

**QLDC Council  
28 August 2014**

**Report for Agenda Item 5**

***Department:***

**Finance**

**5. Setting of Rates for 2014/15**

**Purpose**

To set the rates for the Queenstown Lakes District Council for the 2014/15 financial year as per section 23 of the Local Government (Rating) Act 2002.

**Recommendation**

***That Council:***

***Sets the rates for the Queenstown Lakes District Council for the 2014/15 financial year as per section 23 of the Local Government (Rating) Act 2002 (Per Attachment A).***

Prepared by:



Stewart Burns  
Chief Financial Officer

13/08/2014

Reviewed and Authorised by:



Adam Feeley  
Chief Executive

19/08/2014

**Comment**

- 1 The Council adopted the Annual Plan for 2014/15 on 26 June 2014, and the detailed work required to calculate the rates for 2014/15 has been completed. The rates are largely as expected.
- 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 (or LTP) 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.
- 4 The rates resolution can only be made after the Annual Plan (or LTP) has been adopted. The Annual Plan was adopted on 26th June 2014.

### **Growth in Rating Base**

- 5 The final rates for the 2014/15 year as per the attached resolution are substantially as expected.
- 6 The indicative rates information published in the Annual Plan 2014/15 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.
- 7 District-wide the actual annual increase in capital value is 2.4% (2013: 1.99%) compared to 2.0% allowed for in the Annual Plan 2014/15. The overall increase in the Wanaka ward was 2.8% (2013: 1.9%) compared to 2.2% (2013: 2.0%) within the combined Wakatipu/Arrowtown wards.
- 8 The total number of rateable properties for the 2014/15 year is estimated to be 22,677 (2013: 22, 233) which represents an increase of 2.0% (2013: 0.9%) on last year. The overall growth factor for the year is therefore around 2.2%; slightly more than the 2.0% allowed for in the final version of the Annual Plan.

### **Impact on Rates**

- 9 The effect of the slightly higher than expected growth in the district results in an overall rates increase of 0.0% (2013: decrease of 0.4%) after allowing for growth. This is the same as the 0.0% increase signalled for the year in the Annual Plan.
- 10 There is minimal effect on the indicative rate movements shown in the Annual Plan as a result of the slightly higher than expected growth. The following tables shows the final indicative rate movements:

<b>SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 14/15</b>				
Lower Values				
			Rates	Rates
<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$395,000	QUEENSTOWN	0.53%	\$11
COMMERCIAL	\$260,000	QUEENSTOWN	-0.03%	-\$1
ACCOMMODATION	\$440,000	QUEENSTOWN	1.52%	\$56
M/U ACCOMMODATION	\$445,000	QUEENSTOWN	0.81%	\$21
VACANT	\$175,000	QUEENSTOWN	2.27%	\$32
M/U COMMERCIAL	\$420,000	QUEENSTOWN	-0.02%	-\$1
RESIDENTIAL	\$465,000	WANAKA	-0.16%	-\$4
COMMERCIAL	\$440,000	WANAKA	0.65%	\$21
ACCOMMODATION	\$410,000	WANAKA	2.98%	\$111
M/U ACCOMMODATION	\$400,000	WANAKA	1.14%	\$30
PRIMARY INDUSTRY	\$950,000	WANAKA	0.17%	\$3
COUNTRY DWELLING	\$720,000	WANAKA	1.02%	\$16
VACANT	\$190,000	WANAKA	1.45%	\$21
M/U COMMERCIAL	\$360,000	WANAKA	0.30%	\$7
RESIDENTIAL	\$490,000	ARROWTOWN	-1.63%	-\$37
COMMERCIAL	\$380,000	ARROWTOWN	-1.68%	-\$48
ACCOMMODATION	\$325,000	ARROWTOWN	1.10%	\$35
M/U ACCOMMODATION	\$400,000	ARROWTOWN	-0.45%	-\$11
VACANT	\$215,000	ARROWTOWN	1.52%	\$22
M/U COMMERCIAL	\$500,000	ARROWTOWN	-1.83%	-\$49
PRIMARY INDUSTRY	\$960,000	WAKATIPU	0.42%	\$7
COUNTRY DWELLING	\$715,000	WAKATIPU	1.28%	\$20
RESIDENTIAL	\$275,000	GLENORCHY	3.53%	\$65
RESIDENTIAL	\$250,000	ALBERT TOWN	0.19%	\$3
RESIDENTIAL	\$280,000	HAWEA	-0.53%	-\$11
RESIDENTIAL	\$275,000	KINGSTON	3.03%	\$35
RESIDENTIAL	\$390,000	ARTHURS POINT	-1.47%	-\$35

