates for 2025-2026.

23. The persons who are affected by or interested in this matter are residents, ratepayers and visitors to the Queenstown Lakes district community.

24. This matter will be subject to community consultation from 21 March - 30 April 2025.

25. Submissions will be heard by appointed hearing panel at a public meeting on 27 May 2025.

Māori Consultation | Iwi Rūnaka

26. The Council will consult with local iwi as part of the user fees and charges consultation process.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

27. This matter relates to the Financial risk category. It is associated with RISK10005 Ineffective planning for community services or facilities within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.
28. The approval of the recommended option will allow Council to avoid the risk. This will be achieved by ensuring there is sufficient funding to deliver community services and/or facilities.

Financial Implications | Kā Riteka ā-Pūtea

29. User fees and charges is one revenue source for Council to fund its services. Total Council income from user pays funding was \$42.7 million in financial year 2023/24.
30. The proposed fee increases result in a total of \$2.4M in additional revenue for the 2025-2026 year. If these fees are not increased rates will need to increase by a further 1.6% and would not align with the approved Revenue & Financing Policy.

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

31. The following Council policies, strategies and bylaws were considered:
- Our Vision and Mission - QLDC
 - Revenue and Financing Policy
 - The QLDC Disability Policy
 - Development Contributions Policy
32. The recommended option is consistent with the principles set out in the named Revenue and Financing Policy as set out in the LTP 2024-2034.
33. This matter is included in the Long Term Plan.

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

34. 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 because it will enable the average rates increase for 2025-2026 to remain consistent with the 13.5% increase outlined in the LTP.
- 35.
36. The recommended option:
- Can be implemented through future funding under the Long Term Plan;
 - Is consistent with the Council's plans and policies; and

- Would not significantly alter 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.

Attachments | Kā Tāpirihaka

A	User fees and charges 2025-2026 draft statement of proposal
B	Proposed fee schedule for user fees and charges 2025-2026
C	Updated draft Development Contributions Policy 2025-2026
D	Website copy explaining Development Contributions Policy update

Attachments are saved separately.