

Full Council

26 June 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [2]

Department: Assurance, Finance & Risk

Title | Taitara : Setting of Rates 2025/26

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to set the rates for the Queenstown Lakes District Council for the 2025/26 financial year as per section 23 of the Local Government (Rating) Act 2002.

Executive Summary | Whakarāpopototaka Matua

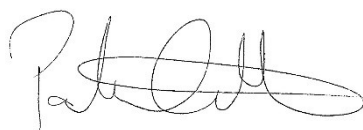
This report and attachment describe the rates that will apply for the 2025/26 financial year based on the 2025/26 Annual Plan, which was discussed earlier at today's Council meeting.

Recommendation | Kā Tūtohu

That the Council:

1. **Note** the contents of this report; and
2. **Authorise** the setting of the rates for the Queenstown Lakes District Council for the 2025/26 financial year as per section 23 of the Local Government (Rating) Act 2002 (Per Attachment A).

Prepared by:



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Title: Director Finance

Date: 16 June 2025

Reviewed and Authorised by:



Name: Katherine Harbrow
Title: General Manager, Assurance
Finance & Risk

Date: 16 June 2025

Context | Horopaki

1. The Council is expected to adopt the Annual Plan 2025/26 at today's Council meeting and the detailed work required to calculate the rates for 2025/26 based on that plan has been completed. The rates resolution can only be made after the Annual Plan has been adopted.
2. The Local Government (Rating) Act 2002 and the Local Government Act 2002 (LGA) provisions mean that the Long Term Plan 2024-2034 and the Annual Plan 2025/26 have proposed to the public the proposed rates for the new year.
3. As included in the Annual Plan 2025/26 report, due to a recent system implementation, Council is now able to complete the rates setting process in June, at the same time as the adoption of the Annual Plan. This brings Council in line with the majority of councils across New Zealand. Officers have also taken the opportunity to change payment due dates to help better with cashflow management for both Council and ratepayers

Analysis and Advice | Tatāritaka me kā Tohutohu

4. The final rates for the 2025/26 year as per the attached resolution are substantially as expected. The indicative rates information published in the draft 2025/26 Annual Plan were the Council's best estimate at that time.
5. The total number of rateable units for the 2025/26 year is estimated to be 34,943 (2025: 33,823) which represents an increase of 3.3% (2024: increase 4.2%) on last year.

Three-Yearly Capital Valuation

6. The district recently had its three-yearly capital valuation update – known as a district revaluation. New valuations as 1 September 2024 have been used for the assessment of rates for the 2025/26 financial year.
7. Although the total capital value (CV) has grown by 20.6%, the impact of the revaluation on rates is more pronounced for some types of property. In simple terms, if a property experiences a capital change of significantly more or less than the 20.6% average, rates payable will change up or down according to the degree of difference.
8. The impact of the rates increases for 2025/26 will not be even across all property types and locations. This is largely because of the impact of targeted rates which are often ward or scheme based and the availability of reticulated services.
9. The columns on the left-hand side of the tables below labelled '2025/26 Final' show the final proposed rates movement for 2025-2026. These have been compared to the estimated rates in the draft 2024-2034 Long Term Plan adopted on 19 September 2024.
10. The draft Annual Plan 2025/26 analysis was based on the list of properties in 2024/25, since then 961 additional properties were added. There have also been 262 properties that have had their capital values revised down. In general changes are less than 6.3% and -1.3%. The outliers are vacant properties in Wānaka (12.2%) and Queenstown (7.8%) where 391 and 253 properties respectively have been added which has increased the median change in those two areas.

