

FUNDING & RATES REVIEW REPORT 2016

BACKGROUND

Queenstown Lakes District Council (QLDC) last undertook a comprehensive review of the Funding Policy and Rating system during the 2011/12 year. QLDC has previously given a commitment that the funding/rating system would be reviewed on a three yearly basis. Normally, this review would have been undertaken as part of the Long Term Plan (LTP) process but was deferred for one year because of the need to focus on the implementation of new corporate software for the whole organisation during 2014/15.

New district-wide rating valuations came into effect from 1st July 2015 and the new LTP was adopted at the same time. It was therefore considered timely to instigate a funding/rating review during the 2015/16 year, which will have effect for the 2016/17 year.

The review was conducted by a working group made up of elected members supported by the Chief Financial Officer. This report summarises the recommended changes with the full Council having the final determination on any amendments to the Revenue and Financing Policy and the structure of the rating system.

SIGNIFICANCE OF DECISION

The items covered by this report are considered to be significant under QLDC's Significance and Engagement Policy. It was recognised that any proposed changes to the Rates system or Revenue and Financing Policy would need to be incorporated into the draft Annual Plan for 2016/17 which is then subject to public consultation. The proposals to increase fees and charges for consenting activities under the Resource Management Act or Building Act, and for any fees and charges set under by-laws (i.e. Waterways), will require a separate dedicated report to Council and provides for a second formal opportunity to consult with ratepayers.

CONSULTATION - INTERESTED OR AFFECTED PERSONS

The proposed changes to the Rates system or Revenue and Financing Policy will be incorporated into the Consultation Document for 2016/17 which is subject to public consultation. The proposals to increase fees and charges for consenting activities under the Resource Management Act or Building Act, and for any fees and charges set under by-laws (i.e. Waterways), will require use of the special consultative procedure. This will occur at a subsequent Council meeting.

RELEVANT COUNCIL POLICIES

The following policy documents have been considered in the preparation of this report:

- The Revenue and Financing Policy (2012-22 LTP)
- Funding Impact Statement (2012-22 LTP)

REVIEW PROCESS

From the outset, the importance of maintaining a structured approach to the review was recognised. For this reason, the review commenced with an overview of the current system including the statutory framework and the relationship between the Revenue and Financing Policy and the Rating system.

The Revenue and Financing Policy indicates which funding tools are most appropriate for any given activity. Most of the focus for this part of the review was on those activities where funding targets are not being met. This is the first review since the amalgamation of Lakes Environmental and Lakes Leisure with QLDC in 2013/14.

The following activities have been reviewed in detail:

- Animal Control
- By-Law Enforcement
- Environmental Health
- Alcohol Licensing
- Waterways Facilities
- Waterways Control
- Building Control
- Resource Consents
- Aquatics

Generally, the review has resulted in changes to funding targets with some fee increases proposed for Animal Control (including dog registration); Environmental Health (including charges for food premises); Waterways; Resource Consents (including a review of staff charge out rates) and Aquatics (including pool charges).

From here, the following rates issues were considered:

- Rating of Residential Flats
- EECA proposal for Voluntary Targeted Rate for Residential insulation
- Rating of Land zoned for development but used as Primary Industry

These issues have arisen as a result of public submissions in the past 4 years or as a result of political concern. In summary, the report recommends a change in policy for the application of fixed charge rates on Residential Flats which will result in a reduction in rates for these properties. The report does not recommend the introduction of a Voluntary Targeted Rate for Residential insulation until the demand for this type of tool is better understood.

The report recommends a change in policy for the application of rates on Land zoned for development but used as Primary Industry, which will result in an increase in rates for these properties. These properties will be rated according to the underlying zoning rather than the current use (i.e. farming).

Finally, it has been necessary to evaluate the impacts of any proposed changes by recalculating the 2015/16 rates using the new proposals.

