

**QLDC Council  
6 September 2018****Report for Agenda Item: 6****Department: Finance****Setting of Rates for 2018/19****Purpose**

- 1 The purpose of this report is to set the rates for the Queenstown Lakes District Council for the 2018/19 financial year as per section 23 of the Local Government (Rating) Act 2002.

**Recommendation**

That Council:

- 1. Set the rates for the Queenstown Lakes District Council for the 2018/19 financial year as per section 23 of the Local Government (Rating) Act 2002 (Per Attachment A)***

Prepared by:



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22/08/2018

Reviewed and Authorised by:



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23/08/2018

**Background**

- 1 The Council adopted the 10 Year Plan (LTP) on 28 June 2018, and the detailed work required to calculate the rates for 2018/19 has been completed. The rates are largely as expected. The rates resolution can only be made after the 10 Year Plan (LTP) has been adopted.
- 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 draft 10 Year Plan (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.

## **Growth in Rating Base**

- 4 The final rates for the 2018/19 year as per the attached resolution are substantially as expected.
- 5 The indicative rates information published in the 10 Year Plan (LTP) 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.
- 6 District-wide the actual annual increase in capital value is 2.51% (2017: 3.56%) compared to 3.5% allowed for in the 10 Year Plan (LTP). The overall increase in the Wanaka ward was 2.4% (2017: 3.4%) compared to 2.6% (2017: 3.6%) within the combined Wakatipu/Arrowtown wards.
- 7 The total number of rateable properties for the 2018/19 year is estimated to be 26,198 (2017: 25,076) which represents an increase of 4.47% (2017: 4.19%) on last year. The overall growth factor for the year is therefore essentially as per forecast at 3.49%; slightly less than the 3.5% allowed for in the 10 Year Plan (LTP).

## **Impact on Rates**

- 8 The forecast overall rates increase for 2018/19 is therefore as per forecast and sits at 6.9% after allowing for growth (2017: increase of 3.34%). This is the same as the increase signalled for the year in the 10 Year Plan (LTP).
- 9 Accordingly, there is minimal effect on the indicative rate movements shown in the 10 Year Plan (LTP) as a result of the actual growth for the year.
- 10 The impact of a 6.9% rates increase for 2018/19 will not be even across all property types and locations. This is because of the impact of targeted rates which are often ward or scheme based. The updated rating values from the 2017 revaluation of property values in the district can also impact rates increases for the 2018/19 year.
- 11 The Council has balanced the impact of the change in values by adjusting the differentials that apply to some rating categories. This will ensure that the existing allocation of capital value rates to each rate category is largely maintained. The main exception to this is vacant land for whom the existing differentials are maintained.
- 12 The main features of the 2018/19 rates movement are:
  - Increase in rates for wastewater - Queenstown \$34 per connection per annum; Wanaka \$58, Luggate \$60; Arrowtown \$18 and Arthurs Point \$70;
  - Increase in rates for water supply - Wanaka and Arrowtown \$20 per connection per annum;

- Increase in rates for the sports, halls and libraries charge of \$46 per annum which impacts residential properties only;
- Increase in rates for Wanaka Pool of \$41 per annum - this is within forecast. This impacts residential properties in the Wanaka ward;
- Increase in waste management rates of \$23 for residential properties and \$32 for non-residential;
- Decrease in uniform annual general charge of \$6 per property;
- Decrease in rates for Alpine Aqualand of \$4 per annum; this impacts residential in the Wakatipu/Arrowtown wards;
- Change in rates differential factors following the 2017 Rating Revaluation (this was a matter consulted on); and
- Change in rating policy for Arthurs Point water to the urban 2 tier model (this was a matter consulted on).

13 The following tables shows the final indicative rate movements, in the vast majority of cases the movements shown here reflect a more favourable outcome than presented in the final 10 Year Plan (LTP):