<b>SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 14/15</b>				
Median Values				
			Rates	Rates
<u>PROPERTY TYPE</u>	<u>CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$626,918	QUEENSTOWN	-0.26%	-\$6
COMMERCIAL	\$1,167,853	QUEENSTOWN	-2.31%	-\$143
ACCOMMODATION	\$1,167,853	QUEENSTOWN	0.42%	\$35
M/U ACCOMMODATION	\$754,261	QUEENSTOWN	-0.09%	-\$3
VACANT	\$391,824	QUEENSTOWN	1.80%	\$32
M/U COMMERCIAL	\$754,261	QUEENSTOWN	-1.07%	-\$34
RESIDENTIAL	\$528,962	WANAKA	-0.24%	-\$6
COMMERCIAL	\$704,739	WANAKA	0.64%	\$29
ACCOMMODATION	\$704,739	WANAKA	1.46%	\$92
M/U ACCOMMODATION	\$587,736	WANAKA	0.97%	\$30
PRIMARY INDUSTRY	\$3,262,479	WANAKA	-1.42%	-\$57
COUNTRY DWELLING	\$1,076,790	WANAKA	0.42%	\$9
VACANT	\$293,868	WANAKA	1.10%	\$18
M/U COMMERCIAL	\$587,736	WANAKA	0.10%	\$3
RESIDENTIAL	\$460,393	ARROWTOWN	-1.52%	-\$33
COMMERCIAL	\$1,107,447	ARROWTOWN	-2.87%	-\$178
ACCOMMODATION	\$1,107,447	ARROWTOWN	-0.92%	-\$79
M/U ACCOMMODATION	\$617,123	ARROWTOWN	-1.18%	-\$37
VACANT	\$244,890	ARROWTOWN	1.47%	\$22
M/U COMMERCIAL	\$617,123	ARROWTOWN	-2.20%	-\$65
PRIMARY INDUSTRY	\$2,669,301	WAKATIPU	-0.68%	-\$22
COUNTRY DWELLING	\$1,391,338	WAKATIPU	0.56%	\$13
RESIDENTIAL	\$450,598	GLENORCHY	3.14%	\$66
RESIDENTIAL	\$293,868	ALBERT TOWN	0.11%	\$2
RESIDENTIAL	\$362,437	HAWEA	-0.55%	-\$12
RESIDENTIAL	\$450,598	KINGSTON	2.55%	\$36
RESIDENTIAL	\$489,780	ARTHURS POINT	-1.37%	-\$34

<b>SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 14/15</b>				
Higher Values				
PROPERTY TYPE	CV	LOCATION	Rates %	Rates \$
RESIDENTIAL	\$2,100,000	QUEENSTOWN	-2.30%	-\$114
COMMERCIAL	\$20,750,000	QUEENSTOWN	-3.04%	-\$3,052
ACCOMMODATION	\$40,500,000	QUEENSTOWN	-0.50%	-\$1,291
M/U ACCOMMODATION	\$2,675,000	QUEENSTOWN	-1.84%	-\$154
VACANT	\$640,000	QUEENSTOWN	1.45%	\$32
M/U COMMERCIAL	\$920,000	QUEENSTOWN	-1.42%	-\$51
RESIDENTIAL	\$1,200,000	WANAKA	-0.75%	-\$27
COMMERCIAL	\$7,250,000	WANAKA	0.33%	\$137
ACCOMMODATION	\$8,700,000	WANAKA	-0.12%	-\$71
M/U ACCOMMODATION	\$2,500,000	WANAKA	0.44%	\$37
PRIMARY INDUSTRY	\$6,850,000	WANAKA	-1.46%	-\$122
COUNTRY DWELLING	\$2,000,000	WANAKA	-0.33%	-\$11
VACANT	\$800,000	WANAKA	0.18%	\$5
M/U COMMERCIAL	\$690,000	WANAKA	0.03%	\$1
RESIDENTIAL	\$1,175,000	ARROWTOWN	-3.29%	-\$116
COMMERCIAL	\$2,875,000	ARROWTOWN	-3.32%	-\$502
ACCOMMODATION	\$1,100,000	ARROWTOWN	0.24%	\$17
M/U ACCOMMODATION	\$1,400,000	ARROWTOWN	-2.46%	-\$130
VACANT	\$550,000	ARROWTOWN	1.08%	\$22
M/U COMMERCIAL	\$690,000	ARROWTOWN	-2.39%	-\$76
PRIMARY INDUSTRY	\$7,000,000	WAKATIPU	-1.36%	-\$96
COUNTRY DWELLING	\$4,100,000	WAKATIPU	-0.26%	-\$14
RESIDENTIAL	\$630,000	GLENORCHY	2.84%	\$66
RESIDENTIAL	\$550,000	ALBERT TOWN	-0.26%	-\$6
RESIDENTIAL	\$650,000	HAWEA	-0.62%	-\$16
RESIDENTIAL	\$670,000	KINGSTON	2.14%	\$36
RESIDENTIAL	\$750,000	ARTHURS POINT	-0.14%	-\$3

