

QLDC Council

26 June 2025

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

Department: Corporate Services

Title | Taitara : Adoption of the Annual Plan 2025-2026

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to recommend that Council adopts the draft Annual Plan 2025-2026 including the user fees and charges set out in Section 4 (Attachment A) in line with the Hearing Panel's recommendation (Attachment B).

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Agree** the user fees and charges recommendation of the Hearing Panel;
3. **Agree** to amend the menacing and dangerous dog fees as per the recommendation of the Hearing Panel;
4. **Note** the recommended revised user fees and charges, to commence financial year 2025/26, are included in the draft budgets within the Annual Plan 2025-2026.
5. **Agree** the recommendation of the Hearing Panel to update Section 13: Cemetery Fees (Cemeteries Handbook); and
6. **Adopt** the Council's draft Annual Plan 2025-2026, pursuant to section 95(2A) of the Local Government Act 2002.

Prepared by:



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4 June 2025

Reviewed and Authorised by:



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Context | Horopaki

1. As per the Local Government Act 2002 (LGA), Queenstown Lakes District Council (QLDC) is required to adopt a Long Term Plan (LTP) once every three years and in the two intervening years is required to prepare and adopt an Annual Plan. After adopting the LTP 2024-2034 in 2024, this year Council is required to adopt an Annual Plan ahead of the next government sector financial year which runs from 1 July 2025 – 30 June 2026.
2. The purpose of an Annual Plan includes setting out budgets for the coming financial year, identifying any variations from the financial statements and funding impact statement included in the LTP for the relevant year, providing the basis for Council striking the rates, providing integrated decision making and coordination of the resources of the local authority and contributing to the accountability of the local authority to the community.

Draft Annual Plan 2025-26

3. At the full Council meeting in February 2025, Council agreed not to consult on the draft Annual Plan 2025-2026 as there were no significant changes from year 2 of the LTP 2024-2034.
4. Instead, the draft Annual Plan 2025-2026 was made available for community feedback on QLDC's Let's Talk webpage from 21 March – 30 May 2025.
5. Between 22 April and 26 May, four social media posts were published to promote the draft Annual Plan feedback opportunity. The campaign was also featured in Let's Talk shorts, which appeared in print in the Lakes Weekly Bulletin on Tuesday 20 May and the Wānaka Sun on Friday 23 May, as well as in the regular 'shorts' sections of the Lakes Weekly Bulletin on Tuesday 6 May and the Wānaka Sun on Friday 9 May.
6. As at 30 May, there were 13 comments from the community on the draft Annual Plan 2025-2026. The feedback has been shared with Councillors prior to this report being distributed. The number of comments make it challenging to assess the feedback thematically however, feedback included unaffordability of the rates increase (4), concerns about protecting the environment (4), a need to focus on core infrastructure priorities (5) and requests for future year funding from three organisations.
7. The proposed average rates increase for the Queenstown Lakes District in 2025-2026 has not changed since the LTP was adopted and remains at 13.5%. The draft Annual Plan is at Attachment A and has been updated since it was published for community feedback to include user fees and charges in Section 4 (pending Council's agreement today), updated text on Local Water Done Well and updated text on the community engagement and user fees and charges consultation processes in Section 1.

User fees and charges

8. Fees and charges are reviewed every year as part of the Long Term Plan or Annual Plan process 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.
9. Fee increases were proposed across 12 categories as part of the proposed changes to Council's user fees and charges for 2025-2026 (see fee categories in Table 1 below).
10. As part of the February 2025 Council decision to engage rather than consult on the draft Annual Plan, it was agreed that a separate consultation process would be run for proposed changes to user fees and charges, from 21 March – 30 April 2025.
11. Through the LTP fees and charges process in 2024, officers discussed with elected members that Council would seek to increase fees in line with consumers price index (CPI) inflation and rounding on an annual basis. CPI for 2025-2026 is 2.6%. This move to yearly CPI increases was noted in the Revenue and Financing Policy.
12. The purpose of increasing fees in line with CPI annually is to reduce the impact on users by minimising the need for significant price rises every few years for Council provided services. CPI increases match, in the main, where Council operating expenditure increases as most services have a high salary and wages component.
13. Cemetery fees were part of the consultation process this year to ensure any changes can be implemented at the start of the new financial year. Council is asked to agree to update Section 13: Cemetery Fees (pg. 23) in the Cemeteries Handbook. The Parks and Reserves team is working on updating the rest of the handbook during financial year 25/26 and will bring this back to Council for adoption once it's available.
14. Income for the 2025-2026 financial year was reviewed in line with the Revenue and Funding Policy targets for user pays versus ratepayer % and as a result officers adopted a different approach for increasing fees in five areas:
 - a. Planning and development
 - b. Sports and recreation
 - c. Parking
 - d. Wānaka Airport landing fees
 - e. Dog registration
15. For working dogs, it is proposed that Council adopts implementing a cap and only charging up to a maximum of two working dogs per owner to reflect the lower level of service required. Ratepayers will also continue to subsidise swimming fees for all schools in the district as alternative funding is not sufficient.
16. The table below sets out the forecasted increase in revenue and subsequent rating impact for financial year 2025-26 by fee category.