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 25/26 - Median Values

Property Type	New CV	Location	25/26 Final%	25/26 Final\$	25/26 Draft%	25/26 Draft\$	Diff%	Diff\$
RESIDENTIAL	\$ 1,460,000	QUEENSTOWN	13.2%	\$ 570	12.3%	\$ 532	0.9%	\$ 38
COMMERCIAL	\$ 2,600,000	QUEENSTOWN	9.0%	\$ 727	9.2%	\$ 741	-0.2%	-\$ 14
ACCOMMODATION	\$ 575,000	QUEENSTOWN	11.4%	\$ 442	7.7%	\$ 297	3.8%	\$ 146
MU ACCOMMODATION	\$ 1,965,000	QUEENSTOWN	11.5%	\$ 701	10.8%	\$ 663	0.6%	\$ 38
VACANT	\$ 1,000,000	QUEENSTOWN	29.4%	\$ 812	21.6%	\$ 598	7.8%	\$ 214
MU COMMERCIAL	\$ 2,050,000	QUEENSTOWN	21.7%	\$ 1,054	15.4%	\$ 750	6.3%	\$ 304
PRIMARY INDUSTRY	\$ 2,895,000	QUEENSTOWN	11.8%	\$ 378	9.4%	\$ 301	2.4%	\$ 77
COUNTRY DWELLING	\$ 4,520,000	QUEENSTOWN	18.3%	\$ 960	16.1%	\$ 844	2.2%	\$ 116
RESIDENTIAL	\$ 1,510,000	WANAKA	18.7%	\$ 815	13.5%	\$ 587	5.2%	\$ 227
COMMERCIAL	\$ 1,950,000	WANAKA	14.4%	\$ 907	8.5%	\$ 531	6.0%	\$ 376
ACCOMMODATION	\$ 745,000	WANAKA	22.4%	\$ 957	17.6%	\$ 752	4.8%	\$ 204
MU ACCOMMODATION	\$ 1,750,000	WANAKA	18.7%	\$ 1,035	14.6%	\$ 808	4.1%	\$ 226
PRIMARY INDUSTRY	\$ 3,350,000	WANAKA	25.6%	\$ 814	20.0%	\$ 637	5.6%	\$ 177
COUNTRY DWELLING	\$ 2,190,000	WANAKA	16.2%	\$ 571	14.3%	\$ 503	1.9%	\$ 68
VACANT	\$ 690,000	WANAKA	25.6%	\$ 694	13.4%	\$ 364	12.2%	\$ 330
MU COMMERCIAL	\$ 1,750,000	WANAKA	21.3%	\$ 1,051	16.2%	\$ 801	5.1%	\$ 250
RESIDENTIAL	\$ 1,830,000	ARROWTOWN	10.6%	\$ 523	9.8%	\$ 483	0.8%	\$ 40
COMMERCIAL	\$ 1,995,000	ARROWTOWN	14.5%	\$ 967	9.0%	\$ 601	5.5%	\$ 366
ACCOMMODATION	\$ 1,550,000	ARROWTOWN	10.0%	\$ 712	12.1%	\$ 862	-2.1%	-\$ 150
MU ACCOMMODATION	\$ 2,050,000	ARROWTOWN	9.8%	\$ 624	11.4%	\$ 726	-1.6%	-\$ 102
VACANT	\$ 1,475,000	ARROWTOWN	20.3%	\$ 711	18.5%	\$ 646	1.8%	\$ 65
MU COMMERCIAL	\$ 1,825,000	ARROWTOWN	8.1%	\$ 433	8.4%	\$ 448	-0.3%	-\$ 15
RESIDENTIAL	\$ 870,000	GLENORCHY	12.1%	\$ 414	13.7%	\$ 468	-1.6%	-\$ 55
RESIDENTIAL	\$ 1,480,000	LAKE HAYES	14.6%	\$ 650	14.6%	\$ 652	0.0%	-\$ 1
RESIDENTIAL	\$ 1,310,000	HAWEA	15.3%	\$ 636	15.2%	\$ 632	0.1%	\$ 4
RESIDENTIAL	\$ 970,000	LUGGATE	17.6%	\$ 585	20.7%	\$ 690	-3.2%	-\$ 105
RESIDENTIAL	\$ 800,000	KINGSTON	11.8%	\$ 282	9.7%	\$ 232	2.1%	\$ 50
RESIDENTIAL	\$ 920,000	ARTHURS POINT	13.0%	\$ 500	14.4%	\$ 553	-1.4%	-\$ 53

11. The impact on both the Higher Values and Lower Values follows a similar pattern with similar % variations although the nominal differences vary according to capital value of the properties.