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 18/19				
Median Values				
			Rates	Rates
PROPERTY TYPE	CV	LOCATION	%	\$
RESIDENTIAL	\$1,090,000	QUEENSTOWN	6.95%	\$189
COMMERCIAL	\$1,890,000	QUEENSTOWN	4.74%	\$281
ACCOMMODATION	\$2,081,000	QUEENSTOWN	5.66%	\$528
M/U ACCOMMODATION	\$1,260,000	QUEENSTOWN	3.15%	\$117
VACANT	\$700,000	QUEENSTOWN	7.74%	\$153
M/U COMMERCIAL	\$1,250,000	QUEENSTOWN	9.23%	\$304
RESIDENTIAL	\$845,000	WAKAKA	7.00%	\$182
COMMERCIAL	\$1,045,000	WAKAKA	0.48%	\$23
ACCOMMODATION	\$1,100,000	WAKAKA	0.67%	\$47
M/U ACCOMMODATION	\$900,000	WAKAKA	1.38%	\$49
PRIMARY INDUSTRY	\$5,050,000	WAKAKA	1.08%	\$43
COUNTRY DWELLING	\$1,560,000	WAKAKA	1.13%	\$25
VACANT	\$550,000	WAKAKA	11.77%	\$223
M/U COMMERCIAL	\$880,000	WAKAKA	2.98%	\$97
RESIDENTIAL	\$890,000	ARROWTOWN	7.26%	\$185
COMMERCIAL	\$1,650,000	ARROWTOWN	1.35%	\$77
ACCOMMODATION	\$1,700,000	ARROWTOWN	3.66%	\$260
M/U ACCOMMODATION	\$900,000	ARROWTOWN	3.24%	\$104
VACANT	\$720,000	ARROWTOWN	7.01%	\$139
M/U COMMERCIAL	\$900,000	ARROWTOWN	5.85%	\$174
PRIMARY INDUSTRY	\$4,100,000	WAKATIPU	6.86%	\$191
COUNTRY DWELLING	\$2,050,000	WAKATIPU	5.90%	\$126
RESIDENTIAL	\$700,000	GLENORCHY	2.38%	\$52
RESIDENTIAL	\$820,000	LAKE HAYES	6.00%	\$145
RESIDENTIAL	\$570,000	HAWEA	3.60%	\$85
RESIDENTIAL	\$700,000	LUGGATE	2.93%	\$60
RESIDENTIAL	\$650,000	KINGSTON	0.85%	\$12
RESIDENTIAL	\$860,000	ARTHURS POINT	5.84%	\$155

<b>SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 18/19</b>				
Lower Values				
PROPERTY TYPE	CV	LOCATION	Rates %	Rates \$
RESIDENTIAL	\$750,000	QUEENSTOWN	9.30%	\$219
COMMERCIAL	\$430,000	QUEENSTOWN	6.92%	\$168
ACCOMMODATION	\$685,000	QUEENSTOWN	-3.41%	-\$136
M/U ACCOMMODATION	\$830,000	QUEENSTOWN	7.74%	\$229
VACANT	\$345,000	QUEENSTOWN	9.07%	\$150
M/U COMMERCIAL	\$800,000	QUEENSTOWN	10.16%	\$275
RESIDENTIAL	\$730,000	WANAKA	6.79%	\$169
COMMERCIAL	\$520,000	WANAKA	2.53%	\$77
ACCOMMODATION	\$570,000	WANAKA	-6.86%	-\$286
M/U ACCOMMODATION	\$690,000	WANAKA	7.58%	\$224
PRIMARY INDUSTRY	\$1,330,000	WANAKA	2.19%	\$40
COUNTRY DWELLING	\$1,100,000	WANAKA	6.36%	\$111
VACANT	\$440,000	WANAKA	17.69%	\$300
M/U COMMERCIAL	\$600,000	WANAKA	6.84%	\$184
RESIDENTIAL	\$925,000	ARROWTOWN	6.45%	\$168
COMMERCIAL	\$550,000	ARROWTOWN	1.96%	\$57
ACCOMMODATION	\$520,000	ARROWTOWN	0.02%	\$1
M/U ACCOMMODATION	\$760,000	ARROWTOWN	4.43%	\$132
VACANT	\$390,000	ARROWTOWN	6.33%	\$108
M/U COMMERCIAL	\$775,000	ARROWTOWN	9.52%	\$259
PRIMARY INDUSTRY	\$1,410,000	WAKATIPU	6.78%	\$107
COUNTRY DWELLING	\$1,015,000	WAKATIPU	6.12%	\$92
RESIDENTIAL	\$480,000	GLENORCHY	5.12%	\$101
RESIDENTIAL	\$730,000	LAKE HAYES	6.44%	\$151
RESIDENTIAL	\$480,000	HAWEA	5.79%	\$129
RESIDENTIAL	\$570,000	LUGGATE	4.70%	\$90
RESIDENTIAL	\$460,000	KINGSTON	6.96%	\$85
RESIDENTIAL	\$690,000	ARTHURS POINT	3.43%	\$86

