Notice is hereby given that a Meeting of the Stewart Island/Rakiura Community Board will be held on:

Date: **Monday, 10 April 2017**
Time: **1.30pm**
Venue: **Pavilion,**
Ayr Street,
Stewart Island

Stewart Island/Rakiura Community Board Agenda

OPEN

MEMBERSHIP

Chairperson	Jon Spraggon
Deputy Chairperson	Steve Lawrence
Members	Dale Chittenden
	Aaron Conner
	Greg Everest
	Anita Geeson
Councillor	Bruce Ford

IN ATTENDANCE

Committee Advisor	Kirsten Hicks
Community Partnership Leader	Michelle Stevenson

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Full agendas are available on Council's Website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

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COMMUNITY GROUP UPDATES

CHAIRPERSON'S REPORT

COUNCILLOR'S REPORT

1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Public Forum

Mrs Margaret Hopkins, representing Rakiura Heritage Centre Trust, wishes to address the Board.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the committee to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

(i) the reason why the item was not on the Agenda, and

(ii) the reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

(a) that item may be discussed at that meeting if-

  (i) that item is a minor matter relating to the general business of the local authority; and

  (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."

6 Confirmation of Minutes

6.1 Meeting minutes of Stewart Island/Rakiura Community Board, 13 February 2017

Stewart Island/Rakiura Community Board
OPEN MINUTES

Minutes of a meeting of Stewart Island/Rakiura Community Board held in the Pavilion, Ayr Street, Stewart Island on Monday, 13 February 2017 at 1.30pm.

PRESENT

Chairperson	Jon Spraggon
Deputy Chairperson	Steve Lawrence
Members	Dale Chittenden
	Aaron Conner
	Greg Everest
	Anita Geeson
Councillor	Bruce Ford

IN ATTENDANCE

Community Partnership Leader Michelle Stevenson, Senior Policy Planner Courtney Ellison, Team Leader Community Engineers Ray Hamilton, Committee Advisor Kirsten Hicks

1 Apologies

No apologies were received

2 Leave of absence

There were no requests for leave of absence

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

Moved Member Everest, seconded Member Chittenden

Resolved that the Stewart Island/Rakiura Community Board goes into public forum to allow members of the public to speak.

Ms Letitia McRitchie (SIRCET) addressed the Board concerning a proposal to relocate the SIRCET Community Nursery to the seaward end of Traill Park. Ms McRitchie informed Members that she was not in favour of this location due to the following points:-

- This side of the park is shady, therefore not ideal for their purpose.
- The preferred location would be adjacent to the Pavilion, for reasons of shelter and proximity to facilities.
- A hardened ground surface is required – this would have to be installed at the proposed site whereas old concrete would suffice at the Pavilion end of the park.

Ms Bridget Bayne (DOC) spoke to Members on the following points:-

- Weed control in the village and Mason Bay
- Dotterel recovery work
- Ulva Island rat-free
- 5 yearly Port Adventure Kiwi survey to be undertaken in March
- Recent weather damage to tracks (flooding, tree falls and erosion)
- Volunteers undertaking maintenance at Island Hill and Kilbride
- Visiting Media including Coast and NZ Geographic

Ms Jo Learmonth (SIPA) addressed Members concerning investigations into the feasibility of Stewart Island/Rakiura becoming a Dark Skies Reserve. Key points are as follows:-

- Stewart Island/Rakiura is well situated to be part of this growing astro-tourism movement. Our lack of light pollution, views of the Aurora Australis, national park and kiwi habitat are all positive factors in any application.
- The International Dark Skies accreditation has the following levels – Community, City/town, Park, Reserve, and Sanctuary.
- It is possible that Stewart Island/Rakiura might achieve Reserve, or possible Sanctuary (There are only 2 other sanctuaries worldwide).
- Visitors to these popular sites promote the growth of existing and new businesses. Tekapo is an example of astro-tourism.
- Currently an application for $15K has been lodged with the Community Trust of Southland (via Venture Southland) to explore potential.

- Support at local and Council level would be required. Invercargill City Council would also need to support this venture, and lighting from Invercargill and Bluff be modified over time as to not impinge on the night sky.
- Exploration of Dark Skies has the backing of the Southland Regional Development Strategy (SoRDS).

Moved Deputy Chairperson Lawrence, seconded Member Everest

Resolved that the Stewart Island/Rakiura Community moves out of public forum.

5 Extraordinary/Urgent Items

Report Future Power Supply of Stewart Island by Power Business Ltd, was discussed.

Members questioned whether this report could be released to the public, given its current confidential status. Staff advised that it was not for public release, but instead should be discussed at an informal meeting of the Board. At that time the wind and hydro monitoring equipment should also be discussed.

6 Confirmation of Minutes

Resolution

Moved Member Geeson, seconded Member Chittenden

That the minutes of Stewart Island/Rakiura Community Board, held on 6 December 2016, be confirmed

Reports

7.1 Council Report

Record No: R/17/1/1752

The Council Report was presented by Ms Michelle Stevenson (Community Partnership Leader).

Ms Stevenson advised that the purpose of the report is to provide an overview of key issues across the Southland District, as well as those of a more local nature.

Matters drawn to Members attention included the following:-

- Colmar Brunton will be undertaking a New Zealand Local Government Survey in March 2017. 3000 individuals and businesses will be surveyed, with the results outlining what customers want and how they choose to interact with Local Government.
- A Leadership Planning and Goal Setting workshop for Members of the Board will precede the next Community Board. This will start at 11am on 10 April, at the Stewart Island Pavilion, and will include the Chairpersons of the Te Anau and Riverton Community Boards. The scope will include goals and plans for 3 years. 10 years and 30 years.
- Venture Southland have been commissioned to research the existing and future

use of Stewart Island community facilities. The resulting analysis and recommendations will be presented to the Board at the June meeting.

- Council have called for registrations of interest in the Stewart Island Wharfing Infrastructure project. This project will investigate the current and future wharfing needs of the island, and the possibilities of taking ownership of the wharf at Golden Bay. Engagement with Community and Stakeholders will commence in March 2017. Members were informed that 9 tenders were received, and that this process will guarantee the total independence of the facilitator.
- The recent move of the Stewart Island Area Office to the refurbished Community Library has resulted in increased access to all facilities and many positive comments from both residents and visitors. The number of library issues for the month of January has more than doubled from the previous year.
- Members were informed that the Ultrafast Broadband programme will not be implemented on Stewart Island, due to the minimum population requirement. Staff will request a review of this decision, based on this area's isolation, visitor communication needs and general ease of doing business.
- Visitor numbers for the year ended October 2016 have shown an increase of 13%. The Island continues to be the focus of visiting media, with both blogger /adventurer Wild Boy and Air NZ Kia Ora magazine visiting recently.
- Members were informed that the SIESA business unit surplus is running ahead of budget. Income from sales is currently slightly below budget but expenditure is below budget by a greater amount. Members noted that in the past diesel prices have been lower than budgeted, but it appears that these prices are now increasing. PowerNet are currently assessing the condition of the distribution network. This assessment forms the basis of the renewal and repair programme, and health and safety compliance. Members were informed that the existing fuel tanks were assessed and found not to be affected by corrosion. The environmental risk of spillage will be countered by secure bunding.
- Members were advised that the income and expenditure for Stewart Island/Rakiura is on track and within expected levels. Income variance is due to a streetworks grant yet to be received, expenditure variance due to beautification maintenance not yet undertaken. Plans for further Argyle Street parking and the Golden Bay walkway will be discussed at an informal meeting. Development Contributions of $94,649.00 allocated to a footpath on Petersons Hill can only legally be used for the section of footpath that has already been completed. The money is not available to finance extending the existing pathway.

Resolution

Moved Deputy Chairperson Lawrence, seconded Member Everest

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Council Report" dated 7 February 2017.

7.2 PowerNet Limited's Reports on SIESA Operations for the months of September, October and December 2016

Record No: R/17/1/814

PowerNet Limited's Reports on SIESA Operations for the months of September, October and December 2016, prepared by Mr Ian Marshall (Group Manager, Services and Assets), was presented to Members.

Members noted the following:-

- General maintenance has been ongoing, including replacement of corroded connections and insulators, battery charge alternator on unit 4, and various overhead line removals.
- Station Operators attended PowerNet six monthly safety sessions.

Members informed staff that more timely reports would be appreciated.

Resolution

Moved Member Everest, seconded Member Geeson

That the Stewart Island/Rakiura Community Board:

a) Receives the reports titled "PowerNet Limited's Reports on SIESA Operations for the months of September, October and December 2016" dated 23 January 2017.

7.3 Proposed District Plan 2012 - Fiordland/Rakiura Zone

Record No: R/16/12/20874

Report on the Proposed District Plan 2012 – Fiordland/Rakiura Zone, prepared by Ms Courtney Ellison (Senior Resource Management Planner – Policy), was presented to Members.

Ms Ellison updated Members on the rules that apply to Stewart Island under the Proposed District Plan 2012, and the process that was followed in establishing these rules.

Members were informed that the Proposed District Plan 2012 introduced some new rules that apply to Stewart Island. In particular these new rules require a resource consent to construct a building on land outside of the Urban Zone. Some residents have expressed concerns regarding the new rules and the community consultation around those changes. A variety of means were used to advertise and promote the Proposed District Plan to encourage people to read the plan and see if they would like to make a submission. Consultation included a letter sent directly to the residents in the proposed new Fiordland/Rakiura Zone advising them of the proposed new zoning and rules.

Members expressed their concern that difficulties arise when 2 classifications (Urban and Rural) are both applied in a small area. It was suggested that the defining boundary lines are part of what is causing issues.

Resolution

Moved Cr Ford, seconded Member Geeson

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Proposed District Plan 2012 - Fiordland/Rakiura Zone" dated 25 January 2017.

b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.

c) Determines that it has complied with the decision-making provisions of

the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

d) Requests staff report back to the Stewart Island/Rakiura Community Board in 12 months on the number and nature of resource consents that have been required in the Fiordland/Rakiura Zone with respect to Stewart Island/ Rakiura.

e) Requests staff include information explaining the changes to the zoning and rules relating to Stewart Island/ Rakiura in the Stewart Island News.

NB Member Conner voted against the above resolution.

7.4 Stewart/Island Rakiura Community Board Representatives on Stewart Island Jetties Subcommittee and Stewart Island/Rakiura Visitor Allocation Levy Subcommittee

Record No: R/17/1/1075

The report on Community Board representatives for the Stewart Island Jetties Subcommittee and the Stewart Island/Rakiura Visitor Levy Allocation Subcommittee, prepared by Ms Fiona Dunlop (Committee Advisor), was presented to Members.

