

## **STAFF REPORT**

**TO:** Mayor and Councillors  
**FROM:** Accounting Manager  
**DATE:** 1 June 2010  
**SUBJECT:** Targeted Tourism Rate – RCN10-06-07

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### **PURPOSE OF REPORT**

To enable Councilors to consider the level of the 2010/2011 targeted tourism rate.

### **BACKGROUND**

The targeted tourism rate in the draft 2010/2011 Annual Plan was proposed to be \$125.78 plus GST which is the 2009/2010 rate increased by the rate of inflation.

Council in preparing its draft 2010/2011 Annual Plan consulted on two issues namely the extension of the rate to cover holiday homes and separately used or inhabited parts of a rating unit, and an additional request of \$100,000 from Tourism Nelson Tasman Limited (TNTL). The additional TNTL request of \$100,000 would have seen the rate increase from \$125.78 plus GST to \$193.00 plus GST.

During the consultation process TNTL indicated that the request for \$100,000 was to be withdrawn and replaced with a request of \$50,000.

### **DISCUSSION**

Council staff in determining which holiday homes were eligible for the proposed rate wrote to all holiday home owners that met the rating criteria. The letter asked for confirmation that their holiday home was used or available for accommodation for less than 90 days for which a fee or charge was payable. Over 70% of those additional ratepayers written to confirmed that their properties did not meet the new criteria, thereby providing a smaller number of new ratepayers than had initially been thought.

Including the additional ratepayers and keeping the rate at the \$125.78 proposed in the draft Annual Plan means TNTL would receive an additional \$31,000 of funding. This is a shortfall of \$19,000 from the extra \$50,000 sought by TNTL.

In total some 65 submissions were received in regard to the proposal with more submitters disagreeing than agreeing with the issues.

## **OPTIONS**

### **Option 1**

Retain the rate at \$125.78 plus GST. This option provides TNTL with an additional \$31,000 over what was received during the 2009/2010 financial year

### **Option 2**

Increase the rate to \$145.20 plus GST which will provide the additional \$50,000 to TNTL

### **Option 3**

Leave the tourism rate at \$125.78 plus GST and make up the shortfall of \$19,000 from the general rate

## **SIGNIFICANCE**

This decision is not considered significant in respect to Council's significance policy.

## **RECOMMENDATION**

**That Council sets the Targeted Tourism Rate at \$125.78 plus GST for the 2010/2011 year.**

Russell Holden  
Accounting Manager