

Proposed changes to user fees and charges

2024
2025

/ Statement of Proposal /

/ 5 April 2024 /

Introduction

Queenstown Lakes District Council has completed its annual review of user fees and charges and is now seeking public submissions on proposed changes.

Fees and charges are usually reviewed as part of the Long Term or Annual Plan process. In February 2024, Council agreed to defer the Long Term Plan 2024-2034 (LTP), following direction from the coalition government to include planning and funding for three waters service delivery for the full ten-year timeframe of an LTP. Council will consider adopting the LTP 2024-2034 on 19 September 2024. Community consultation is planned to occur from 27 June – 28 July 2024.

Many of our fees and charges must be reviewed and set ahead of the start of the government sector financial year, coming into effect on 1 July 2024. This means consultation must be completed ahead of the LTP process.

Once any changes to fees are confirmed, as a result of this process, they and their forecast revenue will be reflected in the financial information contained in the LTP.

This Statement of Proposal is prepared in accordance with section 83 of the Local Government Act 2002 (LGA).

What are user fees and charges

Council provides a range of user pays services throughout the district. These include (but are not limited to) services like processing building or resource consents, environmental health, access to sport and recreation or community facilities, venue hire, use of jetties and moorings, and carparking.

These fees and charges allow Council to pass on some costs to those who use and directly benefit from these services and facilities, reducing the amount of funding that needs to be collected through rates.

How are fees set?

The Revenue and Financing Policy¹ is the tool used to determine how each Council activity is funded.

It includes information about funding sources and outlines agreed funding principles which assist Council in determining which funding mechanism is most appropriate for each activity.

The policy sets the target for how much should be directly recovered by those who receive the private benefit of a service or activity. This varies depending on the type of activity, for example, the emergency management activity is 100% rates-funded because everyone who lives here will benefit from the service. Whereas the funding target for resource or building consent administration is split between 80% user pays and 20% rates because the main benefit of the service is received by the applicant. The Revenue and Financing Policy funding targets for the activities that are subject to the proposed fees changes are included in the following table.

¹ <https://www.qldc.govt.nz/media/slecwyc0/revenue-and-financing-policy-02jul21.pdf>

REVENUE AND FINANCING POLICY ACTIVITY	FUNDING TARGETS	
	PRIVATE	PUBLIC
Community Assets	100%	0%
Library Services	2%	98%
Community Facilities	40%	60%
Aquatics	45%	55%
Resource Consent Administration	80%	20%
Building Consent Administration	80%	20%
Parking Administration & Facilities	100%	0%
Environmental Health	70%	30%
Waterways Control	6%	94%
Parks & Recreation Facilities	20%	80%

You can read more about the public / private benefit split on pages 4-25 of the Revenue and Financing Policy, linked here: <https://www.qldc.govt.nz/media/slecwyc0/revenue-and-financing-policy-02jul21.pdf>

Generally, Council will account for income received from fees and charges, and grants and subsidies or other income sources, such as dividends, concession income, infringement fines etc. If the activity still requires additional funding, the remainder is funded by way of a rate which is applied to relevant properties within the district.

Council is also able to set fees and charges payable by applicants for the processing of applications and for performance of any other function or service delivered under relevant legislation such as the Resource Management Act 1991, Building Act 2004, Dog Control Act 1996 etc.

Why are fees and charges reviewed every year?

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.

The key considerations include increasing costs to deliver services, growth projections and demand, multi-year leases and contracts and benchmarking against other local authorities.

Council also reviews the index produced by Business and Economic Research Limited (BERL) which is developed for local authorities as a planning tool, along with the actual direct cost per hour to deliver a service, benchmarking the pricing against other councils and costs in the area.

What fee changes are proposed and why?

Income for the 2024-2025 financial year has been reviewed and adjustments have been proposed for the following activities: Environmental health, Sport and Recreation, Community Facilities/Parks and Reserves, Library Services, Planning, Parking, Jetties and Moorings, Wānaka Airport Landing Fees.

The proposed fee increases result in a total of \$1.25m in additional revenue for the 2024-2025 year of which \$1.15m will offset against the rates increase (Parking is 100% user pays). Not increasing the fees as proposed will result in the Council not remaining compliant with its Revenue and Financing Policy, and will shift the cost of services increasingly to rate payers in general and away from the users who directly benefit from these services. If these fees are not increased rates will need to increase by 0.9%, to meet the cost of providing these services. A proposed rates increase will be communicated and consulted on as part of the 2024-2034 Long Term Plan process in June/July.