Members were requested to nominate representatives for both the Stewart Island Jetties Subcommittee and the Stewart Island/Rakiura Visitor Levy Allocation Subcommittee.

Resolution

Moved Member Everest, seconded Deputy Chairperson Lawrence

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Stewart/Island Rakiura Community Board Representatives on Stewart Island Jetties Subcommittee and Stewart Island/Rakiura Visitor Allocation Levy Subcommittee" dated 17 January 2017.

b) Appoints Member Conner to the Stewart Island Jetties Subcommittee.

Moved Member Geeson, seconded Member Conner

That the Stewart Island/Rakiura Community Board:

c) Appoints Member Everest to the Stewart Island/Rakiura Visitor Levy Allocation Subcommittee.

8.0 UPDATES

Rakiura Heritage Centre Trust
The site surveyors have visited recently, and things are progressing as expected.

9.0 CHAIRPERSON'S REPORT

Chairperson Spraggon informed Members on the following topics:-

- Golden Bay wharf. Some larger vessels have been notified by South Port not to use this facility, but not all of them.
- Spinks memorial seat – The Community Engineer will be in contact with Marilyn Spinks, to select a location for this.
- Cemetery information panels – these are now in place
- Proposed observation deck on Observation Rock – this project needs further investigation
- Car parking – Parking issues for the entire Island need to be reviewed, to ensure all issues are dealt with at one time.
- SIESA Sewerage connection – plans for this are now underway.
- Hicks Point Plaque – request from Ken Hicks, to erect a plaque on Hicks Point commemorating a historic family building site. Proposed sign 1200 x 450mm. Discussion took place about whether allowing this would set a precedent, and regarding the size of proposed sign. It was suggested that it would be more appropriate to seek replacement of a nearby bench seat.

10.0 COUNCILLOR'S REPORT

Councillor Ford informed Members about the recent Strategic Retreat to Te Anau, Cycle Trail updates, and upcoming Council changes (including rebranding).

The meeting concluded at 3.30pm

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE STEWART ISLAND/RAKIURA COMMUNITY BOARD HELD ON 13 FEBRUARY 2017

DATE:.....

CHAIRPERSON:.....

Rakiura Heritage Centre Associated Street Works

Record No: R/17/2/3414
Author: Brendan Gray, Community Engineer
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 The purpose of this report is to outline to the Stewart Island Community Board the potential for additional drainage and street works directly associated with the Rakiura Heritage Centre building if/when it is established. These works include paved road crossings, concrete and paved footpaths, an associated carpark on Main Rd adjacent to the Heritage Centre, kerb and channel installation and drainage works. This associated work would be additional to the $40k in the LTP for Main Rd drainage and $10k for Main Rd beautification.

Executive Summary

2 The Rakiura Heritage Centre Trust have commissioned an updated estimate for building the Rakiura Heritage Centre. This report has been produced by Rawlinsons and outlines the build and fit out estimate schedule and costs for the structure, drainage work and associated external works. This additional work has not been included or identified in the current LTP.

3 The Rakiura Heritage Centre Trust is seeking support from the Stewart Island Community Board by asking that they consider a portion of the external works required to be completed as a project and added to the 2018-2028 LTP. This support if granted will be used to apply to National Funding Agencies and others who require evidence of support from the local authority before they will consider any additional funding applications.

4 If the Stewart Island Community Board do not include this project in the 2018-2028 LTP, the cost of the works, as a direct result of the Heritage Centre development, will be borne by the Heritage Centre Trust. These works are not considered normal maintenance works.

5 The Rakiura Heritage Centre Trust have outlined items from the schedule they wish the Community Board to consider funding either from reserves, rates or the Stewart Island Visitor Levy (SIVL is not guaranteed). These schedule items with updated estimate pricing (where known *) are identified in the table below.

Drainage

Item	Description	Quan	Unit	Rate	Total
2	New Manhole at Junction with Council Sewer	1	ea	$7,500.00	$7,500.00
5	New Manhole at Junction with Council Sewer	1	ea	$7,500.00	$7,500.00
6	Connect to existing manhole	1	ea	$2,000.00	$2,000.00
	Potential Drainage total				**$17,000.00**

These items are directly related to the Heritage Centre building with connection to existing Council stormwater and sewer Services.

External Works

Item	Description	Quan	Unit	Rate	Total
1	Boardwalk	41	M2	$170.00	$6,953.00
2*	Kerb & Channel to Argyle Street	93	m	$225.00	$20,925.00
3	Interceptor Trap	1	ea	$3,000.00	$3,000.00
13	Road/hardstand (no data on this)	107	M2	$80.00	$8,591.00
16*	SDC Bluestone Pavers	70	M2	$400.00	$28,000.00
17*	SDC Footpath- Concrete $160.00 p/m2 SDC Footpath- Cobblestones $300.00 p/m2	178 178	M2 M2	$160.00 $300.00	Averaged $40,940.00
18	SDC Road parking (this price would be for unsealed only)	151	M2	$60.00	$9,059.00
	Potential External Works total				**$117.468.00**

6 The drainage schedule component shown ($17,000) would be over and above the $40,000 for the stormwater work in the current LTP. The drainage upgrade value for Main Rd in the LTP is an estimated value ($40,000) and has never been quantified from Rakiura Heritage Centre plans as these were not available at the time. It is likely that the actual cost of the scheduled drainage maintenance will differ from the $40k currently allocated once scoped.

7 The external works schedule estimates are based on recently completed/priced work on Stewart Island (where known*).

8 The estimated value of drainage and external works that the RHCT is seeking support from the Community Board is $134,468.00 (total of Drainage & External works).

Recommendation

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Rakiura Heritage Centre Associated Street Works" dated 28 March 2017.

b) Determines that this matter or decision be recognised not significant in terms of Section 76 of the Local Government Act 2002.

c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

d) Recommends the Stewart Island Community Board consider the options in this report, and decide on the preferred option.

Analysis

Options Considered

9 The Stewart Island Community Board have 3 options to consider as outlined below.

Analysis of Options

Option 1 – Support the Rakiura Heritage Centre request in full

Advantages	*Disadvantages*
• Shows CB supports for the Heritage Centre project • Will allow the RHCT to apply to National Funding Agencies	• Works are additional to normal maintenance and the costs borne by ratepayers. • If funding is not found the costs will fall back on the Stewart Island Community. • Potential loan required

Option 2 – Support the Rakiura Heritage Centre request in part

Advantages	*Disadvantages*
• Shows partial supports for the Heritage Centre project • Will allow the RHCT to apply to National Funding Agencies	• Works are additional to normal maintenance and the costs borne by ratepayers. • Potential loan still required • The RHCT may not be able to raise the funding to complete the external works required

	• If funding is not found the costs will fall back on the Stewart Island Community.

Option 3 – Do not support the Rakiura Heritage Centre Trust request for support

Advantages	*Disadvantages*
• No financial impact on rates • No loan taken to carry out works	• RHCT may limit additional support from National Funding agencies. • Project may take longer to fund. • External works costs will be borne by the RHCT.

Recommended Option

Recommends the Stewart Island Community Board consider the options listed by staff, and decide on the preferred option.

Attachments

There are no attachments for this report.

Council Report

Record No: R/17/3/6693
Author: Michelle Stevenson, Community Partnership Leader
Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision ☐ Recommendation ☒ Information

Chief Executive

Fresh Water Management

1 In mid-February Government announced a number of initiatives aimed at improving the quality of fresh water. The 'headline' announcement was the setting of a target to make 90% of NZ's rivers and lakes swimmable by 2040 which is seen as being a challenging national objective.

2 The package of announcements made included:

- Proposed amendments to the National Policy Statement on Freshwater Management to require that specific requirements be included in the relevant resource management plans to manage nitrogen and phosphorous, monitor macroinvertebrate to monitor ecological health of waterways and generally strengthen the requirements to monitor and improve water quality
- The release of 'swimmability maps' for each region in New Zealand which compare water quality between regions
- The establishment of a $100 million Freshwater Improvement Fund to assist projects aimed at improving water quality
- The promotion of national regulations to exclude stock from waterways. On rolling and steep land the requirement will apply where the waterway is over 1 metre wide. The regulations will progressively come into effect from now until 2030.

3 Local authorities are required to give effect to the provisions included in a National Policy Statement. As a result it can be expected that the Land and Water Plan being promoted by Environment Southland will be amended to take account of these new requirements once they are formally confirmed.

4 It can be expected that there will be further amendments made to the way in which water is managed in the future. It is seen, for example, that there is a need to create a more integrated approach to the development of water policy across both central and local government so that policy related to water management standards, allocation rules, land use, the development of three waters infrastructure and the funding of such is developed within a coherent framework.

5 The amendments will have an impact on this Council as an infrastructure provider where there will be an expectation that we will continue to 'raise the bar' in terms of the standard of our discharges and the way in which we utilise drinking water etc.

LGNZ Excellence Programme

6 As part of a broader programme of work designed to lift the performance and reputation of the sector as a whole LGNZ launched, last year, the Local Government Excellence Programme.

7 The programme provides for an independent assessment of participating Councils by an independent panel. While the assessment is performed against a limited number of metrics it is still a valuable tool for identifying opportunities for improvement.

8 The results for the first of the Foundation Councils to have participated in the programme are expected to be released in the near future. Officers are of the view that this Council should also choose to participate in the programme at an appropriate time. Consideration will be given to the timing of when this should be.

Around the Mountain Cycle Trail (ATMCT)

9 Work is continuing to look at the options that Council has in relation to how it might progress development of the ATMCT following release of the Environment Court decision to overturn the resource consent for the proposed upper Oreti section of the trail.

10 While Council has appealed the Environment Court decision it is appropriate that Council complete a wider review of its options in light of that decision and the current status of the project more generally. As part of the current review process there are a range of factors that need to be considered. These include:

- The current stage of development and the reasons for Council originally becoming involved in developing the trail
- The range of community views that exist on how Council should move from here
- The contractual commitments that Council has with other funders including the Crown. In this regard it is noted that Council has a contractual commitment to complete stages 1 and 2 of the Trail
- The costs and benefits associated with each of the different options
- The risks associated with each option.

11 Officers are currently drafting a report that outlines the options that exist and the factors that Council needs to consider in making a decision about it might move forward from here. It is expected that this report will be presented to Council in the near future.

Southland Regional Development Strategy (SoRDs)

12 A meeting of Councillors from the four Southland Councils was held in Gore last Monday to discuss options for the future model for the delivery of Regional Development services, including SoRDS. There was good representation from all councillors at the meeting with more than 40+ in attendance.