PROPOSED CHANGES TO THE QLDC FUNDING/RATING SYSTEM

Guiding Principles

The guiding principles that were adopted during previous reviews were endorsed:

- equity, i.e. as far as possible the system should be fair to all ratepayers.
- transparency, i.e. the system should be able to be understood by ratepayers and all activities within it should be clear for all to observe.
- enforceability, i.e. the system should be administratively simple to operate and able to be complied with,
- The rating system should deliver allocations of costs that are justifiable.
- Those who benefit from QLDC services (including secondary beneficiaries) should contribute to costs.
- The rating system should be consistent with QLDC's objectives, so that desired outcomes are complemented or advanced.

REVENUE AND FINANCING POLICY

Section 102 (2) of the Local Government Act 2002 requires each Council to adopt a Revenue and Financing Policy.

Section 103 outlines that this Policy must state the Council's policies in respect of the funding of both operating expenses and capital expenditure from listed sources, with the sources as outlined in section 103(2) being:

- a) *General rates including:*
 - (i) *choice of valuation system; and*
 - (ii) *differential rating; and*
 - (iii) *uniform annual general charges;*
- b) *targeted rates;*
- ba) *lump sum contributions;*
- c) *fees and charges;*
- d) *interests and dividends from investments;*
- e) *borrowing;*
- f) *proceeds from asset sales;*
- g) *development contributions;*
- h) *financial contributions under the Resource Management Act 1991;*
- i) *grants and subsidies;*
- j) *any other source.*

Section 101 (3) (b) states that in identifying the appropriate sources Council must consider the overall impact of any allocation of liability for revenue needs on the community. Council must also consider with regards to each activity to be funded:

- a) *the community outcomes to which the activity primarily contributes; and*
- b) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
- c) *the period in or over which those benefits are expected to occur; and*
- d) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
- e) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.*

REVENUE AND FINANCING POLICY: FUNDING ISSUES

A number of issues relating to the Revenue and Financing Policy in relation to the funding of particular activities were investigated. Most of the focus for this part of the review was on those activities where funding targets are not being met. This is the first review since the amalgamation of Lakes Environmental and Lakes Leisure with QLDC in 2013/14.

The following activities have been reviewed in detail:

- Animal Control
- By-Law Enforcement
- Environmental Health
- Alcohol Licensing
- Waterways Facilities
- Waterways Control
- Building Control
- Resource Consents
- Aquatics

ANIMAL CONTROL

This activity deals primarily with the control of dogs in the district. The numbers of dogs and dog related complaints and incidents have increased over recent years. The annual cost associated with the activity is around \$423k per annum. The current private funding target is 55% with a forecast recovery of 57% from user fees for 2015/16.

The recommendation is to adjust the funding target to reflect an increased recovery from dog owners. The proposed private funding target has increased to 70% (up from 55%). The expected impact of the change is an increase in user charge revenue of around 30% (\$72k). If adopted, this will result in an increase to most current dog registration and impounding fees.

The proposed fees for 2016/17 are included in appendix A (attached). For example, the registration fee for a de-sexed pet dog (inclusive of available discounts) will rise from \$50 to \$55 (increase of 10%).

The level of increase in the proposed fees varies to reflect the service demands regarding dog control. For example, there are very few issues relating to working dogs, however, there are considerable demands from roaming whole dogs (not de-sexed), which are causing problems in our community such as attacks and getting into rubbish. The draft Annual Plan budget for 2016/17 includes a proposed increase in resourcing for this activity (up 0.5 FTE) due to the increase in activity (roaming dogs & dog attacks).

BY-LAW AND GENERAL ENFORCEMENT

This activity deals primarily with the enforcement of consent conditions and by-laws in the district. The largest impact on this activity in recent years has been the introduction

and enforcement of freedom camping rules. The annual cost associated with the activity is around \$718k per annum. The current private funding target is 30% with a forecast recovery of 39% from infringements and user fees for 2015/16.

The recommendation is to adjust the funding target to reflect the current recovery from freedom camping infringements. The proposed private funding target has increased to 40% (up from 30%). The expected impact of the change is that the revised target will be met if the collectability of freedom camping infringements is improved by 30%. This will result in a continuation of the initiatives to ensure that freedom camping fines are paid before overseas offenders leave the country. It is recognised that if enforcement activities result in increased compliance, then revenue (from infringements) will decrease and the increased funding target will not be met.