Category	Forecast increased revenue for FY25-26 (\$)	Rate impact
1. Environmental Health Fees	31,000	0.021%
2. Parking Fees	545,500	0.364%
3. Wānaka Airport Landing Fees	66,000	0.044%
4. Dog Registration	60,300	0.040%
5. Waste Management (Landfill & Transfer Station)	520,000	0.347%
6. Planning and development fees and charges	835,000	0.557%
7. Community services and facilities fees and charges incl. sports and recreation, parks and reserves and community venues and facilities	376,500	0.251%
8. Library fees and charges	3,500	0.002%
9. Mooring Fees & Jetty Charges	7,000	0.005%
10. Cemetery Fees	2,400	0.002%
11. Alcohol Licensing	1,000	0.001%
12. Trade Waste	750	0.001%

Table 1 - 2025-26 proposed fee increase categories and impacts

17. On 20 March 2025, Council adopted a Statement of Proposal and community consultation on the proposed changes to fees and charges ran from 21 March – 30 April 2025. There were 62 submissions received during consultation, and 1 late submission which the Hearing Panel chose to include, resulting in a total of 63 submissions received during consultation.
18. A Hearing Panel of Councillors Bartlett, Guy and Cocks, was appointed and a hearings session with submitters was held on 27 May, and a deliberations session took place immediately afterwards. The Hearing Panel recommended that Council approve the proposed fees and charges with amended fees relating to menacing and dangerous dogs, taking into account community feedback.
19. The proposed fees for dangerous dogs were slightly higher than 150% of the fees for a regular pet dog (the limit imposed under section 32(1)(e) of the Dog Control Act 1996). This was a result of the fees being increased over time and adjusted with inflation rates. The proposed fees for menacing dogs were uplifted incorrectly for consultation and should reflect the fees for a regular pet dog fee in line with the Dog Control Act 1996 .
20. These reduced fees and the financial impact are set out in the table below.

Dog registration category	Number of dogs in this category	Consulted on fee	New proposed fee	Lost revenue
Dangerous dog	0	\$370	\$360	0
Dangerous dog fenced	1	\$315	\$270 (\$45 difference)	\$45
Dangerous dog positive	0	\$315	\$270	0

Dog registration category	Number of dogs in this category	Consulted on fee	New proposed fee	Lost revenue
Dangerous dog fenced positive	1	\$250	\$180 (\$70 difference)	\$70
Menacing dog	3	\$370	\$240 (\$130 difference)	\$390
Menacing dog fenced	5	\$315	\$180 (\$135 difference)	\$675
Menacing dog positive	1	\$315	\$180 (\$135 difference)	\$135
Menacing dog fenced positive	3	\$250	\$120 (\$130 difference)	\$390
TOTAL	6081			\$1705.00

Table 2 - 2025-26 proposed dog fee adjustments

21. This \$1,705 loss will not impact on the average rates increase for 2025-2026.
22. The proposed user fees and charges commencing financial year 2025/26 as recommended for adoption by the Hearing Panel have been included in the draft budgets within the Annual Plan 2025-2026. The final schedule of user fees and charges as recommended for adoption is available within Section 4 of the draft Annual Plan 2025-2026 (Attachment A).
23. The Hearing Panel considered the proposed Wānaka Airport aircraft parking and landing fees. Landing fees are applied to all users of the airport, except training flights where the landing charge is only applied once during a pilot training session where multiple touch and go manoeuvres are performed. Aircraft parking fees are for visiting pilots (itinerant) to Wānaka Airport. The first hour is free to enable visiting aircraft to land and drop off/pick up passengers without having to incur a fee. Parking fees do not apply to existing commercial and private operators based at the airport. This commentary has been added to the draft Annual Plan 2025-2026.
24. The recommendation from the Hearing Panel can be found at Attachment B for further context on the nature of consideration.

Updates to Development Contributions

25. The Development Contributions Policy was updated for 2025-2026 in line with section 1.4.4 of the policy and sections 106 (2B) and (2C) of the LGA. These updates will come into effect from 1 July 2025. The update accounted for annual inflation of 2.4% as measured between September 2023 and September 2024 in the Producers Price Index (PPI) Outputs for Construction provided by Statistics New Zealand.
26. Information on the updates to Development Contributions was shared with the community on the QLDC website alongside material relating to the draft Annual Plan noting the LGA does not require updates to Development Contributions Policies made under sections 106 (2B) and (2C) to be formally consulted by Council.