13 As was highlighted through the SoRDS strategy development work there is a need for a new model for all Regional Development activity to be put in place if Southland is to compete on the national, let alone international stage.

14 It is proposed that a new entity, which will include stakeholders/shareholders from across sectors i.e. local government, central government, iwi, community and business, will be formed. The entity will be majority owned by the four local authorities, given that they will continue to be the major funders and as such, the entity will be a Council Controlled Organisation (CCO) most likely operating under a company structure. The current Venture Southland operations will be merged into the new entity.

15 During the Mayoral Forum discussions there has also been considerable emphasis placed on the need to have a purely skills based Board managing any new Agency and also ensure that a separate strategic tourism entity is created. The need to make a significant lift in the way in which the Region approaches the development of Tourism was one of the key recommendations coming out of the SoRDS Action Team for this area.

16 There will be a need to go through a community consultation process before the new entity can be legally formed as a CCO. It is envisaged that the community consultation process will be done via a joint committee made up of Councillors from all four Councils. To move forward from here the Mayoral Forum is having further work done to refine the proposal before it is formally presented to the four individual Councils and other community organisations for formal consideration.

Aquaculture opportunities

17 A new ecological survey is set to get under way early April to investigate the environmental and commercial feasibility of salmon farming at a site on Stewart Island. SoRDS has identified aquaculture, particularly salmon farming, in the Southland Regional Development Strategy Action Plan, as a leading opportunity to create economic diversity and boost regional economic and social development.

18 Scientists from the Nelson-based Cawthron Institute will carry out fieldwork including detailed seabed surveys in the north arm of Port Pegasus in an effort to understand whether the area is suitable for aquaculture.

Urban Development Authorities

19 To facilitate faster development within urban areas the Government is currently giving consideration to passing legislation that would allow for the creation of Urban Development Authorities.

20 The legislation would allow nationally or locally significant urban development projects to access more enabling development powers and land use rules. The new urban development authorities could have, for example, the power to assemble parcels of land, develop site specific plans, reconfigure infrastructure and to construct a mix of public and private buildings within the defined development area.

21 While the proposal is largely of relevance to cities and major urban areas it is part of the wider resource management package that Government is looking at to make development more enabling.

Information Management

Digitisation Project

22 Work is continuing on the Property File Digitisation project which has seen almost two thirds of the paper volume previously held at Council shipped for processing.

GIS Web Tool

23 Council has also changed the GIS tool used by the public to access property data. This has been received positively from the main users of the tool. The tool will be updated in June which will provide additional functionality enabling users to interact with the data/images/maps more easily.

Environmental Services Group

Service Delivery Review

24 Under the Local Govt Act all local authorities are required to complete Service Delivery Reviews for all activities that they undertake. These reviews are intended to provide an assessment of what might constitute the most efficient way of delivering each activity or service provided by the local authority. The Council's Section 17A Local Government Act Service Delivery Review for Regulatory and Environmental Services was presented to the

first meeting of the Regulatory and Consents Committee on 23rd February 2017, by Alicia McKay the external local government and business practice consultant who provided inputs into this process.

25 Generally the review found that key statutory functions were being well delivered, but there were opportunities for improvement in on-line delivery, further collaboration with other Councils, possible further outsourcing, and greater competition in some procurement methods. This was a very useful continuous improvement process, and an action plan around recommendations will be developed and brought forward to the Committee in the future.

Building Control

26 The audit team from IANZ was at Council from 27 February to 1 March for the Council's 2-yearly Building Control reaccreditation audit. The auditors have recommended that Council be reaccredited, with 1 Corrective Action Required (CAR) and 7 strong recommendations. This is a positive outcome for Michael Marron Team Leader of Building Solutions and the Building Control team. The auditors commented positively on the technical knowledge within the team, the general robustness of processes, and the cooperative approach from staff to the audit process.

27 The CAR related essentially to the processes followed in three of the sample commercial consents audited. The auditors commented that the staff involved were technically competent, but the material submitted with the applications was not as robust as it should have been and should not have been approved on that basis. They have requested an action plan from Council as to how we will address this issue moving forward to avoid a reoccurrence, and this will be formulated and forwarded back to IANZ within their specified two month timeframe, hopefully considerably sooner.

28 Most of the strong recommendations were in the area of document and process control and these were not issues with regard to approval of substandard work. These will also be talked through in the team and an action plan formulated to address these strong recommendations.

29 The value of consents continue to track behind that of last year which can be attributed to the overall down turn in the economy. The value of farm buildings is up dramatically this can be attributed to the new dairy hub being constructed in the District. Average cost of a residence has increased from $946 to $1315 or .39%. This highlights the additional complexity in the builds. If the consented work is to be carried out in the next 12 months it will equate to about 240 inspections.

Resource Management

30 An application for resource consents for the proposed Rakiura Heritage Centre in Oban was received on 1 March for a site in central Oban. This application is currently on hold, awaiting further information. It will be limited notified to property owners in close proximity to the site, who are likely to be affected by the development. A notification date is yet to be set, and accordingly a decision on this application is still some time away.

31 As recently reported in the Southland Times, an application to alter the designation for State Highway 1 in the Edendale area is pending and expected to be received by mid- March. This will then proceed through the formal processing and decisionmaking path as outlined in the Resource Management Act 1991.

Animal Control

32 The Council's Annual Dog Control report, a legal requirement of the Dog Control Act 1996, was considered and approved by the Regulatory and Consents Committee on 23 February 2017 and has been forwarded to the Department of Internal Affairs .

33 Council has entered into contractual arrangements with ADT Armourguard and the Invercargill City Council which will assist in providing better overall coverage for Animal Control functions throughout the District, by supplementing Council's in-house team as required. Those agencies' staff have been suitably warranted by Council and given appropriate training in our processes. Another advantage of these arrangements is that it mitigates some key health and safety risks in a series of functions which are some of the Council's higher risk areas.

Environmental Health/Alcohol Licensing

34 A key focus in the Alcohol Licensing area currently is clearing a backlog of existing premises renewals by 1 July 2017. This work was progressing pre-Christmas but was delayed somewhat by a raft of special license applications for pre-Christmas and post-Christmas events.

35 There is also a strong focus on transferring on-licensees to the new Food Act 2014 regime by 31 March 2017; they are in the first group of businesses that have to transition. The majority have transferred, and the team are following up with the small number remaining.

Heritage

36 Johanna Massey, Roving Museum Officer, presented to the Regulatory and Consents Committee on 23rd February 2017 on the Waikaia Museum redevelopment. Work on this exciting heritage project is continuing at the time of writing, the stone cladding was being applied to the exterior of the building.

Community & Futures

Community Partnership

37 Consultant Sandra James from Christchurch has been contracted to undertake the Stewart Island Wharves Community and Stakeholder engagement. Sandra has significant experience in Local Authority and community-led engagement and will have her first visit to the Island on 22 March to speak with a few key stakeholders. This will help Sandra determine the engagement process, and the way in which the Islanders are best to be consulted. While on the Island Sandra will have a tour by road, and then by water taxi to see the wharves first hand. Following this initial visit, Sandra will return to the Island and Invercargill in the weeks following to facilitate the community and stakeholder engagement process. We anticipate this will be completed by early-mid May.

38 Information has been sent to approximately 1,300 ratepayers and residents in the Edendale/Wyndham Community Board area that provides an update on Council services and facilities. The update includes information on the old Area office, Wyndham Hall, and the Museum Building.

39 Feedback is being sought from the Te Anau community regarding how they would like to see Te Anau be "even better". The project will be completed by October 2017 in order to feed into the Long Term Plan.

40 Investigations into the Smith's Block on Sinclair Road as a suitable solution to the disposal of treated wastewater from Te Anau have now ceased. Due to circumstances out of Council's

and Fiordland Sewerage Options' control, the Smith block on Sinclair Road is no longer a viable option. A report will go to Council in May on what the next steps for this project will be.

Council Strategic Workshop

41 Council hosted a Strategic Workshop from 1-3 February 2017 at which Councillors and officers worked through various strategic issues and opportunities facing the District. The format of the workshop involved staff facilitating a variety of sessions in which Councillors were provided with opportunities to consider various scenarios and offer their future aspirations for the district and Council.

42 There were some common themes which emerged throughout the discussions and these will be captured to assist with the development of the Council's LTP 2018-2028 – specifically related to Councils, Vision, Mission and Strategic Objectives. A summary of the Workshop discussions is currently being collated and prepared to provide an overview of the workshop. The key themes from the workshop have been well utilised by officers in discussions with local community boards, CDA election meetings and other community organisations.

CDA Election Process

43 The month of March sees Council facilitating the CDA Subcommittee election process – with 19 election meetings to be held from 1 March to 25 March 2017. The Mayor, Deputy Mayor, local Councillors and officers attend and lead the election meetings.

44 The meetings also provide an opportunity for public feedback and conversations relating to local and district wide issues. The election process is based on the SDC Community Development Area Subcommittee Terms of Reference as approved by Council in October 2016. As part of the Terms of Reference there is clearly defined candidate, nominator and voting eligibility criteria for these Council Subcommittees. Whilst this has created some concerns in some areas it has provided a consistent approach for the process. It has also informed and identified wider issues and opportunities related to future community governance options which will be considered as part of the Community Governance Review and Representation Review to be completed in 2018.

Community Governance Project and Representation Review

45 Further work continues to investigate opportunities for the development of Council's Community Governance Structure for 2019 and beyond.

46 The work undertaken involves in the next 12 months the need for explicit community engagement and involvement in understanding the future focus and structures required to achieve this. The outputs from this phase of the project will inform the representation review process which is to be undertaken in 2018.

Corporate Performance Framework

47 An effective Corporate Performance Framework is fundamental for Council in support of effective planning, delivery, reporting, evaluating and creating accountabilities for organisational performance.

48 This project will support and inform the design and implementation of business improvement processes and core systems to drive accountabilities and the monitoring of performance against objectives. It has been identified that there is a significant amount of work required to be undertaken over a period of time to develop and implement an effective Corporate Performance Framework for Council. A report will be presented to the Community and Policy Committee in due course explaining in greater detail the scope of this project and key milestones required.

Risk Management

49 Work in the risk management area is a 'work in progress' and will require a priority focus over the next three years. The journey will involve revising and refining the development of a risk policy and framework; development of a top down risk profile; integration into the Finance and Audit Committee work programme; alignment with strategy; articulating the risk appetite; rationalising the risk register; undertaking monitoring; and development of a risk based internal audit programme.

Venture Southland

Community Development

50 The new Community Development Team leader is Amy Bird. Amy has considerable experience working with local government and communities in rural Queensland, Australia.