<b>SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 18/19</b>				
Higher Values				
PROPERTY TYPE	CV	LOCATION	Rates %	Rates \$
RESIDENTIAL	\$3,650,000	QUEENSTOWN	7.79%	\$393
COMMERCIAL	\$22,700,000	QUEENSTOWN	1.34%	\$1,041
ACCOMMODATION	\$57,000,000	QUEENSTOWN	7.95%	\$19,588
M/U ACCOMMODATION	\$4,250,000	QUEENSTOWN	-1.36%	-\$113
VACANT	\$1,010,000	QUEENSTOWN	2.90%	\$68
M/U COMMERCIAL	\$1,655,000	QUEENSTOWN	9.67%	\$366
RESIDENTIAL	\$1,820,000	WANAKA	1.60%	\$61
COMMERCIAL	\$10,700,000	WANAKA	-6.31%	-\$3,287
ACCOMMODATION	\$16,900,000	WANAKA	-3.37%	-\$2,861
M/U ACCOMMODATION	\$3,550,000	WANAKA	-0.29%	-\$27
PRIMARY INDUSTRY	\$21,750,000	WANAKA	-5.57%	-\$802
COUNTRY DWELLING	\$3,710,000	WANAKA	-4.47%	-\$182
VACANT	\$1,430,000	WANAKA	10.65%	\$299
M/U COMMERCIAL	\$1,150,000	WANAKA	7.24%	\$257
RESIDENTIAL	\$2,230,000	ARROWTOWN	6.97%	\$265
COMMERCIAL	\$4,400,000	ARROWTOWN	2.60%	\$364
ACCOMMODATION	\$3,000,000	ARROWTOWN	14.11%	\$1,781
M/U ACCOMMODATION	\$2,200,000	ARROWTOWN	-2.85%	-\$155
VACANT	\$980,000	ARROWTOWN	6.99%	\$154
M/U COMMERCIAL	\$1,070,000	ARROWTOWN	5.06%	\$163
PRIMARY INDUSTRY	\$18,300,000	WAKATIPU	-1.47%	-\$161
COUNTRY DWELLING	\$6,080,000	WAKATIPU	4.01%	\$190
RESIDENTIAL	\$920,000	GLENORCHY	-0.04%	-\$1
RESIDENTIAL	\$1,150,000	LAKE HAYES	4.71%	\$128
RESIDENTIAL	\$870,000	HAWEA	-2.93%	-\$82
RESIDENTIAL	\$830,000	LUGGATE	-2.00%	-\$46
RESIDENTIAL	\$900,000	KINGSTON	-3.96%	-\$68
RESIDENTIAL	\$1,275,000	ARTHURS POINT	9.99%	\$300

### ***Options***

#### 14 Option 1 Set the Rates for 2018/19

- Advantages: Allows Council to assess and collect rates for 2018/19.
- Disadvantages: None

#### 15 Option 2 Do not Set the Rates for 2018/19

- Advantages: None.
- Disadvantages: Does not Allow Council to assess and collect rates for 2018/19.

16 This report recommends **Option 1** for addressing the matter.

### ***Significance and Engagement***

17 This matter is of high 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 10 Year Plan/ 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.

18 This matter relates to the strategic risk SR1 (Current and future development needs of the community), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because it provides for the delivery of Council's capital programme, which has been developed to meet the community's needs.

### **Financial Implications**

19 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 10 Year Plan (LTP).

### **Council Policies, Strategies and Bylaws**

20 The following Council policies, strategies and bylaws were considered:

- 10 Year Plan 2018-28, Revenue and Financing Policy

21 The recommended option is consistent with the principles set out in the named policy/policies.

### **Local Government Act 2002 Purpose Provisions**

22 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

by providing compliance with the statutory process for the setting and collection of rates for 2018-19;

- 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.

### **Consultation: Community Views and Preferences**

23 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes district community.

24 The indicative rates for 2018-19 were subject to the 10 Year Plan (LTP) process, which requires the Special Consultative Process, and as such no wider consultation is required.