## Financial Implications

11 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 Annual Plan for 14/15.

## Local Government Act 2002 Purpose Provisions

12 This report is consistent with LGA purpose provisions because it pertains to the setting of rates which are essential for the Council to perform its responsibilities.

## Council Policies

13 The following Council Policies were considered:  
10 Year Plan 2012-22, Annual Plan 14-15

## Consultation

14 The Annual Plan process requires the Special Consultative Process, and as such, no wider consultation is required.

## Attachments

A Rates and Charges for 2014/15

## Attachment A

# Rates and Charges for 2014/15

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 September 2011 are to be used for the 2014/15 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 \$64.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$1,437,548) 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 \$303.00 on each separately used or inhabited part of every rating unit with a residential component in the district:

1. Residential	\$303.00
2. Hydro Electric Power	\$0.00
3. Vacant Sections	\$303.00
4. Accommodation	\$0.00
5. CBD Accommodation	\$0.00
6. Commercial	\$0.00
7. CBD Commercial	\$0.00
8. Primary Industry	\$303.00
9. Country Dwelling	\$303.00
10. Other	\$0.00
11. Utilities	\$0.00
12. Mixed Use Apportioned	\$303.00

The targeted Sports, Halls & Libraries Annual charge revenue (\$5,853,658) 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).

### 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	0.000223 cents in the \$
2. Hydro Electric Power	0.000112 cents in the \$
3. Vacant Sections	0.000223 cents in the \$
4. Accommodation	0.000223 cents in the \$
5. CBD Accommodation	0.000223 cents in the \$
6. Commercial	0.000223 cents in the \$
7. CBD Commercial	0.000223 cents in the \$
8. Primary Industry	0.000158 cents in the \$
9. Country Dwelling	0.000223 cents in the \$
10. Other	0.000223 cents in the \$
11. Utilities	0.000223 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 (\$3,679,628) 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	0.000328 cents in the \$
2. Hydro Electric Power	0.000149 cents in the \$
3. Vacant Sections	0.000328 cents in the \$
4. Accommodation	0.000344 cents in the \$
5. CBD Accommodation	0.000344 cents in the \$
6. Commercial	0.000295 cents in the \$
7. CBD Commercial	0.000295 cents in the \$
8. Primary Industry	0.000213 cents in the \$
9. Country Dwelling	0.000305 cents in the \$
10. Other	0.000328 cents in the \$
11. Utilities	0.000295 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 (\$5,259,110) 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	\$85.00
2. Hydro Electric Power	\$166.00
3. Vacant Sections	\$85.00
4. Accommodation	\$124.00
5. CBD Accommodation	\$124.00
6. Commercial	\$166.00
7. CBD Commercial	\$166.00
8. Primary Industry	\$213.00
9. Country Dwelling	\$85.00
10. Other	\$85.00
11. Utilities	\$166.00
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 (\$2,234,685) 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	0.000222 cents in the \$
2. Hydro Electric Power	0.000081 cents in the \$
3. Vacant Sections	0.000222 cents in the \$
4. Accommodation	0.000804 cents in the \$
5. CBD Accommodation	0.000804 cents in the \$
6. Commercial	0.000162 cents in the \$
7. CBD Commercial	0.000162 cents in the \$
8. Primary Industry	0.000029 cents in the \$
9. Country Dwelling	0.000084 cents in the \$
10. Other	0.000222 cents in the \$
11. Utilities	0.000162 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 (\$3,812,207) 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	\$125.00
2. Hydro Electric Power	\$209.00
3. Vacant Sections	\$125.00
4. Accommodation	\$675.00
5. CBD Accommodation	\$675.00
6. Commercial	\$209.00
7. CBD Commercial	\$209.00
8. Primary Industry	\$89.00
9. Country Dwelling	\$89.00
10. Other	\$125.00
11. Utilities	\$209.00
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 (\$3,812,207) 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	0.000058 cents in the \$
2. Hydro Electric Power	0.000023 cents in the \$
3. Vacant Sections	0.000058 cents in the \$
4. Accommodation	0.000073 cents in the \$
5. CBD Accommodation	0.000073 cents in the \$
6. Commercial	0.000047 cents in the \$
7. CBD Commercial	0.000047 cents in the \$
8. Primary Industry	0.000067 cents in the \$
9. Country Dwelling	0.000063 cents in the \$
10. Other	0.000058 cents in the \$
11. Utilities	0.000047 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 (\$1,020,684) will be used to fund the costs associated with the following activities:

- Provision of emergency services (civil defense & 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	0.000616 cents in the \$
2. Hydro Electric Power	0.000154 cents in the \$
3. Vacant Sections	0.000924 cents in the \$
4. Accommodation	0.002310 cents in the \$
5. CBD Accommodation	0.002310 cents in the \$
6. Commercial	0.002310 cents in the \$
7. CBD Commercial	0.002310 cents in the \$
8. Primary Industry	0.000499 cents in the \$
9. Country Dwelling	0.000628 cents in the \$
10. Other	0.000616 cents in the \$
11. Utilities	0.000693 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 (\$4,756,181) 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	0.000494 cents in the \$
2. Hydro Electric Power	0.000124 cents in the \$
3. Vacant Sections	0.000741 cents in the \$
4. Accommodation	0.001845 cents in the \$
5. CBD Accommodation	0.001853 cents in the \$
6. Commercial	0.001853 cents in the \$
7. CBD Commercial	0.001853 cents in the \$
8. Primary Industry	0.000400 cents in the \$
9. Country Dwelling	0.000504 cents in the \$
10. Other	0.000494 cents in the \$
11. Utilities	0.001297 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 (\$9,930,009) 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	0.000183 cents in the \$
2. Vacant Sections	0.000183 cents in the \$
3. Accommodation	0.000183 cents in the \$
4. CBD Accommodation	0.000183 cents in the \$
5. Commercial	0.000183 cents in the \$
6. CBD Commercial	0.000183 cents in the \$
7. Other	0.000183 cents in the \$
8. Utilities	0.000055 cents in the \$
9. 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 (\$686,408) 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)	0.000092 cents in the \$
2. Vacant Sections (ii)	0.000092 cents in the \$
3. Accommodation	0.000092 cents in the \$
4. CBD Accommodation	0.000092 cents in the \$
5. Commercial	0.000092 cents in the \$

6. CBD Commercial	0.000092 cents in the \$
7. Other	0.000092 cents in the \$
8. Utilities	0.000064 cents in the \$
9. 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 (\$783,127) 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	0.001101 cents in the \$
2. CBD Accommodation	0.001101 cents in the \$
3. Commercial	0.001101 cents in the \$
4. CBD Commercial	0.001101 cents in the \$
5. Utilities	0.000330 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 (\$807,107) 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	0.001243 cents in the \$
2. CBD Accommodation	0.001243 cents in the \$
3. Commercial	0.001243 cents in the \$
4. CBD Commercial	0.001243 cents in the \$
5. Utilities	0.000799 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 (\$3,586,089) 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	0.001313 cents in the \$
2. CBD Accommodation	0.001313 cents in the \$
3. Commercial	0.001313 cents in the \$