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 25/26 - Lower Values

Property Type	New CV	Location	25/26 Final%	25/26 Final\$	25/26 Draft%	25/26 Draft\$	Diff%	Diff\$
RESIDENTIAL	\$ 1,080,000	QUEENSTOWN	12.8%	\$ 484	12.0%	\$ 454	0.8%	\$ 31
COMMERCIAL	\$ 1,210,000	QUEENSTOWN	10.1%	\$ 490	8.0%	\$ 474	2.1%	\$ 16
ACCOMMODATION	\$ 325,000	QUEENSTOWN	24.7%	\$ 440	10.5%	\$ 253	14.2%	\$ 186
MU ACCOMMODATION	\$ 1,370,000	QUEENSTOWN	12.6%	\$ 625	12.0%	\$ 615	0.5%	\$ 11
VACANT	\$ 555,000	QUEENSTOWN	18.0%	\$ 457	15.8%	\$ 325	2.2%	\$ 132
M/U COMMERCIAL	\$ 1,340,000	QUEENSTOWN	16.9%	\$ 718	12.5%	\$ 552	4.4%	\$ 166
PRIMARY INDUSTRY	\$ 1,365,000	QUEENSTOWN	10.1%	\$ 244	8.5%	\$ 190	1.6%	\$ 54
COUNTRY DWELLING	\$ 3,070,000	QUEENSTOWN	14.1%	\$ 559	12.1%	\$ 469	2.0%	\$ 90
RESIDENTIAL	\$ 1,180,000	WANAKA	19.3%	\$ 761	14.0%	\$ 563	5.3%	\$ 197
COMMERCIAL	\$ 605,000	WANAKA	9.4%	\$ 319	2.9%	\$ 132	6.5%	\$ 187
ACCOMMODATION	\$ 525,000	WANAKA	28.5%	\$ 989	22.9%	\$ 786	5.6%	\$ 202
MU ACCOMMODATION	\$ 1,360,000	WANAKA	15.7%	\$ 783	12.5%	\$ 626	3.1%	\$ 156
PRIMARY INDUSTRY	\$ 1,875,000	WANAKA	19.3%	\$ 487	16.3%	\$ 415	3.0%	\$ 72
COUNTRY DWELLING	\$ 1,398,750	WANAKA	20.6%	\$ 567	15.9%	\$ 418	4.7%	\$ 149
VACANT	\$ 410,000	WANAKA	44.6%	\$ 936	18.8%	\$ 367	25.9%	\$ 569
M/U COMMERCIAL	\$ 1,270,000	WANAKA	15.6%	\$ 689	13.3%	\$ 589	2.3%	\$ 100
RESIDENTIAL	\$ 1,550,000	ARROWTOWN	10.6%	\$ 487	9.9%	\$ 451	0.8%	\$ 36
COMMERCIAL	\$ 1,055,000	ARROWTOWN	9.8%	\$ 423	7.4%	\$ 347	2.4%	\$ 76
ACCOMMODATION	\$ 1,400,000	ARROWTOWN	17.6%	\$ 1,092	18.4%	\$ 1,146	-0.9%	-\$ 54
MU ACCOMMODATION	\$ 1,671,250	ARROWTOWN	10.8%	\$ 605	10.9%	\$ 609	-0.1%	-\$ 4
VACANT	\$ 1,162,500	ARROWTOWN	20.6%	\$ 631	18.1%	\$ 535	2.5%	\$ 95
M/U COMMERCIAL	\$ 1,690,000	ARROWTOWN	6.5%	\$ 334	9.4%	\$ 478	-2.8%	-\$ 145
RESIDENTIAL	\$ 755,000	GLENORCHY	10.8%	\$ 352	12.1%	\$ 394	-1.3%	-\$ 42
RESIDENTIAL	\$ 1,260,000	LAKE HAYES	13.3%	\$ 569	13.5%	\$ 576	-0.2%	-\$ 7
RESIDENTIAL	\$ 1,165,000	HAWEA	16.0%	\$ 595	15.7%	\$ 586	0.2%	\$ 8
RESIDENTIAL	\$ 860,000	LUGGATE	17.8%	\$ 560	21.5%	\$ 676	-3.7%	-\$ 116
RESIDENTIAL	\$ 710,000	KINGSTON	12.1%	\$ 275	10.0%	\$ 228	2.1%	\$ 47
RESIDENTIAL	\$ 890,000	ARTHURS POINT	13.0%	\$ 493	14.5%	\$ 552	-1.6%	-\$ 59