51 At the request of SDC, Venture Southland and subcontractors Impact Consulting have undertaken a Stewart Island/Rakiura Community Facilities project – to include an assessment of current facility provision and the future facility provision requirements of public community facilities for Stewart Island/Rakiura. The final report was submitted to SDC on 24 March 2017, and following a report to the Council's Executive Leadership Team will be available for the Board and wider community to view. This is expected to be no later than early-mid May 2017.

Attracting and Retaining a Skilled Workforce Update:

52 In May 2016 Dairy Herd Manager and Assistant Herd Manager positions were removed from Immigration New Zealand's skill shortage list, in addition in October the qualifying points threshold required for each migrant worker was lifted from 140 to 160.

53 Lifting the points threshold means that less workers qualify and for many they no longer have a pathway to residency. Removing the roles from the skill shortage list adds significantly to the application timeframe and undermines future job certainty.

54 Venture Southland alongside DairyNZ and Primary ITO conducted a survey of migrants to get their thoughts on the impact on them and their families of the changes. The survey closed on the 31st of March and the responses are now being analysed and will be used as an evidence base for advocacy to retain the migrant worker skills in the region and to establish a more balanced approach to skills shortages.

People and Capability

55 In February 2017, Council contracted Simpson Grierson to undertake a Health and Safety Gap Analysis. The gap analysis included a review of Council's Health and Safety Management System, discussions with key operational leaders and visits to operational locations and discussions with workers and key contractors. The result of the Gap Analysis is a written report, which is due early March 2017. The report will cover findings and include recommendations.

56 Clare Sullivan has been appointed as the new Governance and Democracy Team Manager and begins early April. She comes from a strong background of governance with Councils in Wellington and Christchurch. Clare will lead the team of Committee Advisors.

57 Another group of Leaders at Southland District Council are undertaking the Accelerated Leadership Programme. This is the third cohort of leaders at Southland District Council to undertake this programme. The five month programme, developed by SOLGM, is a highly interactive and practical programme that is designed to allow participants, over 5 workshops, to increase their leadership capacity.

Customer Support

58 The Stewart Island Library has continued to be steadily busy with residents and visitors alike. One person has put themselves forward in response to a call for volunteers to assist on Saturday mornings. An application is being lodged with the Community Initiatives Fund, to finance a protective window coating to reduce fading to books and furnishings due to UV light.

59 The Stewart Island Library and Area Office Wi-Fi usage has seen a decrease in the past 3 months, largely due to visitor numbers possibly impacted by poorer weather. However, the internet usage saw an increase which may be attributed to the new and increased opening hours of the Area Office.

60 The Winton Library has seen a decline over the last year in people utilising the late night service. After reviewing the numbers of people using the services on the late nights, we have established there is less need for the evenings and more need for a longer Saturday. After consultation with Councillors, Staff and the Community Board, we will be moving to Monday – Friday 8:30am - 5pm and Saturday 10am – 3pm. This will begin from 3rd April 2017.

61 In Nightcaps we are consulting with active borrowers and the Takitimu Primary School regarding the current library service given the low usage of the service we currently provide. Our aim to provide a sustainable service that meets the demand for the residents at Nightcaps. A number of options will be explored including a regular Book Bus service or books couriered to customers. At this stage a meeting with impacted borrowers and representatives from the school is planned for 7 March 2017, and from here we will look at potential solutions for the community.

Vince Boyle Heritage Collection

62 The Boyle Family of Winton very generously donated a selection of works, and uncompleted manuscripts, by the late Vince Boyle to the Winton Library and their wish is that these be made available for members of the public to use. With the help of a grant from the Southland Heritage Fund a cabinet and comfortable seating was purchased and a “living room” space has been set up in the Library for all users to enjoy.

63 Vince was a long time library user, a local historian, teacher, reporter and raconteur who was well known and respected in the area and whose writings meticulously record many local events.

64 The collection was officially handed over to the community at an afternoon tea in March, with a number of the Boyle Family present, and is now available for all users to peruse.

Services and Assets Group

Te Anau Manapouri Aerodrome Usage

65 The final aircraft movement statistics have come in for 2016. Data has been collected for all aircraft movements from 2009. There has been a 74% increase in the number of flights over the period up until the end of 2016. The peak year for movements was 2012 with 1,211 aircraft landings. Following this period a moderate decline occurred with 945 occurring in 2014. A steady recovery has occurred following the 2014 dip to 1,063 at the end of 2016. A steady increase in large aircraft movements has attributed to dedicated services for the Tauck Tours, aircraft reliability and the increased reliability of the approach system into the airport.

Land and Water Plan Implementation

66 Under the National Policy Statement for Freshwater Management (NPS-FM) water quality and quantity are to be maintained and improved, and any over allocation to be phased out over time. Environment Southland (ES) is required to set environmental limits by 2025, with all "communities" required to meet those limits in due course. They are progressing this work via their proposed Water and Land Plan.

67 To assist with addressing the impacts of these changes on local authority infrastructure ES have formed a 3 Waters officer working group. The objectives of the Group are to work through the implications of the new freshwater standards, develop an agreed approach to the re-consenting of local authority infrastructure and ensure that the organisational objectives are aligned.

Community Engineer

68 The projects for Stewart Island are on track with the major footpath replacement along Main Rd scheduled for a start late March/April as contractor availability allows.

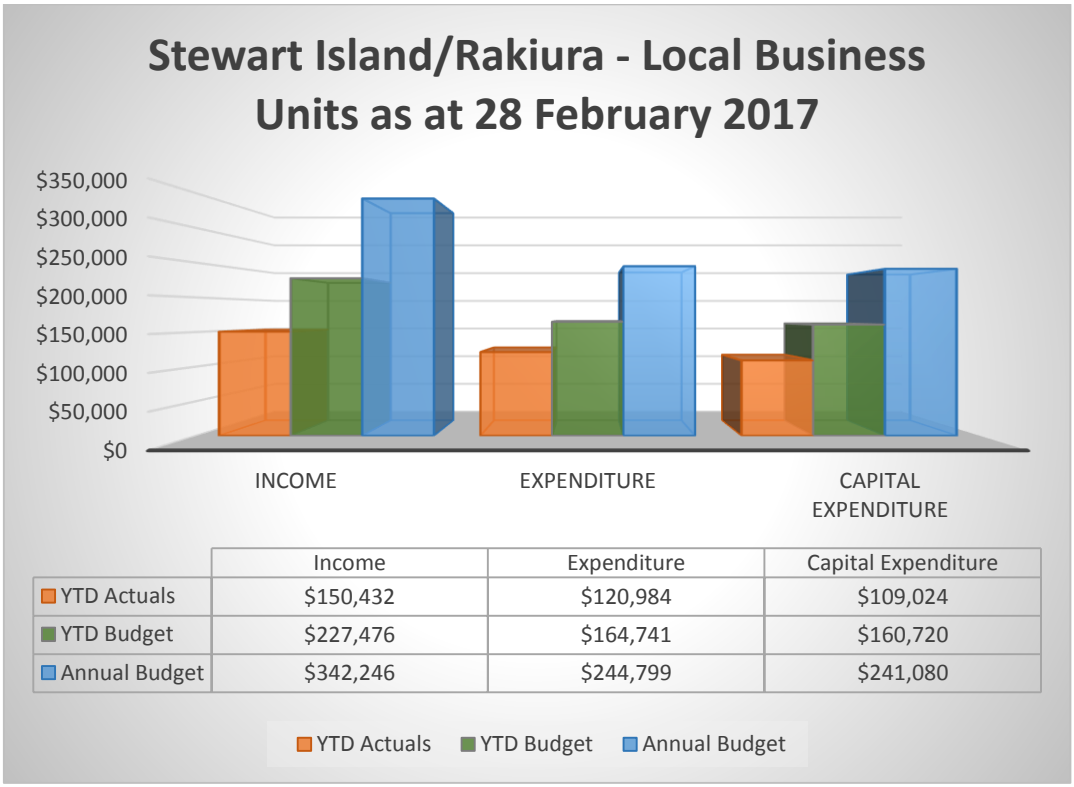
69 Stewart Island Visitor Levy Applications have been completed for the projects below on behalf of the Stewart Island Community Board as per the projects earmarked for funding via grants: Major maintenance of smaller walking tracks, Mill Creek to bathing Beach track, Footpath from Fuschia walk to Rankin St and Moturau Gardens ponga fence restoration

Finance

70 Income for the Stewart Island Community Board in the year to date shows lower than expected income. This is attributed to income planned but not received from the Stewart Island Visitor Levy (SIVL) applications for the 3 outstanding projects in the 16/17 Long Term Plan (LTP) (Golden Bay to Fushia Walkway footpath, major walking track maintenance, and investigation of Mill Creek to Bathing Beach track). Applications to the SIVL have been made in March 2017 to complete these projects and these will likely be deferred and completed in 17/18 due to the timing of the SIVL application success notification period (late May)

71 Expenditure for Stewart Island is slightly lower YTD across several business units. This is due to invoices only received annually and projects not yet completed. These are the Horseshoe Point track upgrade, Main Rd footpath and Trail Park footpath. All these projects are planned to be completed before the end of the financial year.

72 Capital Expenditure for Stewart Island in the year to date shows lower than expected expenditure. This is attributed to projects yet to be completed. 3 applications to the SIVL for outstanding 16/17 LTP projects have been made. These are the Fuschia Walk to Rankin St footpath, Mill Creek to Bathing Beach track and Major Maintenance of smaller walking tracks and as mentioned above these projects will likely fall into the 17/18 financial year due to timing.