ENVIRONMENTAL HEALTH

This activity deals primarily with the inspection and licensing of registered premises in the district. The introduction of new Food Act 2014 (from 1st March 2016) will have a significant impact on this activity as business owners are required to comply with the new rules. The annual cost associated with the activity is around \$501k per annum.

The current economic benefit assessment is as follows: Private 45%; Public 50% and Exacerbator 5% (an exacerbator is someone who makes a problem worse). The proposed change reflects a higher private benefit to the business operator and a higher exacerbator factor which reflects the time and cost incurred in following up on non-compliance. The proposed economic benefit assessment is as follows: Private 60%; Public 30% and Exacerbator 10%.

The current private funding target is 50% with a forecast recovery of 38% from user fees for 2015/16. The recommendation is to adjust the funding target to reflect an increased recovery from the owners of registered premises. The proposed private funding target has increased to 70% (up from 50%).

The expected impact of the change is an increase in user charge revenue of 75% (\$147k). If adopted, this will result in an increase to most current premises registration, inspection and auditing fees. The proposed fees for 2016/17 are included in appendix A (attached). For example, the verification fee for a food premise will rise from 26% to 155% depending on the size and category of the business.

The new fees reflect the estimated time spent by officers to administer the new legislation and take into account the additional time required to be spent in larger premises or with those not complying with the rules.

The draft Annual Plan budget for 2016/17 includes a proposed change to FTE allocation for this activity; up to 2.4 (up from 1.75 in the LTP) to reflect the actual time

utilisation of the 3 existing Environmental Health Officers.

ALCOHOL LICENSING

This activity deals primarily with the inspection, monitoring and licensing of premises selling alcohol in the district. The introduction of new legislation has had a significant impact on this activity as business owners are required to comply with the new rules. The annual cost associated with the activity is around \$670k per annum. The current economic benefit assessment is as follows: Private 50%; Public 25% and Exacerbator 25%. The proposed change reflects a higher private benefit to the business operator and a slightly lower exacerbator factor which reflects the time and cost incurred in assisting licensees with their legal obligations; the application process; information to be provided and following up on non-compliance. The proposed economic benefit assessment is as follows: Private 60%; Public 30% and Exacerbator 10%.

The current private funding target is 60% with a forecast recovery of 85% from user fees for 2015/16. The recommendation is to adjust the funding target to reflect the existing levels of recovery from the applicants. The proposed private funding target has increased to 70% (up from 60%). There is no expected impact on current user charge revenue as a result of the change.

The draft Annual Plan budget for 2016/17 includes a proposed increase in resourcing for this activity (up 2.0 FTE) due to the increasing workload. This will ensure that service levels are improved and that QLDC meets all of its statutory obligations in this area. There is no impact on user charges as these changes can be funded from existing revenue.

The draft Annual Plan budget for 2016/17 also includes a proposed change to FTE allocation for this activity; to 0.6 (down from 1.25 in the LTP) to reflect the actual time utilisation of the 3 existing Environmental Health Officers.

WATERWAYS FACILITIES

This activity deals primarily with the provision, and maintenance of Council owned waterways assets (ramps, jetties, marinas) in the district. The current private funding target is 40% with a forecast recovery of 17% from user fees for 2015/16.

The recommendation is to investigate the introduction of a broader based "waterways fee" for all users of waterways assets (ramps, jetties, navigation aids etc.). This will require a change to regulations to allow infringements to be issued for non-compliance. The expected impact of such a change is to increase revenue by 235% (\$56k).

WATERWAYS CONTROL

This activity deals primarily with the promotion and enforcement of safe use of the waterways in the district. The annual cost associated with the activity is around \$410k per annum. The current private funding target is 35% with a forecast recovery of 29% from user fees for 2015/16.

The recommendation is to review the fees set under the by-law to provide greater simplicity and to return to an annual fee regime. The expected impact of such a change is to increase revenue by 20% (\$24k).

BUILDING CONTROL

This activity deals with all aspects of the building consent process, including the processing of applications; public enquiries; issuing consents and the inspection of building works in the district. The annual cost associated with the activity is around \$3.06m per annum.