Striking the rates

27. Because of a recent system upgrade Council is now able to complete the Rates Setting process in June at the same time as the adoption of the Annual Plan. This is the next report on this Council meeting agenda. This brings Council in line with the majority of councils across New Zealand. Officers have also taken the opportunity to change to consistent payment due dates to help ratepayers' budget management.

Analysis and Advice | Tatāritaka me kā Tohutohu

28. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

29. Option 1 Adopt the draft Annual Plan 2025-2026 and accompanying user fees and charges schedule in Section 4 to be implemented from 1 July 2025.

Advantages:

- Adopting the Annual Plan enables Council to meet its obligations to implement an Annual Plan under section 95 of the LGA.
- The proposed fees better reflect Council's actual cost to deliver the affected services and facilities and is consistent with the adopted Revenue and Financing Policy and year 2 of the Long Term Plan 2024-2034.
- Increased user pays fees reduces the amount of rates required to fund the Council services and facilities.
- Aligns with the recommendation of the user fees and charges Hearing Panel.

Disadvantages:

- Adopting the Annual Plan does not allow for any further substantive changes to be made.
- The proposed fees increase direct costs to those in the community that use and benefit from the affected services and facilities which may result in some user dissatisfaction, noting these changes were subject to consultation.

30. Option 2 Resolve to amend the draft Annual Plan 2025-2026 and accompanying user fees and charges schedule in Section 4.

Advantages:

- Allows for further substantive edits to be made the Annual Plan 2025-2026 if requested by Council.

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

Disadvantages:

- Current fees would not reflect the actual costs of delivering affected services and facilities.
- Current services with a private benefit will need to be further subsidised by rates. This means that rates would need to be increased to cover the shortfall and affect ratepayers that do not receive any direct benefit. This would result in further changes that have not formed the basis for consultation on fees and charges, an inability for Council to strike the rates and a significant delay based on a rework of the draft Annual Plan 2025-2026.
- Funding targets set in the Revenue and Financing Policy would not be met.

31. This report recommends **Option 1** as the adoption of an Annual Plan is a statutory responsibility. User fees and charges for 2025-2026 have been subject to the Special Consultative Procedure and align with the Revenue and Financing Policy adopted by Council, which enables the average rates increase for 2025-2026 of to remain consistent with the 13.5% increase outlined in the LTP.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

32. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because Council chose to rely on the Long Term Plan Year 2 budgets and not increasing user fees and charges in line with the recommendation could increase proposed rates for 2025-2026. It is acknowledged that any increase in rates will be of wide public interest to ratepayers.
33. The persons who are affected by or interested in this matter are residents, ratepayers and visitors to the Queenstown Lakes district community.

Māori Consultation | Iwi Rūnaka

34. Partnership hui with Aukaha and Te Ao Marama are ongoing in relation to the delivery of Long Term Plan 2024-2034 projects.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

35. This matter relates to the Financial risk category. It is associated with RISK10013 Unexpected change in cost or funding within the QLDC Risk Register. This risk has been assessed as having a very high residual risk rating.
36. Approval of the recommended option will allow Council to implement additional controls for this risk. This will be achieved by adopting the Annual Plan which is based on the contemporary view of Council's forecast expenditure and revenue for 2025-2026.

Financial Implications | Kā Riteka ā-Pūtea

37. Adopting the Draft Annual Plan based on Year 2 of the LTP delivers financial certainty for the Council and ratepayers in accordance with the Revenue and Financing Policy 2024-2034.
38. User fees and charges is one revenue source for Council to fund its services. Total Council income from user pays funding was \$42.7 million in financial year 2023/24. This was 21% of the total revenue of \$202.3 million that year.
39. The proposed fee increases result in a total of \$2.4M in additional revenue for the 2025-2026 year. This equates to less than 0.9% of the forecasted revenue for 2025-2026. If these fees are not increased, average rates would need to increase by a further 1.6% and would not align with the approved Revenue & Financing Policy.

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

40. The following Council policies, strategies and bylaws were considered:
- Long Term Plan 2024-2034
41. The recommended option is consistent with the principles set out in the named Revenue and Financing Policy as set out in the LTP 2024-2034. This matter is included in the LTP.

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

42. Section 10 of LGA states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The recommendation in this report is appropriate and within the ambit of Section 10 of the LGA.
43. The recommended option:
- Can be implemented through future funding under the Long Term Plan;
 - Is consistent with the Council's plans and policies; and
 - Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Draft Annual Plan 2025-2026 (circulated separately)
B	Recommendation from the User Fees and Charges Hearing Panel