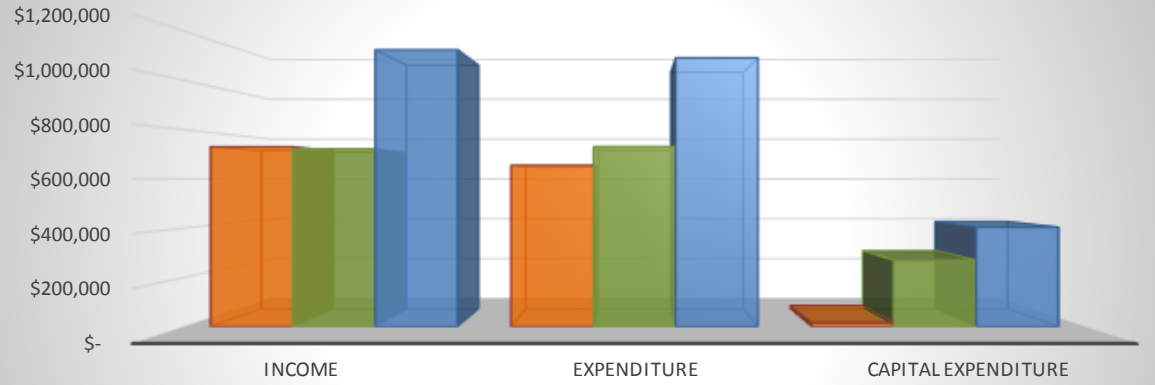
	Income	Expenditure	Capital Expenditure
YTD Actuals	$150,432	$120,984	$109,024
YTD Budget	$227,476	$164,741	$160,720
Annual Budget	$342,246	$244,799	$241,080

SIESA Electricity Operations

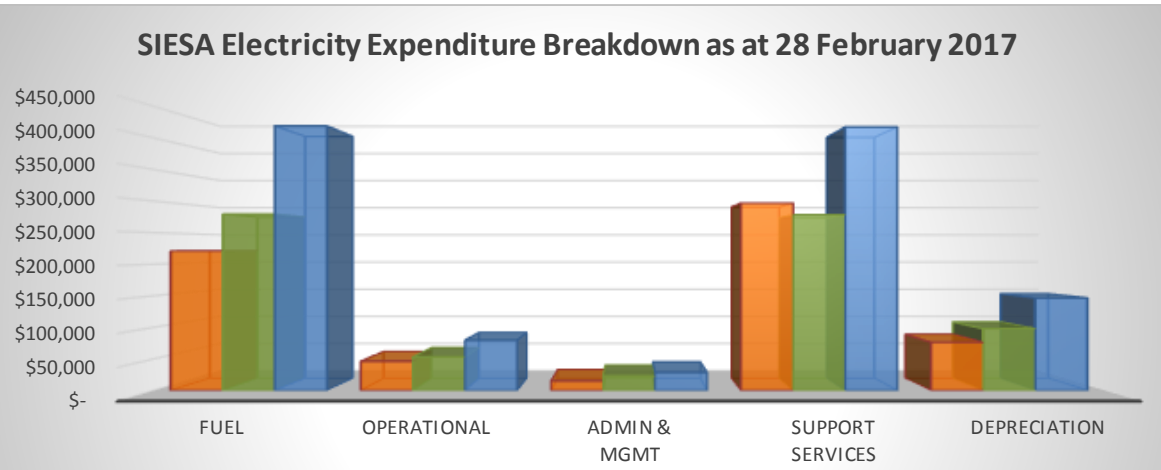
73 Overall income for the year to date is on track and within expected levels.

74 Operating expenditure for the year to date is $75K below budget. This is as a result of lower fuel costs ($58K) and lower depreciation ($21K) as a result of delay and deferral of capital projects (discussed further below).

75 Capital expenditure is below budget as a result of the current status of projects. In the year to date $16K of capital costs have been incurred for the Ringfeed Project. Several projects including the replacement of two fuel tanks and the servicing of an exhaust system have been deferred from the current year. The Network Upgrade/Renewal project is expected to commence later on in the current year. Pipework has been ordered for the replacement of two fuel pumps.



	Income	Expenditure	Capital Expenditure
YTD Actual	$730,396	$655,558	$16,212
YTD Budget	$722,363	$731,051	$269,503
Annual Budget	$1,124,525	$1,091,266	$404,254



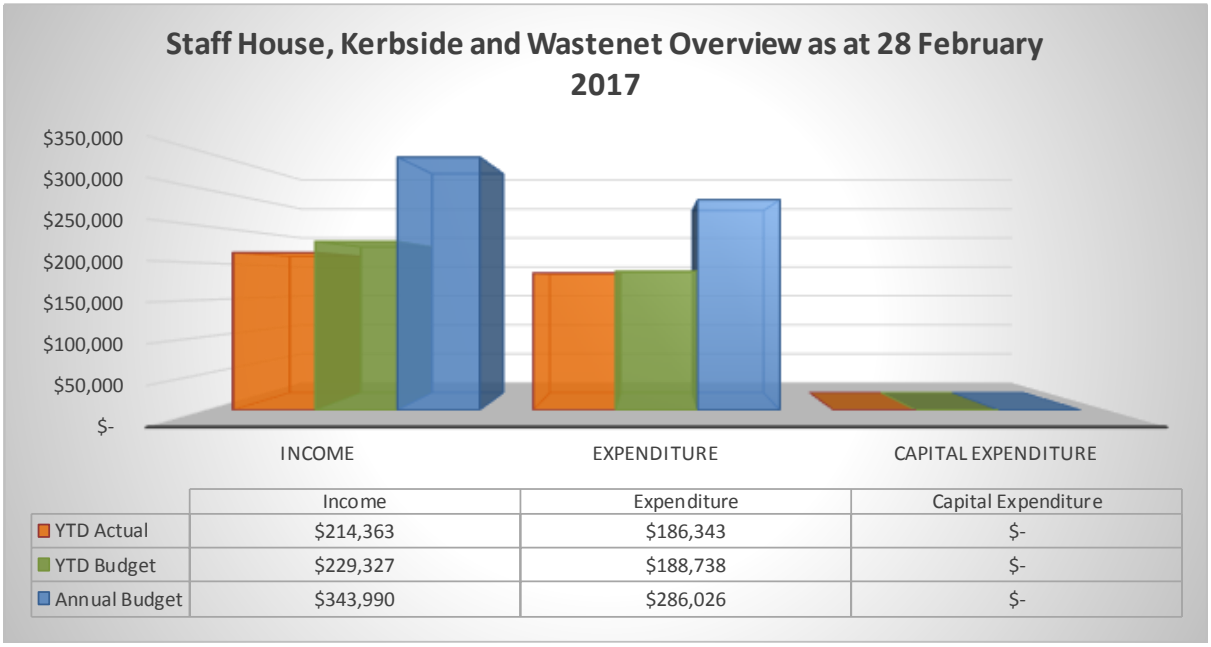
	Fuel	Operational	Admin & MGMT	Support Services	Depreciation
YTD Actual	$221,094	$46,302	$15,148	$296,749	$76,265
YTD Budget	$279,353	$53,066	$22,682	$278,234	$97,716
Annual Budget	$419,030	$79,599	$28,711	$417,352	$146,573

Staff House, Kerbside and Wastenet Operations

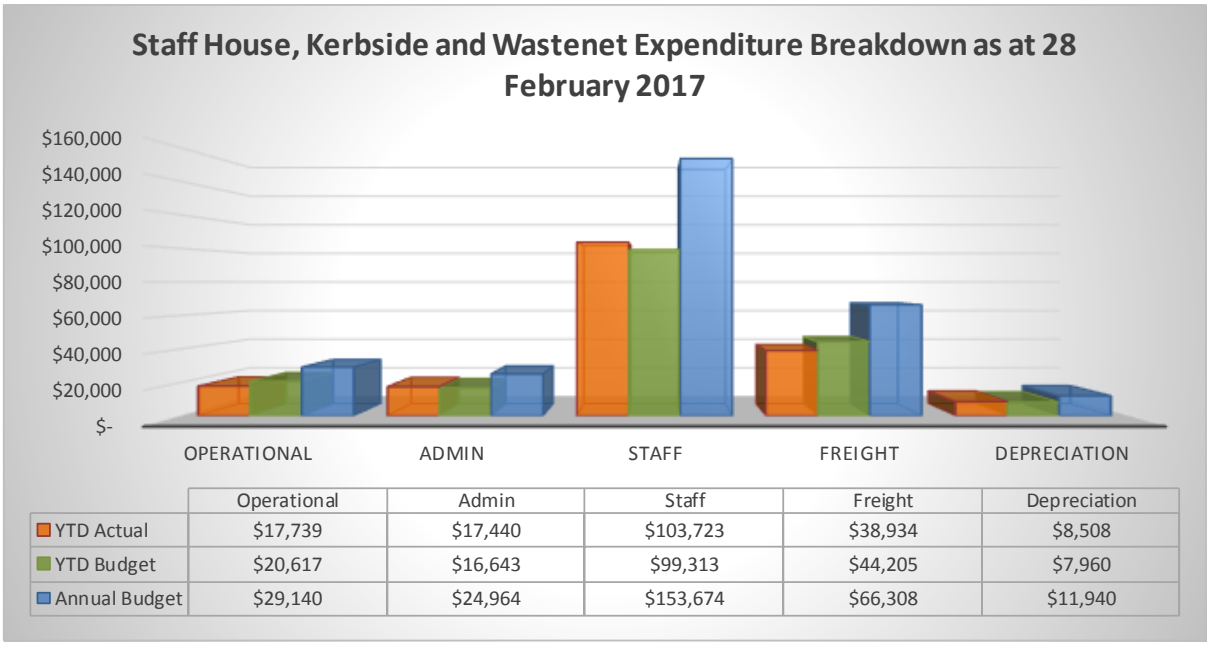
76 Overall income for the year to date is on track and within expected levels.

77 Overall expenditure for the year to date is on track and within expected levels. No capital work is expected in the current year.

Item 8.1



	Income	Expenditure	Capital Expenditure
YTD Actual	$214,363	$186,343	$-
YTD Budget	$229,327	$188,738	$-
Annual Budget	$343,990	$286,026	$-



	Operational	Admin	Staff	Freight	Depreciation
YTD Actual	$17,739	$17,440	$103,723	$38,934	$8,508
YTD Budget	$20,617	$16,643	$99,313	$44,205	$7,960
Annual Budget	$29,140	$24,964	$153,674	$66,308	$11,940

Recommendation

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Council Report" dated 3 April 2017.

Attachments

There are no attachments for this report.

SIESA - Renewal Energy Study Costs 2012 - 2017

Record No: R/17/4/7406
Author: Ray Hamilton, Team Leader Community Engineers
Approved by: Ian Marshall, Group Manager Services and Assets

☐ Decision ☐ Recommendation ☒ Information

Overview

1 Stewart Island Community Board has formally asked for a complete breakdown of how Stewart Island Electrical Supply Authority (SIESA) budget allocated for the study of Alternative Energy Sources for the island has been spent.

2 Following an Energy Futures Workshop held at Stewart Island on 24th February 2012, Venture Southland submitted a proposal to undertake investigations into the 3 work packages identified in the workshop: System Analysis, Generation Options and Grid Management. Budgeted costs to complete this work was $202,500.

3 Subsequent to this estimate Venture Southland has added $30,600 in variations to original scope, and have deleted $40,000 for Grid Management study work not undertaken; resulting in a current budget figure of $193,100.

4 Review of SIESA financial reports for period 2012 till 2017 identified $151,606 of costs associated with renewable energy studies/reports, and these costs are summarised in attached table, leaving balance of $41,494 to fund any future works

5 Venture Southland's report, 20th June 2016 identified following costs to complete original scope: $15K to remove Hydro Monitoring equipment, as well as $25K to remove Wind Mast and monitoring equipment. This cost requirement of $40K can be met by remaining budget figure as above.