CATEGORY	Forecast 2024-25 Revenue excl. fee Increase	Proposed 2024-25 Revenue Incl. fee increase	Proposed Revenue Increase
Environmental Health Fees	576,588	653,788	77,200
Sport & Recreation	5,461,485	5,573,485	112,000
Community Facilities / Parks & Reserves	666,483	701,374	34,891
Library Services	107,068	112,068	5,000
Parking Fees	2,962,935	3,062,935	100,000
Mooring and Jetty Fees	73,913	147,826	73,913
Wānaka Airport Landing Fees	170,775	320,775	150,000
Planning and Development Fees & Charges	14,998,707	15,698,707	700,000
TOTALS	25,017,954	26,270,958	1,253,004

The affected activities and further rationale for proposed increases are summarised below. A full list of proposed fee changes is attached as Appendix 1.

Environmental Health

Environmental Health fees cover inspections, licensing and administration services to ensure legal compliance for activities related to food control, camping grounds, funeral parlors and burials, hairdressing and trades considered offensive due to odour such as (rubbish collecting, dog crushing, tanning, wool scouring and the slaughtering of animals for any purpose other than human consumption).

Proposed increases in hourly rates will help ensure Council can recover the reasonable costs incurred to provide the service.

Proposed changes to the environmental health fees will recover an additional \$77,200.

Sport and Recreation

Sport and Recreation fees cover use of aquatics facilities and programmes, Alpine Health and Fitness facilities and programmes, Rockatipu Climbing Wall, Frankton Golf Centre, and sports programmes at Wānaka Recreation Centre and Paetara Aspiring Central.

Proposed changes balance maintaining fees or minimising increases for child, senior/beneficiaries and family entry to increase participation, with increasing cost pressures relating to inflation, staffing, electricity and gas.

Proposals include some price increases across swim school, casual pool entry, swim and gym memberships, climbing wall membership and casual entry, golf membership and casual entry.

It is proposed to retain pool lane hire fees and reduced adult swim price as agreed in the 2023-2024 Annual Plan.

Proposed changes to the sport and recreation fees will recover an additional \$112,000.

Community Facilities / Parks and Reserves

Community facility fees contribute to the operation and maintenance of Council-owned venues, sports fields, courts, and parks and reserves.

Proposed changes include some price increases to hire parks and reserves, particularly for those which have recently been upgraded. They also include increases in commercial and community venue and sports field hire. Casual use fees have been retained to encourage use.

Proposed changes to the community facility / parks and reserve fees will recover an additional \$34,891.

Library Services

Library fees cover the full range of library services.

Proposed changes include removing overdue fees to reduce barriers to library use. There are increases proposed for damaged items, photocopying and scanning, loans arranged from other libraries and book covering.

Library services are largely funded through general rates rather than user pays due to the broader community benefit they provide to the district.

Proposed changes to the library fees will recover an additional \$5,000.

Planning and Development

Planning and Development fees cover the processing of building consents, resource consents, and resource management engineering, including administration support.

Proposed changes include increases in hourly rates and council charges to ensure Council can recover the reasonable costs incurred to provide the service. The revenue and financing policy sets a target that 80% of the cost is recovered from applicants or users and 20% recovered more broadly via the general rate.

Proposed changes to the Planning and Development fees will recover an additional \$700,000.

Parking

Parking fees currently only apply in the Queenstown Town Centre.

Proposed changes include minor increases to reflect inflation and cost of providing the service.

Proposed changes to the Parking fees will recover an additional \$100,000.

Moorings and Jetties

Mooring and jetty fees contribute towards the provision of the Harbourmaster and Navigation Safety services provided by Council. The bulk of the cost for this service is supported by the existing Shotover Jet Concession. The Moorings and Jetties fees cover a portion of the costs of the Harbourmaster service including safety promotion and enforcement, along with management of the permits required to occupy a permanent boat mooring on the lake/waterway. A portion of the fee increase is to provide for the biennial inspection of each permitted mooring to confirm location, occupancy, and the suitability of the moorings for the relevant vessel. The inspection will also include a visual inspection of the mooring chain.