The current economic benefit assessment is as follows: Private 90%; Public 5% and Exacerbator 5%. The proposed change reflects a lower private benefit to the applicant and a higher exacerbator factor which reflects the time and cost incurred in managing weather-tightness claims. The proposed economic benefit assessment is as follows: Private 80%; Public 5% and Exacerbator 15%.

The current private funding target is 95% with a forecast recovery of 81% from user fees for 2015/16. The recommendation is to adjust the funding target to reflect the existing levels of recovery from the applicants. The proposed private funding target has decreased to 80% (down from 90%). There is no expected impact on current user charge revenue as a result of the change.

RESOURCE CONSENT ADMINISTRATION

This activity deals with all aspects of the resource consent process, including the processing of applications; public enquiries; issuing and monitoring of consents. The annual cost associated with the activity is around \$4.26m per annum. The current economic benefit assessment is as follows: Private 90%; Public 10% and Exacerbator 0%. The proposed change reflects a lower private benefit to the applicant and a higher public factor which reflects the time and cost incurred in managing appeals and objections. The proposed economic benefit assessment is as follows: Private 80%; Public 20% and Exacerbator 0%.

The current private funding target is 90% with a forecast recovery of 64% from user fees for 2015/16. The recommendation is to adjust the funding target to reflect a

lower percentage recovery from user fees. The proposed private funding target has decreased to 80% (down from 90%). However, the current actual recovery percentage is only 64%. In order to achieve 80% recovery, a review of internal processes for recovering costs will be necessary. This will include a review of current fees and charges (including charge-out rates) and a review of the system for managing the cost of public enquiries

The expected impact of the change is an increase in user charge revenue of 24% (\$660k). If adopted, this will result in an increase in the cost of most resource consent applications. The proposed charge-out rates and other charges made under the Resource Management Act will be considered by Council at the 28 April meeting. Any proposal to change these fees will require the special consultative procedure.

AQUATICS

This activity deals with the provision of indoor aquatic centres in the district. The annual cost associated with Alpine Aqualand is around \$2.69m per annum. The current private funding target is 60% with a forecast recovery of 53% from user fees for 2015/16.

The recommendation is to retain the funding target and to review admission charges in order to meet the 60% cost recovery. The expected impact of the change is an increase in user charge revenue of 13% (\$136k).

If adopted, this will result in an increase to some aquatic user fees. The proposed fees for 2016/17 are included in appendix A (attached). The proposed changes to some aquatic user fees have been recommended as a result of benchmarking our current fees to those in other districts. The existing \$2.00 fee for use of the hydro-slide for example is well below most other centres.

FIXED CHARGE RATES FOR RESIDENTIAL FLATS

Background

As part of the review process the working party considered rating issues raised through the submission process for the LTP and Annual Plans since 2012. There were a number of submissions relating to the current policy as regards the application of fixed charge rates to residential flats.

The common theme of these submissions is that it is not equitable to apply fixed charge rates at the full rate to residential flats. It is suggested that the policy should provide recognition of the following:

- Residential flats are smaller than dwellings (less demand on services)
- There is a shortage of rental accommodation and residential flats could ease the problem
- The current rating policy is a disincentive to residential flats because its application means that a residential flat will pay more than the same space used for visitor accommodation (through Mixed use rates).

Fixed Charge Rates are applied on the basis of each “separately used or inhabited part” (SUIP) of a rating unit and each Council is required to have its own policy position as to how this applies. The current QLDC position is as follows:

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/laundry 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, dishwasher and other kitchen appliances.

Clearly, residential flats are a SUIP under the policy and as such receive a full set of fixed charge rates at the full residential rate. The following rates are charged on a fixed amount basis:

Uniform Annual General Charge	\$86.00
Sports,Halls & Libraries Annual Charge	\$324.00
Governance & Regulatory Charge	\$71.00
Recreation & Events Charge	\$157.00
Waste Management Charge	\$136.00
Aquatic Centre Charge	\$95.00 (Wakatipu/Arrowtown only)
Water Supply Charge	\$180.00 to \$750.00 (depending on location)
Sewerage Charge	\$370.00 to \$650.00 (depending on location)

This means that for any dwelling in Queenstown, the total fixed charge rates amount to \$1,509 per annum. For a property with a median value of around \$670,000, fixed charge rates make up 60% of the total rates paid for the property (\$2,497).