6 It is recommended that SIESA confirms estimated costs to remove equipment as above, including looking at ways to reduce these costs, and then program these works as soon as practical.

SIESA Renewable Energy Study Costs 2012-2017			
	Period		
	2010-2014	2015-2017	Total
Venture Southland	29,896	75,928	105,824
University Research	13,380	4,519	17,899
Power Business		27,883	27,883
Total Costs	**43,276**	**108,330**	**151,606**
Assets	Qty	Unit Price	Cost
Anemometer	2	494	988
Anemometer	1	363	363
Wind Vanes	2	269	538
Cable	1	390	390
Height Sensor	1	409	409
Transducer	1	259	259
Meter	1	156	156
Pyranmeter	1	469	469
Mount	1	143	143
Modem	1	1,054	1,054
Cable	1	85	85
Aerial	1	225	225
Solar Frame	1	4,103	4,103
Solar Frame	1	4,455	4,455
Stainless Steel Fish Ladder	1	5,050	5,050
Total Assets			**18,687**

SIESA Renewable Energy Study 2012-2017
Project Cost Analysis

	Package 1	Package 2	Package 3		
	System Analysis	Generation Options	Grid Management	Total	Comments
Original Budget	34,600	127,900	40,000	202,500	
Approved Variations		30,600	-40,000	-9,400	Unforseen Costs: DoC Consent Costs Purchase of Fish Ladder Additional Transport Costs
Current Budget	34,600	158,500	0	193,100	
Costs to date	17,899	133,707		151,606	
Balance Available	16,701	24,793	0	41,494	
Future Costs	0	40,000		40,000	Removal of Monitoring Equipment
Delta	16,701	-15,207		1,494	approx $1.5K contingency left

Recommendation

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "SIESA - Renewal Energy Study Costs 2012 - 2017" dated 4 April 2017.

b) Approves the removal of the wind and hydro monitoring equipment, in the most cost effective manner, within approved $40,000 budget allowance.

Attachments

There are no attachments for this report.

Stewart Island Future Power Supply September 2016

Record No: R/17/4/7577
Author: Kirsten Hicks, Committee Advisor/Customer Support Partner
Approved by: Kirsten Hicks, Committee Advisor/Customer Support Partner

☐ Decision ☐ Recommendation ☒ Information

Stewart Island Future Power Supply,

1 Power Business Ltd. September 2016

Recommendation

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Stewart Island Future Power Supply September 2016" dated 4 April 2017.

Attachments

A Stewart Island Renewable Power Supply Options ⇩

STEWART ISLAND

FUTURE POWER SUPPLY

Confidential to Southland District Council

September 2016

PO Box 109628
Auckland, New Zealand
info@powerbusiness.co.nz

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1. Executive Summary

The Stewart Island Power Project Task Force comprising Mayor Gary Tong, Councillor Bruce Ford and Jon Turnbull, representing Sarah Dowie MP through SDC engaged Power Business to address the question, "What is the most cost effective and best source of power generation for the residents of Stewart Island?"

The Stewart Island community is supplied with electricity by SIESA who provides it from diesel generators. Currently the electricity retails at 62c/kWh. SIESA is keen to reduce the dependence on imported fuel used to run diesel generators and move to renewable generation.

Wind, solar and hydro renewable sources of electricity generation have been investigated to preliminary feasibility detail but only wind turbines have unit costs less than the current price of power but the cost of wind generation is higher than the marginal cost of diesel generation. Power Business only investigated commercially proven and reliable sources of renewable energy that would be appropriate for Stewart Island. However all previous investigations were reviewed including the option of an undersea cable from the mainland.

The ideal source of renewable generation is hydroelectric but the topology of the Island does not lend itself to low cost hydro generation because there are no large river valleys close to the load centre at Oban. The North Arm scheme with the Maori Creek catchment augmented with flows from the 3 northern streams is the most viable hydroelectric option. This scheme can, on average per year, provide 80% of the currently electricity requirements but at a capital cost close to $10m.

Solar is not commercially viable on Stewart Island due to the low latitude of the Island and even if the cost of solar panels continues to fall, solar will not compete with wind turbines as an alternative.

Common to all renewable energy sources, is the ongoing requirement to retain diesel generation to mitigate dry year conditions for hydroelectricity and to provide power in low or no wind situations in the case of wind turbines. The table below summarises the key parameters for each option investigated.

	Renewable Generation Option				
Key Parameters	**Hydro**	**Hydro Addn Flow**	**Solar**	**Wind**	**Wind x 3**
Size (kW)	500	500	500	225	675
Environmental impact	High	High	Low	Med	Med
Contribution to Load (MWh pa)	990	1,320	238	351	691
Contribution to Load (%)	62%	82%	15%	22%	43%
Diesel savings ($k pa)	$225	$300	$54	$80	$157
Capital Cost ($m)	$8.7	$9.6	$2.2	$1.7	$3.0
Cost ($/MW)	17.3	19.2	4.5	7.4	4.5
Per unit cost of Generation (c/kWh)	0.92	0.74	1.09	0.59	0.55
NPV ($m, 40 yr base)	-$9.20	-$8.95	-$2.67	-$1.97	-$3.21
Grant required for 35c/kWh unit cost	$9.2m	$8.4m	$1.9m	$1.3m	$2.2m

It is not commercially viable to install wind generation unless SIESA receives a grant or suspensory loan. However the cost of commercial battery storage is expected to decrease in the medium term and there may come a point when wind coupled with battery storage will become a viable option to reduce the amount of diesel generation required? Should the cost of diesel fuel increase significantly, SIESA should reconsider installing wind generation. Meantime the electricity consumers of Stewart Island should strive to only use electricity for refrigeration and lighting and use LPG or diesel for heating.

2. Introduction

There have been numerous reports[1] written on the price of power on Stewart Island and investigations conducted on alternative sources to diesel generation. This report seeks to combine that body of knowledge with the requirements of the Consumers and other key stakeholders to provide a pragmatic medium to longer term pathway for renewable electricity generation for the Island.

2.1 Terminology

Terminology used in this report:

Consumer – an end-user of electricity and includes residential, commercial and industrial users.

DoC - Department of Conservation

SDC - means Southland District Council

SIESA - means Stewart Island Electricity Supply Authority

3. Scope

The Stewart Island Power Project Task Force through SDC has engaged Power Business Limited (PBL) to address the question, "What is the most cost effective and best source of power generation for the residents of Stewart Island?" The Power Project Task Force comprises Mayor Gary Tong, Southland District Council, Councillor Bruce Ford, Southland District Council and Stewart Island Councillor, and Jon Turnbull, representing Sarah Dowie MP. SIESA's Aim is: "To provide reliable electricity supply at the lowest sustainable cost which improves the environment and aesthetic values within the supply area whilst supporting the local authority."

The Task Force's brief is stated as: to find an alternative power source to the current diesel generation that is:

(i) sustainable;
(ii) cost effective and affordable – similar to mainland pricing;
(iii) Stewart Island controlled; and
(iv) environmentally and aesthetically acceptable.

4. Approach

The approach taken in this report is to put the interests of the Consumers first and time has been spent understanding their energy requirements. Although the primary scope is to determine the most appropriate future electricity generation sources, this scope is part of a bigger picture of energy sources and their respective costs. Thus alternatives to electricity

are considered for the provision of the energy needs of the Consumers.

Furthermore, the quantity of electricity required now and in the future is fundamental to the solution for future electricity generation. The reason is that "scale" has a bearing on the cost-effectiveness of various forms of generation. Consumers are generally indifferent as to how electricity is produced or even the unit cost of electricity – what they care about is the magnitude of their monthly power (energy) bill. If the use of electricity can be conserved (reduced) by demand side management, use of more efficient appliances, improved home insulation and the like this will be welcomed by the consumers. So as part of "sizing" the amount of future generation required, the report looks at conservation measures and the likelihood of implementation/acceptance by the consumers.

Whilst the scope requires that an "alternative power source to the current diesel generation is cost effective and affordable – similar to mainland pricing", this was not considered as a constraint on alternative generation as it may be that no renewable generation is possible at the same price to consumers at mainland pricing? A subsidy could meet the requirement but the current Asset Management Plan[3] assumes that the consumers pay for the costs involved in the supply of electricity. This matter is addressed in this report.

5. Methodology

Although the scope of this report is essentially an engineering problem it is also a social problem. Several interviews were undertaken with consumers and other key stakeholders to establish a "human" context for the engineering solution.

Previous reports on alternative generation sources are reviewed and where necessary the findings corroborated. The alternative sources of generation are evaluated using a classical cost-benefit analysis and a discounted cash flow model. The constraints adopted for each alternative were as follows:

(i) no short term solutions – medium (5 years) to longer term;
(ii) only solutions proven in remote environments – emerging technologies are not considered; and
(iii) must be able to be implemented within 3 to 5 years.

In evaluating generation alternatives, the existing distribution network is not considered unless capacity constraints are relevant for a particular option and then provision for additional capacity is costed in.

6. Current Demand for Electricity

6.1 Consumers

There are a few relatively large consumers including the hotel, SDC water pumping and a couple of fish cool stores. However the majority of consumers are residential. In total there are approximately 420 electricity accounts and 500 or so metered supply points.

Electricity is reticulated to Consumers from the SIESA diesel power station primarily by an overhead 11kV network with 11kV/415v transformers connected to distribution lines to Consumers.

6.2 Composition of Load

SIESA PowerNet operating staff estimated the composition of load to be:

Lighting (residential, metered) and street lighting - 30%
Heating including water heating - 20%
Refrigeration - 25%
Power - 25%

In 2006 BRANZ conducted a study[2] of New Zealand residential energy use and the findings are summarised below.