12. For lower value properties, the main changes are also in categories with new properties added; Queenstown Accommodation (14.2%) with 55 new properties and Wānaka Vacant properties (25.9%) with 391 new properties. The increased revenue in these properties is partially offset into reductions in other properties including Luggate Residential reducing -\$116 (-3.7%).

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 25/26 - Higher Values

Property Type	New CV	Location	25/26 Final%	25/26 Final\$	25/26 Draft%	25/26 Draft\$	Diff%	Diff\$
RESIDENTIAL	\$ 1,920,000	QUEENSTOWN	12.9%	\$ 714	11.1%	\$ 612	1.8%	\$ 101
COMMERCIAL	\$ 6,040,000	QUEENSTOWN	15.0%	\$ 2,420	14.8%	\$ 2,382	0.2%	\$ 38
ACCOMMODATION	\$ 1,335,000	QUEENSTOWN	15.4%	\$ 935	15.5%	\$ 940	-0.1%	-\$ 5
MU ACCOMMODATION	\$ 3,171,250	QUEENSTOWN	12.6%	\$ 957	12.9%	\$ 978	-0.3%	-\$ 20
VACANT	\$ 1,930,000	QUEENSTOWN	38.4%	\$ 1,464	17.7%	\$ 673	20.8%	\$ 791
M/U COMMERCIAL	\$ 4,025,000	QUEENSTOWN	-2.6%	-\$ 188	8.2%	\$ 595	-10.8%	-\$ 783
PRIMARY INDUSTRY	\$ 5,880,000	QUEENSTOWN	22.2%	\$ 1,069	17.8%	\$ 857	4.4%	\$ 211
COUNTRY DWELLING	\$ 6,500,000	QUEENSTOWN	16.1%	\$ 1,125	13.8%	\$ 962	2.3%	\$ 163
RESIDENTIAL	\$ 2,120,000	WANAKA	20.0%	\$ 1,012	14.6%	\$ 740	5.4%	\$ 273
COMMERCIAL	\$ 3,195,000	WANAKA	10.2%	\$ 1,063	4.7%	\$ 492	5.5%	\$ 570
ACCOMMODATION	\$ 1,272,500	WANAKA	7.3%	\$ 464	11.9%	\$ 758	-4.6%	-\$ 294
MU ACCOMMODATION	\$ 2,450,000	WANAKA	18.9%	\$ 1,292	15.3%	\$ 1,050	3.5%	\$ 243
PRIMARY INDUSTRY	\$ 5,600,000	WANAKA	24.6%	\$ 1,101	19.0%	\$ 850	5.6%	\$ 251
COUNTRY DWELLING	\$ 3,377,500	WANAKA	20.9%	\$ 925	16.0%	\$ 709	4.9%	\$ 216
VACANT	\$ 1,240,000	WANAKA	34.8%	\$ 1,093	18.2%	\$ 573	16.6%	\$ 520
M/U COMMERCIAL	\$ 2,705,000	WANAKA	18.4%	\$ 1,144	16.5%	\$ 1,028	1.9%	\$ 116
RESIDENTIAL	\$ 2,350,000	ARROWTOWN	12.1%	\$ 676	10.5%	\$ 588	1.6%	\$ 88
COMMERCIAL	\$ 6,027,500	ARROWTOWN	15.9%	\$ 2,267	16.9%	\$ 2,402	-1.0%	-\$ 135
ACCOMMODATION	\$ 3,700,000	ARROWTOWN	-1.5%	-\$ 194	16.1%	\$ 2,143	-17.6%	-\$ 2,336
MU ACCOMMODATION	\$ 2,600,000	ARROWTOWN	11.7%	\$ 868	11.6%	\$ 862	0.1%	\$ 6
VACANT	\$ 2,350,000	ARROWTOWN	35.7%	\$ 1,474	27.1%	\$ 1,117	8.6%	\$ 357
MU COMMERCIAL	\$ 2,262,500	ARROWTOWN	6.1%	\$ 362	9.9%	\$ 584	-3.8%	-\$ 222
RESIDENTIAL	\$ 1,050,000	GLENORCHY	13.0%	\$ 484	15.0%	\$ 558	-2.0%	-\$ 74
RESIDENTIAL	\$ 1,680,000	LAKE HAYES	15.6%	\$ 721	15.5%	\$ 717	0.1%	\$ 4
RESIDENTIAL	\$ 1,655,000	HAWEA	12.9%	\$ 615	15.2%	\$ 727	-2.4%	-\$ 113
RESIDENTIAL	\$ 1,060,000	LUGGATE	10.1%	\$ 421	16.6%	\$ 692	-6.5%	-\$ 271
RESIDENTIAL	\$ 930,000	KINGSTON	11.7%	\$ 294	9.6%	\$ 241	2.1%	\$ 53
RESIDENTIAL	\$ 980,000	ARTHURS POINT	13.0%	\$ 507	14.5%	\$ 569	-1.6%	-\$ 62

