

Property Council New Zealand

Submission on

Queenstown Lakes District Council Draft Annual Plan 2022-2023

20 April 2022

For more information and further queries, please contact
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Queenstown Lakes District Council Draft Annual Plan 2022-2023

1. Summary

- 1.1 Property Council New Zealand South Island Region Branch (“Property Council”) welcomes the opportunity to provide feedback on Queenstown Lakes District Council’s Draft Annual Plan 2022/2023. In broad terms, we support the overall direction of this year’s annual plan and have made a list of recommendations to influence better and fairer outcomes for all.

2. Recommendations

- 2.1 At a high level, we recommend that Queenstown Lakes District Council (“the Council”):

Infrastructure

- Consult with Property Council in relation to Project Manawa;
- Conduct further analysis to propose a third option under the Climate and Biodiversity Plan which prioritises more actions and a slight rates increase;
- Ensure that an adjustment in budgeting reflects continued levels of service to the community in key programmes of work e.g., in consenting;
- Ensure that an increase in user fees is matched with increased levels of service provided to applicants; and
- Present the property sector with some guidance on how the Council plans to revitalise the wider Queenstown Lakes District post COVID-19.

3. Introduction

- 3.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.
- 3.2. The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.
- 3.3. Property is New Zealand’s largest industry and fastest growing source of employment. There are nearly \$1.6 trillion in property assets nationwide, with property providing a direct contribution to GDP of \$41.2 billion (15 percent) and employment for around 200,000 New Zealanders every year.
- 3.4. We connect property professionals and represent the interests of 220 South Island based members across the private, public and charitable sectors.
- 3.5. This document provides Property Council’s feedback on [Queenstown Lakes District Council’s Draft Annual Plan 2022-23](#). Comments and recommendations are provided on issues relevant to Property Council’s members.

4. Infrastructure

- 4.1. Property Council supports city designs that enhance economic growth and development such as upgrading the streets in Queenstown's CBD. We are also glad to see collaborative work on Project Manawa which will deliver a variety of community buildings on site together with public spaces and commercial buildings. The proposal will enhance the vibrancy of Queenstown's CBD by attracting people to the centre. We look forward to community consultation on this project in April/May 2022.

5. Climate and Biodiversity Plan

Proposed Options

- 5.1. The Council has proposed two options regarding budgeting for the 2022-2023 year of the Climate and Biodiversity Plan ("the plan") which has 46 actions proposed for delivery.

- Option 1 will mean that the Council will not increase its current investment of \$257k for 2022-2023. Under this option, 28 actions within the plan can be prioritised from the proposed 46 actions. This ensures that the Council will remain within its required, self-imposed rates limit of 6%.
- Option 2 will mean that the Council will increase the budget from \$257k to \$667k to complete all the proposed 46 actions for 2022-2023. This will require the Council to breach its required, self-imposed rates limit by 0.43% and will result in an average rates increase of 6.39%.

- 5.2. Property Council supports Option 1. However, we are disappointed that a middle ground option with a small increase in rates has not been proposed. For example, greater advances could be made in investigating more varieties of public transport especially as we head into a post-COVID environment. If the current CBD is to remain the commercial and cultural hub, action must be taken in this space now, as opposed to later. We recommend that further analysis be done in this space so that a third option with more actions be explored whilst remaining in the Council's self-imposed rates increase limit of 6%.

6. Council Liability

- 6.1. Property Council is a strong supporter of local authorities not being 'the last man standing'. We face an industry wide issue where councils hold much of the risk and liability. Consequently, councils continue to be risk adverse, causing delays to building and resource consents which result in significant cost delays for those investing in the region. We welcome the adjustment to the budget for legal fees to defend claims, especially since the rates increase of 1.2% is included in the total proposed average rates increase of 5.6%. Property Council has long advocated for government to cap council liability at 20 percent as well as introduce a fairer allocation of risk and responsibility across the sector. We strongly support the goal to reduce the Council's risk and liability burden and will continue our advocacy work within this space.
- 6.2. Similarly, Property Council supports an adjustment in budgeting to reflect right sizing staff members and ensure continued levels of service to the community in key programmes of work. Our members hope that this will be in areas of consenting, among others, as this process has historically been subject to much delay.

7. Increasing User Charges

- 7.1. The Council proposes to increase its operational expenditure for 2022-2023 by \$8 million to \$198 million. It will be offset by an increase in operating revenue through user fees, with a total proposed increase in user fees and charges at \$1.5 million. This will see an increase of fees and charges in three areas, including and most importantly for our members, the Planning and Development services. We stress that an increase in user fees should be matched with increased levels of service provided to applicants. For example, we would like to see improvements to the Planning and Development Services in relation to the timely delivery of building and resource consents.

8. Adjusting the Differential

- 8.1. Overall, Property Council is supportive of the proposed adjustment to the differential. Ultimately, the adjustment will not affect the average rates increase of 5.96% and falls within the Council's self-imposed rates increase limit of 6%.

9. Wider Considerations

- 9.1. Our members are disappointed to see that there is no funding allocation for the Tourism sector in the Draft Annual Plan. Some guidance on how the Council plans to reset the sector in the wider Queenstown Lakes region post COVID would be beneficial as this will then enable the property community to plan accordingly.

10. Conclusion

- 10.1. We support the overall direction of the Council's Draft Annual Plan 2022-2023.
- 10.2. Property Council members invest, own and develop property in Queenstown. We wish to thank the Council for the opportunity to submit on the Draft Annual Plan 2022-2023 as this gives our members a chance to have their say in the future of our city. We also wish to be heard in support of our submission.
- 10.3. Any further queries do not hesitate to contact Sandamali Gunawardena, Advocacy Advisor, via email: Sandamali@propertynz.co.nz or cell: 0210459871.

Yours Sincerely,



James Riddoch
South Island Committee Chair