If this same property included a residential flat, the total rates payable would increase by \$1,509 per annum to \$4,006; an increase of over 60%. If this same property with a flat, was registered as homestay, the total rates payable (as mixed use) would increase by \$700 per annum to \$3,197; an increase of 28%.

There is a clear inequity with regard to the relative rates payable between the two uses. In order to eliminate the discrepancy, it is proposed that a differential be introduced for a new rating category: Dwelling plus Residential Flat. The differential will apply to the following rate types:

Sports,Halls & Libraries Annual Charge	x1.4
Governance & Regulatory Charge	x1.4
Recreation & Events Charge	x1.4
Waste Management Charge	x1.4
Aquatic Centre Charge	x1.4

This effectively means that the Residential flat is charged at the rate of 40% of a dwelling for these differentially set targeted rates. The justification for this lies in the proportional use of services applicable to an average flat. The relative size of a residential flat to an average dwelling suggests a factor of 0.3 to 0.6 is appropriate.

The UAGC must be charged in full to each SUIP and it is recommended to use the existing 50% charges available for Water and Sewerage.

The impact of this proposal will be to reduce rates for dwellings with residential flats by around 20%. Using the example above, the revised rates will be \$3,178 (down from \$4,006) which is a decrease of 20.6%. This revised amount is also slightly less than the amount paid under mixed use (Homestay – short term).

The impact of the proposal will result in a transfer of rates incidence away from Residential Flats and to all other rating categories. It is expected that approximately \$140,000 of rates will need to be re-allocated. This will have a minor impact with Residential ratepayers picking up an additional \$15-20 per year per property, for example.

VOLUNTARY TARGETED RATE (EECA)

QLDC received a submission from the Energy Efficiency and Conservation Authority (EECA) requesting that QLDC consider the introduction of a Voluntary Targeted Rate (VTR) to support the greater uptake of energy efficiency measures such as insulation or heating.

The matter was deferred to the Funding Review process for consideration. There are 11 other councils who have adopted VTR schemes. Most of these did so in conjunction with the central government scheme “Warm up New Zealand” which targeted assistance to low income homes from 2009 to 2013.

The VTR scheme is designed to be cost neutral to councils. Insulation is only provided to individual ratepayers who request it and who are willing to pay back the cost over a 9 to 10 year period. Typically, councils will set a cap on the amount of funding available each year and also on the amount each household can obtain as a VTR.

The panel supported the concept of the VTR but were concerned that there may not be the demand for such a scheme within the district. This is due to the cessation of the central government grant programme in 2013 and also due to the recent introduction of the joint initiative between the Central Lakes Trust and EECA to improve insulation in homes built before 2000 worth \$300,000.

The introduction of a Voluntary Targeted Rate for Residential insulation is not recommended at this stage until the demand for this type of tool is better understood.

RATING OF UNDEVELOPED LAND WITH ZONING

The working party has also considered the rating of undeveloped land which is zoned for development. There are numerous examples around the district where rates are applied to the property on the basis of current use (i.e. Primary Industry) but the property has an underlying zoning which supports development.

The rating legislation certainly allows QLDC to differentiate on the basis of existing or proposed zoning (Schedule 2 Local Government (Rating) Act 2002). The objective of any proposal to rate on the basis of zoning rather than current usage will need to be explicit. The following issues were discussed:

- a) Encouraging release of zoned land
- b) Promoting affordability
- c) Recovering “holding costs” incurred by QLDC in relation to infrastructure planning and provision.
- d) Deterring “land banking” by land owners
- e) Avoiding expensive plan changes to enable development elsewhere

The simplest way of introducing this proposed change is to amend the current rating category known as Vacant Sections. The differential description as it appears in QLDC’s Funding Impact Statement is as follows:

3. Vacant Sections (Existing)

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

The key phrases to this definition are “vacant properties” and “suitable for development”. This has meant that this definition applies quite narrowly to land that has been subdivided but sits passively awaiting development or sale by the owner. In order to include all undeveloped land which has zoning allowing development, the following definition would apply:

3. Vacant Sections/Zoned Land (Proposed)

All rating units which are vacant properties and suitable for development or land zoned for development but used as Primary Industry.

