

Report No:	RCN11-06-04
File No:	E903
Date:	1 June 2011
Decision Required	

REPORT SUMMARY

Report to: Tasman District Council
Meeting Date: 9 June 2011
Subject: Tourism Rate 2011-2012
Report Author: Russell Holden, Accounting Manager

EXECUTIVE SUMMARY

Council introduced the Tourism Targeted Rate in the 2009-2019 Ten Year Plan.

The rate was set to fund Council's share of the destination marketing component of the operating costs of Tourism Nelson Tasman Ltd (TNTL), as separate to the public good component of TNTL's operations.

RECOMMENDATION/S

That the Tourism Targeted Rate be set at \$100 (plus GST) for the 2011/2012 financial year.

That staff review the Tourism Targeted Rate with regard to fairness and administrative efficiency as part of the Long Term Plan 2012 – 2022 process.

DRAFT RESOLUTION

THAT the Tasman District Council:

- 1) receives the Tourism Rate 2011-2012 Report (RCN11-06-04)
- 2) agrees that the Tourism Targeted Rate be set at \$100 (plus GST) in the Annual Plan 2011/2012, subject to the following criteria;

Tourism Rate A

- a) All rateable land within Tasman District where all or part of the land is premises registered under the health (Registration of Premises) Regulations 1966 or premises exempt from compliance with the Food

Hygiene Regulations 1974 by virtue of an exemption granted under Part 1A Food Act 1986.

- b) All rateable land within Tasman District where all or part of the land is premises on which liquor may be sold pursuant to a licence under the Sale of Liquor Act 1989.**
- c) All rateable land within Tasman District listed in the Council's Rating Information Database as having a Quotable Value Property Category Code of CS or IS and on which petrol is sold.**
- d) All rateable land within Tasman District used in connection with a commercial public transport system registered under the Public Transport Management Act 2008.**
- e) All rateable land within Tasman District used in connection with a tourism activity identified on the Tourism Nelson Tasman Limited advertisers database.**
- f) All rateable land within Tasman District listed in the Council's Rating Information database as having a Quotable Value Property Use Code of 5, 51, 552, 53, 54, 55, 71, 81, 82 or 83 and a QU Property Category Code of CR, CL, CT or CS, and sell goods to the public.**

Tourism Rate B

The targeted rate is set in relation to all rateable land within Tasman District listed in the Council's Rating Information Database as having one or more of the following Quotable Value Improvement Nature Codes AAOM, CABIN, BACH, MOTEL, HOTEL, LODGE, or BPK ACCOM and either:

- a) One of the following Quotable Value Property Category Codes LI, RD, RF, RH, RR, CT or CA; or**
- b) B) one of the following Quotable Value Property Use Codes 9, 90, 91, 92, 93, 94, 95, 96 or 97;**

And are used or are available for accommodation for less than 90 days, at any one time, for which a fee or charge is payable.

- 3) staff review the Tourism Targeted Rate with regard to fairness and administrative efficiency and report to Council as part of the Long Term Plan 2012 – 2022 process.**

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1. Purpose

- 1.1 To consider the level of the Tourism Targeted Rate for the Draft Annual Plan 2011/2012.

2. Background

- 2.1 Council introduced the Tourism Targeted Rate in the 2009-2019 Ten Year Plan.
- 2.2 The rate was set to fund Council's share of the destination marketing component of the operating costs of Tourism Nelson Tasman Ltd (TNTL), as separate to the public good component of TNTL's operations. The targeted rate for the 2010/2011 year was \$125.78 (excluding GST) per rateable property.
- 2.3 As part of the Draft Annual Plan 2011/2012, Council agreed to reduce the payment to Tourism Nelson Tasman Ltd from the 2010/2011 year as the joint destination marketing initiative which was offered by central Government in 2010/2011 was not being continued.
- 2.4 The rate proposed in the Draft Annual Plan 2011/2012 was \$100 (excluding GST)

3. Matters to be Considered

- 3.1 In determining the categories to identify the relevant properties three main sources are used:
- a) Council's rating information database

- b) Statutory declaration from each individually identified holiday home owner, attesting that the property was not available for short term rental, and
- c) those properties and attractions identified within the Tourism Nelson Tasman Ltd's database.

3.2 The identification of properties that fall within this rate's definition is problematic, a position Council shares with other authorities where similar rates apply. Staff continue to refine the process to ensure the rate is fairly administrated.

3.3 Significant feedback has been received from ratepayers concerned with having to complete a statutory declaration and also in the fairness in application of the rate.

4. Options

4.1 Option 1

Reduce the Tourism Targeted Rate to \$100 (excluding GST), as consulted in the Draft Annual Plan 2011/2012. This option is consistent with Council's earlier intention as per the minutes of the meeting on 9 June 2010, which stated "*that next year, should there be no request for an extra increase from Tourism Nelson Tasman Ltd, the rate could be reduced*".

4.2 Option 2

Maintain the rate at its 2010/2011 position of \$125.78 (excluding GST), thereby providing more funds toward destination marketing. When the rate was increased in the 2010/2011 year it was explained that the increase was to enable TNTL to take part in a joint initiative with central Government. There is no such initiative provided for in 2011/2012.

4.3 Option 3

Remove the targeted rate and have the destination marketing component added to the public good component of \$314,253 as funded by the general rate. This would increase the general rate by an extra \$98,100 or 0.35%.

5. Significance

5.1 This report is not considered significant in accordance with Council's significance policy.

6. Recommendations

- 6.1 That the Tourism Targeted Rate be set at \$100 (plus GST) for the 2011/2012 financial year.
- 6.2 That staff review the Tourism Targeted Rate with regard to fairness and administrative efficiency as part of the Long Term Plan 2012 – 2022 process.

7. Draft Resolution

THAT the Tasman District Council:

- 1) receives the Tourism Rate 2011-2012 Report (RCN11-06-04)**
- 2) agrees that the Tourism Targeted Rate be set at \$100 (plus GST) in the Annual Plan 2011/2012, subject to the following criteria;**

Tourism Rate A

- a) All rateable land within Tasman District where all or part of the land is premises registered under the health (Registration of Premises) Regulations 1966 or premises exempt from compliance with the Food Hygiene Regulations 1974 by virtue of an exemption granted under Part 1A Food Act 1986.**
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Tourism Rate B

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