### **Attachments**

A Rates and Charges for 2018/19

## (A) Rates and Charges for 2018/19

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 July 2017 are to be used for the 2018/19 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 \$74.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$1,927,665) 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 on each separately used or inhabited part of every rating unit with a residential component in the district as follows:

1. Residential	\$373.00
2. Residence plus Flat	\$522.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$373.00
5. Accommodation	\$0.00
6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$373.00
10. Country Dwelling	\$373.00
11. Other	\$0.00
12. Mixed Use Apportioned	\$373.00

The targeted Sports, Halls & Libraries Annual charge revenue (\$8,242,795) 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 and Wanaka Aquatic Centre).

### 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	0.000110 cents in the \$
2. Residence plus Flat	0.000110 cents in the \$
3. Hydro Electric/Utilities	0.000055 cents in the \$
4. Vacant Sections	0.000110 cents in the \$
5. Accommodation	0.000110 cents in the \$
6. CBD Accommodation	0.000110 cents in the \$
7. Commercial	0.000110 cents in the \$
8. CBD Commercial	0.000110 cents in the \$
9. Primary Industry	0.000083 cents in the \$
10. Country Dwelling	0.000110 cents in the \$
11. Other	0.000110 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The governance rate revenue (\$3,435,605) 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	0.000183 cents in the \$
2. Residence plus Flat	0.000183 cents in the \$
3. Hydro Electric/Utilities	0.000096 cents in the \$
4. Vacant Sections	0.000183 cents in the \$
5. Accommodation	0.000192 cents in the \$
6. CBD Accommodation	0.000192 cents in the \$
7. Commercial	0.000192 cents in the \$
8. CBD Commercial	0.000192 cents in the \$
9. Primary Industry	0.000137 cents in the \$
10. Country Dwelling	0.000183 cents in the \$
11. Other	0.000183 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The regulatory rate revenue (\$5,793,926) 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	\$80.00
2. Residence plus Flat	\$112.00
3. Hydro Electric/Utilities	\$148.00
4. Vacant Sections	\$80.00
5. Accommodation	\$106.00
6. CBD Accommodation	\$106.00
7. Commercial	\$148.00
8. CBD Commercial	\$148.00
9. Primary Industry	\$178.00
10. Country Dwelling	\$80.00
11. Other	\$80.00
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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Governance & Regulatory Charge revenue (\$2,307,383) 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	0.000152 cents in the \$
2. Residence plus Flat	0.000152 cents in the \$
3. Hydro Electric/Utilities	0.000076 cents in the \$
4. Vacant Sections	0.000152 cents in the \$
5. Accommodation	0.000532 cents in the \$
6. CBD Accommodation	0.000532 cents in the \$
7. Commercial	0.000152 cents in the \$
8. CBD Commercial	0.000152 cents in the \$
9. Primary Industry	0.000030 cents in the \$
10. Country Dwelling	0.000091 cents in the \$
11. Other	0.000152cents 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The recreation and events rate revenue (\$5,520,150) 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	\$161.00
2. Residence plus Flat	\$225.00
3. Hydro Electric/Utilities	\$248.00
4. Vacant Sections	\$161.00
5. Accommodation	\$728.00
6. CBD Accommodation	\$728.00
7. Commercial	\$248.00
8. CBD Commercial	\$248.00
9. Primary Industry	\$105.00
10. Country Dwelling	\$105.00
11. Other	\$161.00
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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The recreation and events charge revenue (\$5,520,150) 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	0.000035 cents in the \$
2. Residence plus Flat	0.000035 cents in the \$
3. Hydro Electric/Utilities	0.000018 cents in the \$
4. Vacant Sections	0.000035 cents in the \$
5. Accommodation	0.000042 cents in the \$
6. CBD Accommodation	0.000042 cents in the \$
7. Commercial	0.000035 cents in the \$
8. CBD Commercial	0.000035 cents in the \$
9. Primary Industry	0.000042 cents in the \$
10. Country Dwelling	0.000042 cents in the \$
11. Other	0.000035 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The general rate revenue (\$1,203,206) will be used to fund the costs associated with the following activities:

- Provision of emergency services (civil defence & 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	0.000350 cents in the \$
2. Residence plus Flat	0.000350 cents in the \$
3. Hydro Electric/Utilities	0.000088 cents in the \$
4. Vacant Sections	0.000525 cents in the \$
5. Accommodation	0.001313 cents in the \$
6. CBD Accommodation	0.001313 cents in the \$
7. Commercial	0.001313 cents in the \$
8. CBD Commercial	0.001313 cents in the \$
9. Primary Industry	0.000284 cents in the \$
10. Country Dwelling	0.000350 cents in the \$
11. Other	0.000350 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka roading rate revenue (\$4,599,524) 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	0.000232 cents in the \$
2. Residence plus Flat	0.000232 cents in the \$
3. Hydro Electric/Utilities	0.000058 cents in the \$
4. Vacant Sections	0.000348 cents in the \$
5. Accommodation	0.000870 cents in the \$
6. CBD Accommodation	0.000870 cents in the \$
7. Commercial	0.000870 cents in the \$
8. CBD Commercial	0.000870 cents in the \$
9. Primary Industry	0.000188 cents in the \$
10. Country Dwelling	0.000232 cents in the \$
11. Other	0.000232 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wakatipu/Arrowtown roading rate revenue (\$8,780,295) 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	0.000120 cents in the \$
2. Residence plus Flat	0.000120 cents in the \$
3. Hydro Electric/Utilities	0.000030 cents in the \$
4. Vacant Sections	0.000120 cents in the \$
5. Accommodation	0.000120 cents in the \$
6. CBD Accommodation	0.000120 cents in the \$
7. Commercial	0.000120 cents in the \$
8. CBD Commercial	0.000120 cents in the \$
9. Other	0.000120 cents in the \$
10. 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka stormwater rate revenue (\$843,578) 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)	0.000086 cents in the \$
2. Residence plus Flat plus Flat (ii)	0.000086 cents in the \$
3. Hydro Electric/Utilities	0.000022 cents in the \$
4. Vacant Sections (ii)	0.000086 cents in the \$
5. Accommodation	0.000086 cents in the \$
6. CBD Accommodation	0.000086 cents in the \$
7. Commercial	0.000086 cents in the \$
8. CBD Commercial	0.000086 cents in the \$
9. Other	0.000086 cents in the \$
10. 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

Note (ii) Excludes property within the Jacks Point Special Zone.

The Wakatipu/Arrowtown stormwater rate revenue (\$1,447,777) 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	0.001050 cents in the \$
2. CBD Accommodation	0.001050 cents in the \$
3. Commercial	0.001050 cents in the \$
4. CBD Commercial	0.001050 cents in the \$
5. Hydro Electric/Utilities	0.000263 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka tourism promotion rate revenue (\$1,184,335) 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	0.000731 cents in the \$
2. CBD Accommodation	0.000731cents in the \$
3. Commercial	0.000731 cents in the \$
4. CBD Commercial	0.000731 cents in the \$
5. Hydro Electric/Utilities	0.000183 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wakatipu tourism promotion rate revenue (\$3,943,129) 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	0.000833 cents in the \$
2. CBD Accommodation	0.000833 cents in the \$
3. Commercial	0.000833 cents in the \$
4. CBD Commercial	0.000833 cents in the \$
5. Hydro Electric/Utilities	0.000208 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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Arrowtown tourism promotion rate revenue (\$140,930) 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	\$152.00
2. Residence plus Flat	\$213.00
3. Hydro Electric/Utilities	\$125.00
4. Vacant Sections	\$125.00
5. Accommodation	\$125.00
6. CBD Accommodation	\$125.00
7. Commercial	\$125.00
8. CBD Commercial	\$125.00
9. Primary Industry	\$152.00
10. Country Dwelling	\$152.00
11. Other	\$125.00
12. Mixed Use Apportioned	\$152.00

The Waste Management Charge revenue (\$3,743,145) 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 on each separately used or inhabited part of every rating unit with a residential component in the Queenstown / Wakatipu and Arrowtown Wards, as follows:

1. Residential	\$96.00
2. Residence plus Flat	\$134.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$96.00
5. Accommodation	\$0.00
6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$96.00
10. Country Dwelling	\$96.00
11. Other	\$0.00
12. Utilities	\$0.00
13. Mixed Use Apportioned	\$96.00

The Aquatic Centre Charge revenue (\$1,312,213) will be used to fund the costs associated with the following activities:

- To fund the operating shortfall of Alpine Aqualand attributable to residents

## Aquatic Centre Charge (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Wanaka Ward, as follows:

1. Residential	\$181.00
2. Residence plus Flat	\$253.00
3. Hydro Electric/Utilities	\$0.00
4. Vacant Sections	\$181.00
5. Accommodation	\$0.00
6. CBD Accommodation	\$0.00
7. Commercial	\$0.00
8. CBD Commercial	\$0.00
9. Primary Industry	\$181.00
10. Country Dwelling	\$181.00
11. Other	\$0.00
12. Utilities	\$0.00
13. Mixed Use Apportioned	\$181.00

The Aquatic Centre Charge revenue (\$1,508,136) will be used to fund the costs associated with the following activities:

To fund the operating shortfall of Wanaka Aquatic Centre 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:	\$260.00
Arrowtown water supply:	\$200.00
Wanaka and District water supply:	\$200.00
Arthurs Point water supply:	\$250.00

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.