This approach would rate the land with zoning on the same basis as Vacant Sections. This includes higher differentials for most targeted rates. The impact on properties currently rated as Primary Industry would see the rates increase by 43 to 154% depending on location and connection of services. The average increase for the 11 properties modelled was 86% (total increase of 132k).

If this proposal were to be introduced, the definition of Primary Industry would need to be amended to exclude land with zoning for development.

8. Primary Industry (Proposed)

All rating units:

- *Used exclusively or principally for agricultural or horticultural purposes including dairying, stock fattening, arable farming, share 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.*
- *But excluding all properties used as Primary Industry but rated under Category 3 Vacant Sections/Zoned Land.*

However, there are some administration issues with this proposal. The main one relates to the mismatch that often exists between cadastral boundaries and zoning areas. This means that the existing rating unit will often comprise more than one zone. In order to set rates on the zoning, a series of rating divisions or apportionments will be necessary.

EFFECTS OF PROPOSED CHANGES TO THE QLDC RATING SYSTEM

The proposed changes to the Revenue and Financing Policy will result in some changes to fees and charges for 2016/17.

There are revenue increases proposed in the draft budget for the Annual Plan 2016/17 for the following activities: Animal Control (including dog registration) of \$72k (30%); Environmental Health (including charges for food premises) of \$147k (75%); Waterways \$24k (20%); Resource Consents (including a review of staff charge out rates) \$660k (24%) and Aquatics (including pool charges) \$136k (13%).

The following rates issues were considered:

- Rating of Residential Flats
- EECA proposal for Voluntary Targeted Rate for Residential insulation
- Rating of Land Zoned for development but used as Primary Industry

The impact of the proposed changes to rating policy will have a minor impact on rating incidence overall because there are relatively few properties affected. There are just over 200 properties which potentially include a residential flat and which could benefit from the proposal to reduce the incidence of fixed charge rates. If implemented, the negative rate impact on other properties will be minor (i.e. an additional \$15 to \$20 per annum for residential properties).

There are estimated to be fewer than 20 properties which are currently rated as Primary Industry but are zoned for development and which will be impacted by the proposal to rate by zoning instead of usage. If implemented, the positive rate impact on other properties will be minor (i.e. a reduction of \$1 to \$2 per annum for residential properties).

APPENDIX A – PROPOSED FEES FOR 2016/17

ANIMAL CONTROL

ANNUAL DOG REGISTRATION FEES *CURRENT*				
Category	Standard Fee (incl GST)	Effective Fencing Reduction	Positive History Reduction	Potential Discounted Fee
Guide/ Companion Dog	Nil	-	-	-
Working Dog	\$35	\$3	\$2	\$30
De-sexed Dog	\$60	\$6	\$4	\$50
Dangerous/ Menacing Dog	\$165	\$10	\$10	\$145
All Other Dogs	\$68	\$4	\$4	\$60

ANNUAL DOG REGISTRATION FEES *PROPOSED*				
Category	Standard Fee (incl GST)	Effective Fencing Reduction	Positive History Reduction	Potential Discounted Fee
Guide/ Companion Dog	Nil	-	-	-
Working Dog	\$70	\$20	\$20	\$30
De-sexed Dog	\$115	\$30	\$30	\$55
Dangerous/ Menacing Dog	\$245	\$40	\$40	\$165
All Other Dogs	\$155	\$40	\$40	\$75

OVERALL ANNUAL DOG REGISTRATION FEE INCREASE (USING DISCOUNTED FEE)	
Category	Proposed Increase
Guide/Companion Dog	0%
Working Dog	0%
De-sexed Dog	10%
Dangerous/Menacing Dog	14%
All other Dogs	25%

The proposed fees reflect the changes as per the Revenue and Financing Policy which indicates an increase in user charge revenue to compensate for the increase in dog related complaints and incidents in recent years.

IMPOUNDING FEES (INCL GST)			
	1st Occurrence	2nd Occurrence	3rd Occurrence
Current Fee	\$100	\$160	\$240
Proposed Fee	\$125	\$200	\$300
Proposed Increase	25%	25%	25%

Impounding fees are direct costs to the user on a graduated increase for roaming dogs that are collected. The issue of roaming dogs remains the largest animal related issue in our community, therefore this increase is intended to promote self-compliance by dog owners.

