

QLDC Council
2 September 2021

Report for Agenda Item | Rīpoata moto e Rāraki take : 1

Department: Finance, Legal & Regulatory

Title | Taitara Setting of Rates for 2021/22

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

The purpose of this report is to set the rates for the Queenstown Lakes District Council for the 2021/22 financial year as per section 23 of the Local Government (Rating) Act 2002.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Notes** the contents of this report; and
2. **Sets** the rates for the Queenstown Lakes District Council for the 2021/22 financial year as per section 23 of the Local Government (Rating) Act 2002 (as per Attachment A);

Prepared by:



Stewart Burns
GM Finance Legal & Regulatory

20/08/2021

Reviewed and Authorised by:



Mike Theelen
Chief Executive

23/08/2021

CONTEXT | HORPOAKI

- 1 The Council adopted the 2021-31 Ten Year Plan on 30 June 2021, and the detailed work required to calculate the rates for 2021/22 has been completed. The rates are largely as expected. The rates resolution can only be made after the Ten Year Plan/Annual Plan has been adopted.
- 2 The Local Government (Rating) Act 2002 and the Local Government Act 2002 provisions mean that the draft Annual Plan or draft Ten Year Plan (LTP) has become the primary notification to the public of the proposed rates for the new year.
- 3 Rates can only be set by resolution of the Council.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 4 The final rates for the 2021/22 year as per the attached resolution are substantially as expected. The indicative rates information published in the 2021-31 Ten Year 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 the 30th June.
- 5 District-wide the actual annual increase in capital value is 3.55% (2020: 3.4%) compared to 2.5% allowed for in the Ten Year Plan (LTP). The overall increase in the Wanaka ward was 4.11% (2020: 3.92%) compared to 3.30% (2020: 3.20%) within the combined Wakatipu/Arrowtown wards. The capital value growth factor for the year is therefore ahead of forecast at 3.55%; slightly more than the 2.5% allowed for in the Ten Year Plan (LTP).
- 6 The total number of rateable units for the 2021/22 year is estimated to be 30,229 (2020: 28,573) which represents an increase of 5.8% (2020: 4.1%) on last year. The rating unit growth factor for the year is therefore also ahead of the 2.5% forecast allowed for in the Ten Year Plan (LTP).

Impact on Rates

- 7 As a result of the Ten Year Plan (LTP) submission process, the overall average rates increase moved from 4.56% to 5.45% (after allowing for growth). As a result of the additional growth in the district (see above), this average increase now sits at 4.38%.
- 8 The impact of the rates increase for 2021/22 will not be even across all property types and locations. This is largely because of the impact of targeted rates which are often ward or scheme based. As a result of the different growth rates in the district, generally rates are lower than anticipated across all property types and areas.
- 9 The main features of the 2021/22 rates movement for median value properties are:
 - Residential rates are set to increase by between 1.49% to 6.39% per annum for next year depending on value, location and property type;

- Most business rates show an increase to last year of between 0.85% to 5.72%, depending on value, location and property type;
- The following tables shows the final indicative rate movements for median, higher and lower value properties. In all of the examples, the movements shown here reflect a more favourable outcome than presented in the final Ten Year Plan (LTP) (shown in the columns labelled draft):