Jetty and mooring fees were last reviewed in 2011. Since then, the actual costs to deliver the activity have increased significantly. It is proposed to increase the annual mooring permit fee to \$500 (currently \$175-\$290). This increase reflects the increases in administrative costs over time, the commitment to biennial visual safety inspections of every mooring and good management of the mooring permits. Council considered the options of an annual inspection of each mooring and no inspection of moorings and has recommended and adopted a biennial inspection of each permitted mooring as part of the proposed fee.

Proposed changes to the mooring fees will recover an additional \$73,913 to cover costs incurred.

Wānaka Airport landing fees

Wānaka Airport landing fees are charged to those who land an aircraft at the facility.

Wānaka Airport landing fees have not been reviewed in over ten years. The fees contribute towards the operation of Wānaka Airport. Proposed changes include fee increases based on aircraft landing weight, which considers the impact each aircraft has on the degradation of the landing strip/taxi areas. The increase will also provide additional revenue to fund required safety improvements.

Proposed changes to Wānaka Airport will recover an additional \$150,000.

Full schedule of proposed fee changes

A full schedule of proposed fee changes is available as appendix 1 here: [User Fees and Charges 2024-2025 | Let's Talk Queenstown Lakes District Council \(qldc.govt.nz\)](#)

Analysis of options

Option 1: adopt the fees as proposed, to be implemented from 1 July 2024

Advantages	Disadvantages
Reflects Council's actual cost to deliver the affected services and facilities and is consistent with the adopted Revenue and Financing Policy.	Increased direct costs to those in the community that use and benefit from the affected services and facilities.
Increased user pays fees reduces the amount of general rates required to fund the Council services and facilities.	

Option 2: retain status quo – no changes to fees

Advantages	Disadvantages
Charges to users of the private benefit services identified in this document remain the same.	Fees would not reflect the actual costs of delivering affected services and facilities.
	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. Any actual increases would depend on which fees are affected.
	Funding targets set in the Revenue and Financing Policy would not be met.

Option 3: revoke or lower the fees

Advantages	Disadvantages
Reduced cost to users of private benefit services and activities identified in this document.	Funding targets set in the Revenue and Financing Policy would not be met.
	Further rates increases would be required to fund services beyond those required by Option 2, or cuts to services or activities may need to be considered.

Timetable for consultation

Date	Action
4 April 2024	Formal resolution to begin consultation on proposed changes to user fees and charges.
5 April 2024	Submissions open
W/c 8 April 2024	Formal public notices published in the Otago Daily Times, Southland Times, Mountain Scene and Wānaka Sun.
5 May 2024	Submissions close
27 May 2024	Submissions heard by appointed hearing panel at public meeting
27 June 2024	Outcome of the consultation process and hearing panel recommendation considered by full Council.

How to make a submission and be heard

Any person or organisation has a right to be heard on this proposal and Council encourages everyone with an interest to do so.

Submissions should be directed toward matters that are within the scope of the proposal.

The preferred way to make a submission is to complete the online form at <https://letstalk.qldc.govt.nz/>

Submitters may also:

- Post their submission to: Fees and Charges consultation, Queenstown Lakes District Council, Private Bag 50072, Queenstown 9348, Freepost 191078.
- Email their submission to letstalk@qldc.govt.nz, subject line 'fees and charges'

Submissions must be received by **5 May 2024**. Council will then convene a hearing on 27 May 2024, at which any party who wishes to do so can present their submission in person.

Equal consideration is given to written and oral submissions. Late or oral submissions without prior written material will only be accepted where special circumstances apply. Submissions on matters outside the scope of the proposal cannot be considered by the Hearings Panel.

Every submission will be acknowledged in accordance with the LGA 2002. Your name, any organisation you represent and your submission will be published online. We will not publish any personal contact or address information².

Section 82 of the LGA 2002 sets out Council's obligations regarding consultation and all necessary steps will be taken to meet the spirit and intent of the law.

Written submissions can take any form but we recommend your submission be made on a standard submission form available from any Council office, library or recreation centre, district-wide.

Mike Theelen

CHIEF EXECUTIVE

² QLDC Privacy Policy: <https://www.qldc.govt.nz/media/5p4h2ru3/privacy-policy-he-kaupapa-here-noho-matatapu-3.pdf>