13. For higher value properties, the main changes are increases in Queenstown Vacant (20.8%) with 253 new properties and Wānaka Vacant properties (16.6%) with 391 new properties. The largest reduction is Arrowtown Accommodation (-17.6%) due to rezoning of properties to other property types as part of the 2025/26 property changes.

14. This report identifies and assesses the following options as required by section 77 of the Local Government Act 2002.

15. Option 1 Set the Rates for 2025/26.

Advantages:

- Setting the rates allows Council to recover the costs of providing the services to the community as laid out in the 2025-26 Annual Plan.
- Allows for continuation of projects that are underway.
- Council will be able to meet its various financial commitments

Disadvantages:

- There will be a requirement for some ratepayers to pay increased rates for the year

16. Option 2 Do not Set the Rates for 2025/26

Advantages:

- There will be no requirement for some ratepayers to pay increased rates for the year

Disadvantages:

- Council will not secure the funding needed to deliver the services for the community as outlined in the 2025-26 Annual Plan
- Council will not be able to meet its various financial commitments

17. This report recommends **Option 1** as the Council relies on its income from rates to recover the cost of providing services to the community and to meet its various financial commitments.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

18. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the setting of rates impacts on all ratepayers and is a matter of high public interest.
19. The Annual Plan process requires the Special Consultative Process, and as the rates are in line with those consulted on in the Long Term Plan 2024-34, no further consultation is required. Fees and charges were however consulted on and these submissions were heard by a panel and changes recommended to Council.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

20. This matter relates to the Regulatory/Legal/Compliance risk category. It is associated with RISK 10013 'Unexpected change in cost or funding' within the QLDC Risk Register. This risk has been assessed as having a very high residual risk rating.
21. Approval of the recommended option will support the Council by allowing the risk to be avoided.

Financial Implications | Kā Riteka ā-Pūtea

22. 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 Ten Year Plan / Annual Plan.

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

23. The following Council policies, strategies and bylaws were considered:

- 2025-26 Annual Plan
- 2024-34 Long Term Plan;
- Revenue and Financing Policy

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

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

25. 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 Council must collect rates in order to be able to deliver services to the community.

26. 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.
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Proposed Rates and Charges for 2025/26
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