ENVIRONMENTAL HEALTH

REGISTRATION FEES *CURRENT* (INCL GST)

Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	\$285	\$315	\$355	\$405
Level 2	\$320	\$350	\$390	\$440
Level 3	\$375	\$405	\$445	\$495
Level 4	\$485	\$515	\$555	\$605

FOOD CONTROL PLANS

\$350 flat rate (incl GST)

VERIFICATION FEES *PROPOSED* (INCL GST)

Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	\$360	\$540	\$720	\$900
Level 2	\$540	\$720	\$900	\$1080
Level 3	\$720	\$900	\$1080	\$1260
Level 4	\$900	\$1080	\$1260	\$1440

FOOD CONTROL PLANS AND NATIONAL PROGRAMMES

Registration is a straightforward administrative task therefore it is proposed that registration is free to encourage self-compliance. A new \$450 infringement for not registering will apply as set by statute.

PROPOSED INCREASE

Business Size / Risk Category	Category A	Category B	Category C	Category D
Level 1	26%	71%	103%	122%
Level 2	69%	105%	131%	145%
Level 3	92%	122%	143%	155%
Level 4	86%	110%	127%	138%

The proposed fees incorporate the changes required by the Revenue and Financing Policy and reflect the time to undertake an audit of a food business, which is dependent on the size of the operation and the level of risk associated with the food being prepared.

The business size classifications are outlined below:

- Level 1 – Small business (National Programme 1)
- Level 2 – Medium size business (National Programme 2 or 3)
- Level 3 – Large size business (Food Control Plan)
- Level 4 – Very large business (Food Control Plan)

NEW PREMISES FEES (INCL GST)

Level	Current	Proposed	Category C	Proposed Increase
Level 1	\$615	\$720	17%	122%
Level 2	\$650	\$900	38%	145%
Level 3	\$705	\$1080	53%	155%
Level 4	\$815	\$1260	55%	138%

The proposed fees reflect the time to assist and process new operators pursuant to the Food Act 2014 which came into effect on 1 March 2016.

AQUATICS

CASUAL FEES (INCL GST)

Category	Current	Proposed	Proposed Increase
Adult	\$8.00	\$8.00	0%
Child	\$3.00	\$4.00	33%
Beneficiary/Senior	\$4.50	\$4.50	0%
Hydroslide	\$2.00	\$5.00	150%

3 MONTHS PRE-PAID (INCL GST)

Category	Current	Proposed	Proposed Increase
Adult	\$129	\$169	31%
Child	\$49	\$59	20%
Beneficiary/Senior	\$59	\$79	34%

6 MONTHS PRE-PAID (INCL GST)

Category	Current	Proposed	Proposed Increase
Adult	\$219	\$270	23%
Child	\$89	\$109	22%
Beneficiary/Senior	\$109	\$129	18%
Family	\$399	\$429	8%

12 MONTHS PRE-PAID (INCL GST)

Category	Current	Proposed	Proposed Increase
Adult	\$329	\$399	21%

Child	\$139	\$179	29%
Beneficiary/Senior	\$169	\$209	24%
Family	\$659	\$709	7%

6 MONTH DIRECT DEBIT (MONTHLY FEE) (INCL GST)

Category	Current	Proposed	Proposed Increase
Adult	\$9.00	\$11.00	22%
Child	\$4.00	\$5.00	25%
Beneficiary/Senior	\$5.00	\$6.00	20%
Family	\$16.50	\$19.00	15%

12 MONTH DIRECT DEBIT (MONTHLY FEE) (INCL GST)

Category	Current	Proposed	Proposed Increase
Adult	\$7.00	\$9.00	29%
Child	\$3.00	\$4.00	33%
Beneficiary/Senior	\$3.50	\$4.50	29%
Family	\$13.50	\$16.00	19%

The proposed fees reflect the changes as per the Revenue and Financing Policy which indicates an increase in user charge revenue via admission charges in order to meet the existing funding target.