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 21/22						
Median Values			Final	Final	Draft	Draft
			Rates	Rates	Rates	Rates
PROPERTY TYPE	CV	LOCATION	%	\$	%	\$
RESIDENTIAL	\$1,090,000	QUEENSTOWN	2.73%	\$91	5.19%	\$173
COMMERCIAL	\$1,890,000	QUEENSTOWN	5.72%	\$367	7.15%	\$459
ACCOMMODATION	\$2,081,000	QUEENSTOWN	3.68%	\$387	5.66%	\$595
M/U ACCOMMODATION	\$1,260,000	QUEENSTOWN	2.89%	\$124	5.06%	\$217
VACANT	\$700,000	QUEENSTOWN	2.59%	\$61	4.76%	\$112
M/U COMMERCIAL	\$1,250,000	QUEENSTOWN	3.52%	\$141	5.67%	\$228
RESIDENTIAL	\$845,000	WANAKA	2.77%	\$86	5.21%	\$162
COMMERCIAL	\$1,045,000	WANAKA	2.39%	\$117	5.40%	\$264
ACCOMMODATION	\$1,100,000	WANAKA	0.91%	\$67	3.66%	\$268
M/U ACCOMMODATION	\$900,000	WANAKA	2.08%	\$81	4.69%	\$182
PRIMARY INDUSTRY	\$5,050,000	WANAKA	3.46%	\$151	5.78%	\$252
COUNTRY DWELLING	\$1,560,000	WANAKA	2.32%	\$58	4.54%	\$115
VACANT	\$550,000	WANAKA	1.95%	\$44	4.28%	\$96
M/U COMMERCIAL	\$880,000	WANAKA	2.60%	\$95	5.19%	\$189
RESIDENTIAL	\$890,000	ARROWTOWN	1.89%	\$59	3.18%	\$100
COMMERCIAL	\$1,650,000	ARROWTOWN	4.97%	\$294	5.66%	\$335
ACCOMMODATION	\$1,700,000	ARROWTOWN	2.68%	\$209	3.58%	\$279
M/U ACCOMMODATION	\$900,000	ARROWTOWN	1.98%	\$74	3.22%	\$120
VACANT	\$720,000	ARROWTOWN	3.01%	\$70	4.66%	\$108
M/U COMMERCIAL	\$900,000	ARROWTOWN	2.53%	\$89	3.67%	\$130
PRIMARY INDUSTRY	\$4,100,000	WAKATIPU	6.82%	\$224	8.73%	\$287
COUNTRY DWELLING	\$2,050,000	WAKATIPU	5.30%	\$139	7.09%	\$186
RESIDENTIAL	\$700,000	GLENORCHY	5.15%	\$130	6.11%	\$155
RESIDENTIAL	\$820,000	LAKE HAYES	6.31%	\$182	7.84%	\$225
RESIDENTIAL	\$570,000	HAWEA	1.80%	\$47	5.04%	\$132
RESIDENTIAL	\$520,000	LUGGATE	2.99%	\$65	4.30%	\$94
RESIDENTIAL	\$650,000	KINGSTON	3.32%	\$58	5.71%	\$100
RESIDENTIAL	\$860,000	ARTHURS POINT	2.38%	\$74	3.82%	\$118

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 21/22						
Higher Values			Final	Final	Draft	Draft
			Rates	Rates	Rates	Rates
PROPERTY TYPE	CV	LOCATION	%	\$	%	\$
RESIDENTIAL	\$3,650,000	QUEENSTOWN	4.00%	\$247	6.20%	\$383
COMMERCIAL	\$22,700,000	QUEENSTOWN	5.40%	\$4,404	6.80%	\$5,550
ACCOMMODATION	\$57,000,000	QUEENSTOWN	4.52%	\$12,934	6.70%	\$19,164
M/U ACCOMMODATION	\$4,250,000	QUEENSTOWN	4.03%	\$370	5.93%	\$544
VACANT	\$1,010,000	QUEENSTOWN	3.32%	\$89	5.37%	\$144
M/U COMMERCIAL	\$1,655,000	QUEENSTOWN	3.86%	\$178	5.95%	\$275
RESIDENTIAL	\$1,820,000	WANAKA	3.47%	\$151	5.99%	\$261
COMMERCIAL	\$10,700,000	WANAKA	2.46%	\$1,209	5.48%	\$2,696
ACCOMMODATION	\$16,900,000	WANAKA	1.07%	\$930	4.11%	\$3,570
M/U ACCOMMODATION	\$3,550,000	WANAKA	2.51%	\$251	5.28%	\$528
PRIMARY INDUSTRY	\$21,750,000	WANAKA	4.33%	\$631	6.38%	\$929
COUNTRY DWELLING	\$3,710,000	WANAKA	2.82%	\$124	4.90%	\$214
VACANT	\$1,430,000	WANAKA	2.64%	\$88	4.90%	\$164
M/U COMMERCIAL	\$1,150,000	WANAKA	2.76%	\$114	5.43%	\$224
RESIDENTIAL	\$2,230,000	ARROWTOWN	2.55%	\$121	3.64%	\$173
COMMERCIAL	\$4,400,000	ARROWTOWN	5.29%	\$768	5.96%	\$865
ACCOMMODATION	\$3,000,000	ARROWTOWN	2.60%	\$395	3.27%	\$497
M/U ACCOMMODATION	\$2,200,000	ARROWTOWN	2.69%	\$161	3.77%	\$226
VACANT	\$980,000	ARROWTOWN	3.60%	\$93	5.20%	\$134
M/U COMMERCIAL	\$1,070,000	ARROWTOWN	2.69%	\$102	3.81%	\$145
PRIMARY INDUSTRY	\$18,300,000	WAKATIPU	8.29%	\$951	9.83%	\$1,128
COUNTRY DWELLING	\$6,080,000	WAKATIPU	6.69%	\$371	8.14%	\$452
RESIDENTIAL	\$920,000	GLENORCHY	5.56%	\$157	6.52%	\$185
RESIDENTIAL	\$1,150,000	LAKE HAYES	6.39%	\$204	7.88%	\$251
RESIDENTIAL	\$870,000	HAWEA	2.64%	\$79	5.62%	\$169
RESIDENTIAL	\$700,000	LUGGATE	3.04%	\$73	4.42%	\$106
RESIDENTIAL	\$900,000	KINGSTON	3.76%	\$75	6.01%	\$120
RESIDENTIAL	\$1,275,000	ARTHURS POINT	2.84%	\$102	4.20%	\$151