4. CBD Commercial	0.001313 cents in the \$
5. Utilities	0.000067 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 (\$128,414) 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	\$122.00
2. Hydro Electric Power	\$88.00
3. Vacant Sections	\$88.00
4. Accommodation	\$88.00
5. CBD Accommodation	\$88.00
6. Commercial	\$88.00
7. CBD Commercial	\$88.00
8. Primary Industry	\$122.00
9. Country Dwelling	\$122.00
10. Other	\$88.00
11. Utilities	\$88.00
12. Mixed Use Apportioned	\$122.00

The Waste Management Charge revenue (\$2,524,240) 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	\$92.00
2. Hydro Electric Power	\$0.00
3. Vacant Sections	\$92.00
4. Accommodation	\$0.00
5. CBD Accommodation	\$0.00
6. Commercial	\$0.00
7. CBD Commercial	\$0.00
8. Primary Industry	\$92.00
9. Country Dwelling	\$92.00
10. Other	\$0.00
11. Utilities	\$0.00
12. Mixed Use Apportioned	\$92.00

The Aquatic Centre Charge revenue (\$1,102,573) will be used to fund the costs associated with the following activities:

- To fund the operating shortfall of Alpine Aqualand 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:	\$240.00
Arrowtown water supply:	\$180.00
Wanaka and District water supply:	\$170.00

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	0.000234	0.000313	0.000275
2. Accommodation	0.000421	0.000554	0.000495
3. CBD Accommodation	0.000421	0.000554	0.000495
4. Commercial	0.000342	0.000450	0.000402
5. CBD Commercial	0.000342	0.000450	0.000402
6. Primary Industry	0.000173	0.000228	0.000204
7. Country Dwelling	0.000192	0.000253	0.000226
8. Other	0.000234	0.000313	0.000275
9. 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.

### 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	580.00	290.00
Glenorchy	720.00	360.00
Hawea	340.00	170.00
Lake Hayes	580.00	290.00
Luggate	580.00	290.00

The Targeted Water Supply Rates revenue (\$7,320,331) will be used to fund the costs associated with the following activities:

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

## Water Scheme Loan Rate

### (i) Luggate Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted water scheme loan rate of \$424.22 on every connected or serviceable rating unit within the Luggate water supply area, other than those in respect of which the ratepayer has elected to make the lump sum contribution.

### (ii) 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 (\$28,832) 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: 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.

Sewerage Scheme	Charge for 1st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Wanaka/Albert Town	474.00	237.00	237.00
Arrowtown	396.00	198.00	198.00
Arthurs Point	400.00	200.00	288.00
Hawea	510.00	255.00	255.00
Lake Hayes	360.00	180.00	180.00
Luggate	600.00	300.00	300.00
Queenstown	336.00	168.00	168.00

The Targeted Sewerage Rates revenue (\$7,560,303) will be used to fund the costs associated with providing public sewerage services to the above communities.

## Sewerage Scheme Loan Rates

### (i) Arthurs Point (East) 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 Arthur's Point (east) Sewerage area, on the basis on one charge per pan or urinal connected or capable of being capable of being connected of \$288.27, on the first pan or urinal, and \$207.55 for each subsequent pan or urinal.

### (ii) 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 (\$50,616) 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 2013 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	29 August 2014	26 September 2014
Instalment Two	24 October 2014	28 November 2014
Instalment Three	23 January 2015	27 February 2015
Instalment Four	24 April 2015	29 May 2015

## 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 27 September 2014, 29 November 2014, 28 February 2015 and 30 May 2015 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 2014.
- 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 2015.

## 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. **Hydro Electric Power**

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

3. **Vacant Sections**

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

4. **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).

5. **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).

6. **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).

7. **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).

8. **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.

9. **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.

#### 10. Other

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

#### 11. Utilities

All rating units used exclusively or principally for network utility services including water supply, wastewater, stormwater, electricity, gas & telecommunications.

#### 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 charge; 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 definition will apply:

The basis of a unit of occupancy is that which can be separately let and permanently occupied. For the purpose of this charge, where the occupancy is an accessory one or is ancillary to another property or part thereof no separately used part exists. For example:

☐ Not separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

☐ These are separately used parts of a rating unit:

- Flats/apartments.
- Flats which share kitchen/bathroom facilities.
- Separately leased commercial areas even though they may share a reception.
- Rooms in a residential hostel with a common kitchen.