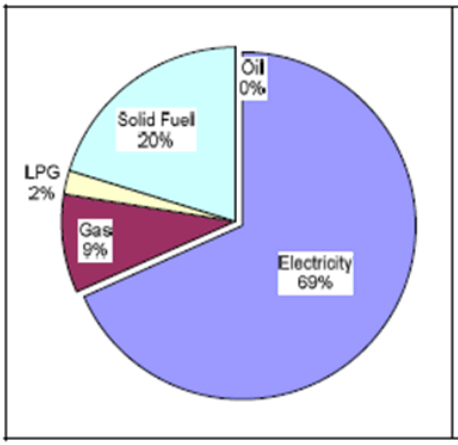


Figure i: Total energy use by fuel type

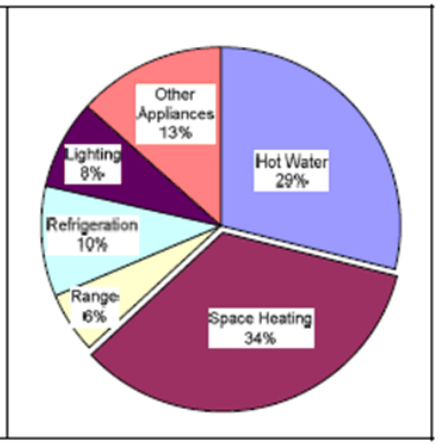


Figure ii: Total energy use by end-use

Source: BRANZ Study Report SR155

Given that refrigeration will be almost entirely electric as will Other Appliances, the Stewart Island end use loads are probably more like:

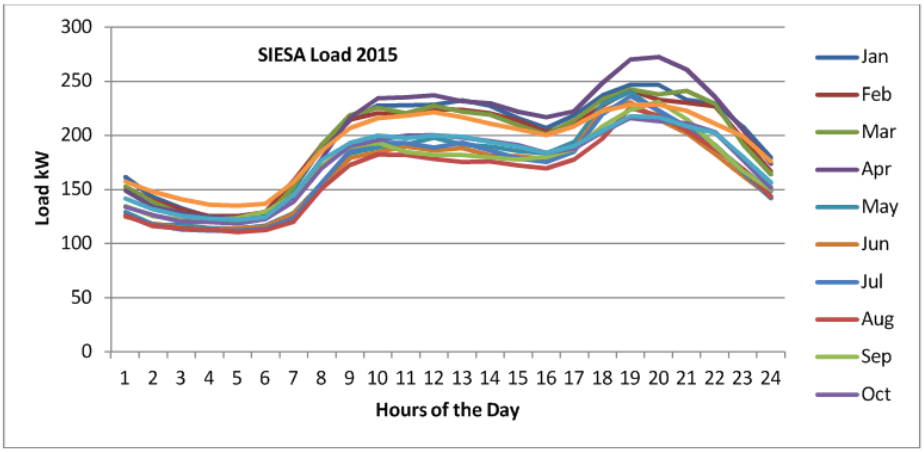
Lighting (residential, metered) and street lighting - 25%
Heating including water heating - 40%
Refrigeration - 15%
Power including range and appliances - 20%

6.3 Network Daily Demand

The 2015 calendar year load data was derived from SCADA data and is used as the base for

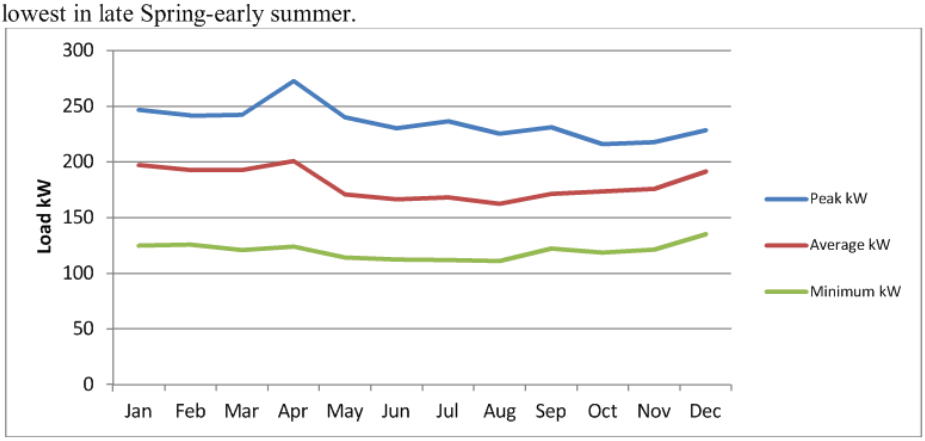
comparing alternative renewable generation sources. Ideally the past 3 or more years would have been used but nevertheless a single year's data serves to discriminate between the generation options.

In 2015 the minimum load was 111kW 5am in August and the peak load was 273kW at 8pm in April. The average hourly load was 180kW. The daily demand curves are shown in the graph below.



6.4 Network Monthly Demand

Below are the minimum, average and maximum loads for the months of 2015. April appears to have been and extreme month perhaps due to a cold snap? Interestingly, the winter months are not the highest demand months but rather the summer months of January through April have the higher loads. Winter has the lowest average but the peak load is lowest in late Spring-early summer.



6.5 Load Growth

In the past 5 years the load has decreased due to some business closures, reduction in consumers and probably due to increased power prices. The total annual demand has reduced from 1.75GWH in 2006-17 to 1.56GWh in 2013-14 financial year - a reduction of some 11% over 8 years[3].

However tourism is now booming for the Island and last summer in excess of 40,000 tourist trips were undertaken on the ferry between Bluff and Oban according to ferry operator Real Journeys. In speaking with Real Journeys CEO and Operations manager they viewed the lack of accommodation as a major constraint to increasing tourism activity on the Island.

The SDC Electricity Supply Asset Management Plan[3] predicts that population will increase by 8.6% through the period to 2023 and that dwelling numbers, as a better predictor of load increase, will increase by 12.8%. The Plan forecasts increasing use of residential solar, further home insulation that will dampen demand.

Power Business's view is that LED lighting will be common place within the next 5 years, insulation is cost effective now, diesel and LPG alternatives for heating are also cost effective now and solar will not contribute significantly. It is considered that the load growth will not exceed 10% within the next 5 years unless (i) there are several new business ventures established and (ii) the price of power is reduced to below 45c/kWh.

7. Price and Cost of Electricity

7.1 SIESA Current Price

SIESA currently charges 62c/kWh for electricity. This covers the operations and maintenance costs of running the diesel gensets and provides for replacement of those gensets.

A worrying trend is illustrated in the table below derived from the SIESA Annual Accounts. If it were not for the reduction in the cost of diesel fuel recently, SIESA would be under financial pressure to increase electricity prices as other costs have been steadily rising and the load is comparatively static.

Accounts	YE 2015	YE 2014	YE 2013
Electricity income	1,188,537	1,108,997	1,004,938
Electricity expenditure (ex depreciation)	918,942	1,032,001	949,423
Surplus	**269,595**	**76,996**	**55,515**
Surplus %	29.3%	7.5%	5.8%

The marginal cost of generation is calculated at 23c/kWh which is essentially the cost of diesel fuel as used by the generators.

7.2 Southland Region Electricity Price

In Southland, PowerNet is the distributor and several retailers trade in the region. Anytime Electricity retails around 25c/kWh.

7.3 Comparative Electricity Price – Milford Sound

Milford Sound is a remote community of some 350 persons that, like Stewart Island, is not connected to the National Grid. Milford Power charges 44c/kWh for electricity anytime Electricity and 37.40c/kWh for controllable load. Approximately 98% of the load is supplied from hydroelectric generation and the balance is from standby diesel gensets. The diesel gensets are only used when there are forced outages or routine maintenance on the hydroelectric system. In the event of a major hydroelectric plant failure lasting more than two days, power is supplied at 60c/kWh using the standby diesel generators.

7.4 Analysis of Current Electricity Production Cost

The costs of SIESA electricity production have been assessed using the SDC SIESA Electricity Supply Asset Management Plan 2015-2015[3] together with the SEISA Annual Accounts for the past three years.

Power Business believes that SIESA's current contracted Manager and Operator, PowerNet, does a good job. The network and gensets are well-maintained and asset replacement is planned in a timely manner. The Asset Management Plan[3] is a very good document.

Power Business conducted an assessment of the costs of the management and operations for the current financial year.

Operations & Maintenance 2016-17 FY (Source: PowerNet Asset Management Plan)	**$**	**%**	**%**
Management Fee	361,767	34.9%	
Management & Admin Fee	25,401	2.5%	44.0%
Other Service expenses	68,819	6.6%	
Distribution Network Maintenance	20,500	2.0%	
Generation Maintenance	56,375	5.4%	7.8%
GIS Data Subscription	3,534	0.3%	
Fuel	498,970	48.2%	48.2%
Total	**1,035,366**	100.0%	100.0%

Of note is that the plant operations and maintenance costs amount to only 7.8% and the unavoidable fuel cost is 48.2% but the Management and other expenses amount to 44%. The cost of the latter does include the salaries of the two staff employed on the Island by PowerNet. In Power Business's view the Management & Admin Fee and the Other

Services Expenses are relatively high for an operation of the size of SIESA.

7.5 Options to Reduce Cost

SIESA should endeavour to reduce costs by:

Firstly ring-fencing the distribution network, generation and other activities as business units, then:

1. tendering out the management and Operations of the network and gensets;
2. look to undertake as much of the administration work on the Island as possible – e.g. billing;
3. tender out diesel supply;
4. tender out transport of diesel to the Island;
5. look to retire unused gensets - a maximum of 3 should be retailed with 2 capable of supplying the full load and the third use as a "peaker" or at times of low load; and
6. seek approval from authorities to apply a tourist levy through ticket sales for infrastructure development and operation as tourists are contributing significantly to the peak power requirements.

7.6 Consumer Self-Production of Electricity

The unit price of electricity at 62c/kWh is such that there are viable alternative energy sources available to some individual Consumers. It is considered imperative that the price does not increase as SIESA is on the cusp of a downward spiral of Consumer consumption. Conversely if the power price can be reduced SIESA could enjoy increased consumption.

7.6.1 Major Users

Major users could today disconnect from the Network and generate their own power for about the same or slightly lower cost as SIESA charges per unit and including the lines charges. Of note one Consumer is 19% of the total load.

7.6.2 Residential

Whilst few Residential Consumers would be inclined to disconnect from the Network, in recent years many in this group have become very conscious of the need to conserve power and have increased the use of alternative forms of energy which leads onto conservation that is covered in the next section.

8. Conservation

Conservation is a double edged sword for SIESA – reduced consumption means less revenue but SIESA is a Consumer/community organisation and the Consumer should always come first. The reality of the Power Industry is that it a cost plus industry so reductions in consumption will lead to an increased price for the remaining units produced. There is one exception to the latter and that is when the reductions are of sufficient magnitude to enable the manner in which electricity is produced and distributed to be restructured.

Electricity conservation should be promoted to Consumers. Given the unit price of electricity, LED lighting, insulation, double glazing are measures that Residential Consumers can implement over a few years, if not already done, that will realise energy cost savings.

Because electricity is only generated from one source, diesel, there is limited scope to introduce time-of-use pricing. However an in-depth analysis of the efficiency of operating the diesel gensets may reveal scope for peak curtailment and or switching to lower capacity gensets at time of low load may realise mutual benefits for SIESA and Consumers?