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 21/22						
Lower Values			Final	Final	Draft	Draft
			Rates	Rates	Rates	Rates
PROPERTY TYPE	CV	LOCATION	%	\$	%	\$
RESIDENTIAL	\$750,000	QUEENSTOWN	2.38%	\$70	4.91%	\$145
COMMERCIAL	\$430,000	QUEENSTOWN	3.67%	\$100	5.29%	\$144
ACCOMMODATION	\$685,000	QUEENSTOWN	2.28%	\$93	4.12%	\$167
M/U ACCOMMODATION	\$830,000	QUEENSTOWN	2.46%	\$88	4.75%	\$170
VACANT	\$345,000	QUEENSTOWN	1.45%	\$29	3.82%	\$76
M/U COMMERCIAL	\$800,000	QUEENSTOWN	2.99%	\$100	5.25%	\$176
RESIDENTIAL	\$730,000	WANAKA	2.65%	\$78	5.07%	\$150
COMMERCIAL	\$520,000	WANAKA	2.39%	\$76	4.95%	\$157
ACCOMMODATION	\$570,000	WANAKA	0.85%	\$34	3.59%	\$142
M/U ACCOMMODATION	\$690,000	WANAKA	1.95%	\$68	4.50%	\$156
PRIMARY INDUSTRY	\$1,330,000	WANAKA	2.11%	\$44	4.85%	\$102
COUNTRY DWELLING	\$1,100,000	WANAKA	2.09%	\$45	4.38%	\$93
VACANT	\$440,000	WANAKA	1.82%	\$38	4.16%	\$87
M/U COMMERCIAL	\$600,000	WANAKA	2.38%	\$75	4.86%	\$153
RESIDENTIAL	\$925,000	ARROWTOWN	1.92%	\$61	3.20%	\$102
COMMERCIAL	\$550,000	ARROWTOWN	3.57%	\$108	4.11%	\$124
ACCOMMODATION	\$520,000	ARROWTOWN	1.52%	\$54	2.49%	\$88
M/U ACCOMMODATION	\$760,000	ARROWTOWN	1.85%	\$65	3.12%	\$109
VACANT	\$390,000	ARROWTOWN	2.02%	\$40	3.77%	\$74
M/U COMMERCIAL	\$775,000	ARROWTOWN	2.39%	\$80	3.56%	\$119
PRIMARY INDUSTRY	\$1,410,000	WAKATIPU	4.49%	\$87	6.98%	\$135
COUNTRY DWELLING	\$1,015,000	WAKATIPU	4.23%	\$79	6.29%	\$117
RESIDENTIAL	\$480,000	GLENORCHY	4.63%	\$103	5.58%	\$125
RESIDENTIAL	\$730,000	LAKE HAYES	6.29%	\$176	7.83%	\$218
RESIDENTIAL	\$480,000	HAWEA	1.49%	\$37	4.83%	\$121
RESIDENTIAL	\$430,000	LUGGATE	2.95%	\$62	4.23%	\$89
RESIDENTIAL	\$460,000	KINGSTON	2.89%	\$45	5.43%	\$85
RESIDENTIAL	\$690,000	ARTHURS POINT	2.15%	\$62	3.62%	\$105

Options:

- 10 This report does not consider options because it is a statutory requirement pursuant to section 23 of the Local Government (Rating) Act 2002 for the Council to adopt rates.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 11 This matter is of medium 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 Ten Year Plan (LTP)/ 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.

> MĀORI CONSULTATION | IWI RŪNANGA

- 12 The Council consulted with Te Ao Marama and Aukaha on behalf of Mana Whenua to outline Ten Year Plan (LTP) projects.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 13 This matter relates to the Regulatory/Legal/Compliance risk category.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 14 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 The Ten Year Plan (LTP)/ Annual Plan.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

- 15 The following Council policies, strategies and bylaws were considered:

- 2021-31 Ten Year Plan, Revenue and Financing Policy

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

- 16 The recommended option:

- 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 Council must raise rates to fund its activities pursuant to section 23 of the Local Government (Rating) Act 2002, the results of which will permit it to fulfil the purposes as detailed under S.10(b).
- 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.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Rates and Charges for 2021/22
---	-------------------------------