	<b>Queenstown (cents in the \$)</b>	<b>Arrowtown (cents in the \$)</b>	<b>Wanaka (cents in the \$)</b>	<b>Arthurs Pt (cents in the \$)</b>
1. Residential	0.000185	0.000200	0.000179	0.000389
2. Residential plus Flat	0.000185	0.000200	0.000179	0.000389
3. Accommodation	0.000333	0.000360	0.000322	0.000700
4. CBD Accommodation	0.000333	0.000360	0.000322	0.000700
5. Commercial	0.000296	0.000320	0.000286	0.000622
6. CBD Commercial	0.000296	0.000320	0.000286	0.000622
7. Primary Industry	0.000137	0.000148	0.000132	0.000288
8. Country Dwelling	0.000152	0.000164	0.000147	0.000319
9. Other	0.000185	0.000200	0.000179	0.000389
10. Mixed Use Apportioned	See note (i)	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 plus Flat) or Country Dwelling (or plus Flat) as appropriate.

Note (ii) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

### 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.

<b>Water Supply</b>	<b>Full Charge (\$)</b>	<b>Half Charge (\$)</b>
Glenorchy	750.00	375.00
Hawea	350.00	175.00
Lake Hayes	500.00	250.00
Luggate	560.00	280.00

The Targeted Water Supply Rates revenue (\$9,998,307) will be used to fund the costs associated with the following activities:

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

Note (i) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

## 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 (i): 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.

Note (ii) those properties comprising a Residence plus Flat will charged the targeted rate a factor of 1.5.

Sewerage Scheme	Charge for 1st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Wanaka/Albert Town	612.00	306.00	306.00
Arrowtown	704.00	352.00	352.00
Arthurs Point	600.00	300.00	432.00
Hawea	530.00	265.00	265.00
Lake Hayes	480.00	240.00	240.00
Luggate	740.00	370.00	370.00
Queenstown	646.00	323.00	323.00

The Targeted Sewerage Rates revenue (\$13,741,186) will be used to fund the costs associated with providing public sewerage services to the above communities.



## Due Dates for Payments

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2015 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	7 September 2018	28 September 2018
Instalment Two	19 October 2018	23 November 2018
Instalment Three	18 January 2019	22 February 2019
Instalment Four	19 April 2019	24 May 2019

## 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 29 September 2018, 24 November 2018, 23 February 2019 and 25 May 2019 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 2018.
- 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 2019.

## 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 13 (Mixed Use Apportioned).

#### 2. Residential plus Flat

All rating units comprising a single dwelling and a residential flat which are used exclusively or principally for residential purposes, but excluding properties categorised as clause 11 (Country Dwelling plus Flat).

#### 3. Hydro Electric/ Utilities

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

#### 4. Vacant Sections

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

#### 5. 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 13 (Mixed Use Apportioned) or clause 6 (CBD Accommodation).

#### 6. 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 13 (Mixed Use Apportioned).

#### 7. 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 13 (Mixed Use Apportioned) or clause 8 (CBD Commercial).

#### 8. 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 13 (Mixed Use Apportioned).

#### 9. 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.

**10. 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.

**11. Country Dwelling plus Flat**

All rating units comprising a single dwelling pursuant to clause 10 and a residential flat which are used exclusively or principally for residential purposes.

**12. Other**

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

**13. 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 charges; 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 definitions will apply:

- Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- Individual flats or apartments
- Separately leased commercial areas which are leased on a rating unit basis
- Vacant rating units
- Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling
- A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- Individual storage garages/sheds/portioned areas of a warehouse
- Individual offices or premises of business partners.

### **District Plan definition of a Kitchen:**

Means any space, facilities and surfaces for the storage, rinsing preparation and/or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.