When alternative, renewable forms of generation are realised, time-of-use pricing should be introduced coupled with the required deployment of smart meters. An exception to this would be if diesel generation could be completely replaced as a primary source of electricity – for example if a 400kW or larger hydroelectric generation scheme was established.

9. Electricity Substitution

Alternatives to using electricity for energy supply were considered. The use of electricity was outlined in section 6.2 and the heating and cooking energy requirements can be provided by diesel and/or gas burners. Whilst these sources will be less than half the cost per unit of heat produced than electricity, obviously some capital investment by consumers would be required to realise the daily savings.

The local garage supplies both diesel and bottled LPG gas to consumers for heating. The gas is supplied to the Island by Contact Energy (Rockgas).

From discussions with locals there appears to be very little scope to substitute for electricity heating and most consumers are already using gas or diesel for heating and/or cooking.

10. Undersea Cable

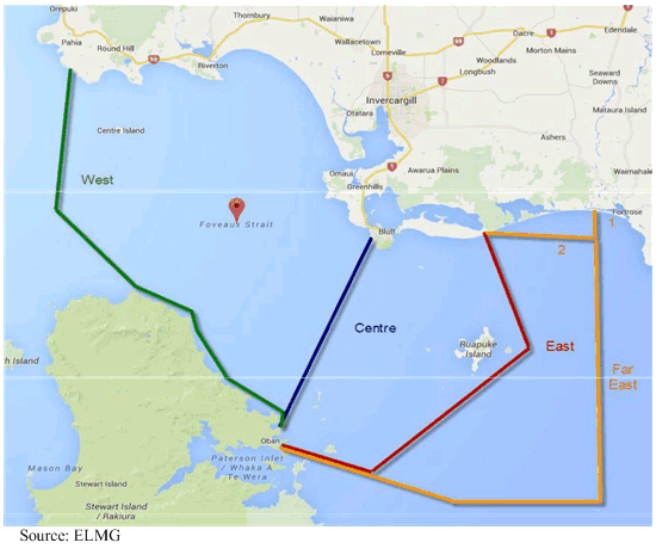
Stewart Island is some 35km from Bluff and it is feasible to connect the Island to The Power Company network (PowerNet) which serves Bluff. Venture Southland commissioned a report[4] on this option last year from ELMG. This report very comprehensively considers alternative routes, the engineering aspects and costs the options.

One of the major issues is the security of an undersea cable with respect to maritime operations in Foveaux Straight with oyster boats dredging and merchant ships anchoring from time-to-time. At one time Telecom had an undersea cable to provide telephony services to the Island but it is understood that the cable was repeatedly damaged by maritime activity and Telecom reverted to a microwave link that currently provides telephony to the Island.

The diagram below shows the cable routes considered by ELMG. Allowing for reasonable growth an 800kW cable would be prudent. Setting aside the security of an undersea cable, the cheapest 800kW one-cable option is the "centre" route option through the oyster beds and this was costed at US$6.7m = NZ$10m at current exchange rates. The two-cable equivalent option is $13.5m.

The costs for a compromise route that passes immediately to the East of Green Island are $15.6m for 800kW one-cable and $20m for a two-cable solution. Other options to the far East and the West are substantially more expensive.

If two cables were laid SIESA could possibly do away with the diesel gensets but if not, one fully serviceable genset would be essential in case of a cable or converter terminal fault.



Source: ELMG

11. Renewable Generation Options

11.1 Basis for renewable power supply selection

For Stewart Island any renewable source of electricity must be:

(i) Reliable;

(ii) Proven

(iii) Relatively easy to maintain remotely

For the above reasons, emerging renewable technologies such as wave and tidal power have not been considered.

11.2 Wind

Venture Southland established a weather station on Stewart Island approximately 18 months ago and this station has been operating successfully recording data at 10 minute intervals. Power Business commissioned Energy3 to analyse the wind data collected thus far.

The closest wind farm to Stewart Island is the Pioneer Generation and PowerNet farm near Bluff. Pioneer engineers have advised that the performance of the farm has exceeded the predicted capacity factor by some 10% and operates at around 45%. This bodes well for wind as an option for SIESA to consider.

11.2.1 Resource

Below is a wind resource map taken from the report[5] prepared by Energy3. Data is based on measured wind speeds from 28/8/14 to 31/4/16.

Source: Energy3

The weather station is located at site 4 on the ridge above Horseshoe Bay. The best wind intensity is at the sites numbered and with yellow to orange colourings.

Site 3, known as Garden Mound, is a good site but access is difficult, it is on DoC land and if used would require the clearing of vegetation from the top of the mound. This was the preferred site for the weather station but was abandoned in favour of the current weather station site due to dense vegetation and access difficulties. The weather station site is private land and is not one of the better sites due to a lower mean wind speed, higher wind turbulence, and shadow effects from surrounding topology.

There are several sites (7, 8, 9, and 10) on the ridges surrounding Ryan's Creek airstrip, on private land but these would obviously impact some flight operations. Moreover these are some distance from a SIESA Network connection point and have limited scope for a multi-turbine wind farm. From sea level these sites would have relatively small visual impact.

Sites 11, 12 and 14 to the East are relatively far from a Network connection and difficult to access. Site 7 on the headland at the entrance to Oban has a high visual impact and is of small land area.

The most attractive wind sites are thus sites 1 and 2 and 5 and 6. Both are on private land, are close to a Network connection and have the land area to support multiple wind turbines if required.

11.2.2 Environmental Impact

There is an undeniable visual environmental impact associated with wind turbines, the impact is subjective and may be considered in a positive light by some and negatively by others. There is also a noise impact but for many of the locations there is no nearby residential housing. Ideally any wind site would be at least 600m from habitation. No comprehensive environmental impact assessment has been undertaken at this juncture except for the Garden Mound site 3 as part of the consenting process to install the weather station 30m mast. Wind is considered to have a "medium" environmental impact.

11.2.3 System Constraints

Wind generation would have to be backed up with alternative generation sources for times when wind speeds were outside of the operating range of the turbines or when maintenance is required. The obvious back up generation source is the existing SIESA diesel gensets.

With wind generation there are limits to the amount of wind generation relative to the Network load to ensure the quality of electricity supply meets the Electricity Regulations without special controls and/or electricity storage systems. Provision has been made in the analysis for the purchase of commercial storage batteries and an advanced control system that will smooth the variations in wind power production and minimise the variation in the power requirements from diesel engines.

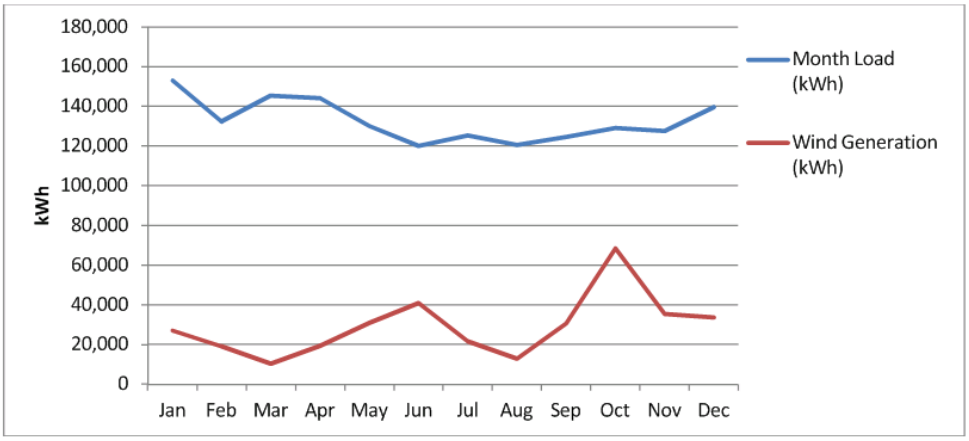
11.2.4 Turbine Size

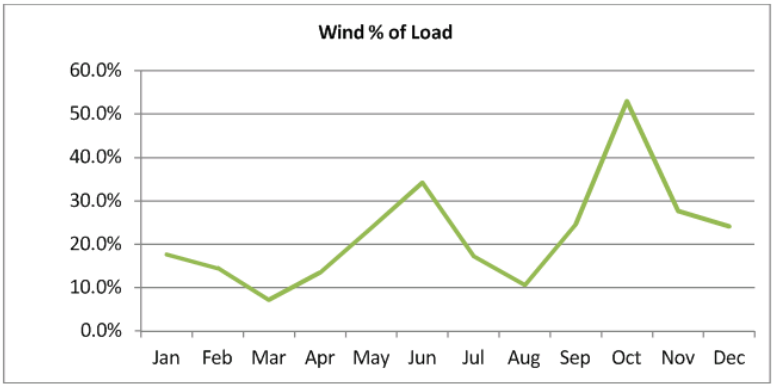
Energy3 considered 100kW and 225kW wind turbines but the pricing of the smaller unit was about the cost per kW as the larger unit! This excess is thought to be due to fewer numbers of smaller sized units being manufactured for the world market. The 225kW unit selected for this investigation is a Vestas V27 unit identical to the original Wellington wind

turbine. Whilst it is understood that Vestas does not currently manufacture this unit in favour of larger units where the world market is, there are refurbished V27 units available. A fully refurbished unit will have a service life of 20 years. The V27 turbine mast would be 30m height and have a blade length of 27m – the turbine is 3-bladed.

11.2.5 Generation

Using the wind flow data from the weather station above Horseshoe Bay (site 4), which is considered a conservative site, it has been calculated that the average contribution to load from a single 225kW V27 turbine would be about 22% and save about $80,000 in diesel fuel pa. Below are the graphs of average monthly load, generation and expected monthly percentage contribution from a single 225kW wind turbine.





With the Network stability well-controlled, it would be possible to increase the number of turbines to two or three. Three turbines would contribute around 43% to the annual load requirements and save about $160,000 in diesel fuel pa.

11.2.6 Costs

The capital costs for single and 3 wind turbine options follow.

Capital Cost	1 Unit $	3 Unit $
Feasibility Study (including geology)	50,000	50,000
Consenting	50,000	50,000
Land	100,000	200,000
Prep & foundations	105,000	250,000
Transport	130,000	260,000
Turbine V27 incl. refurbishment	220,000	660,000
Installation & commissioning	50,000	100,000
Electrical equipment, incl. transformer	50,000	150,000
Commercial storage battery (200kW/400kW)	330,000	500,000
Control system	80,000	80,000
Transmission line	70,000	90,000
Project Management & Admin	150,000	150,000
Contingency @ 20%	277,000	505,000
Total	**1,662,000**	**3,030,000**

The storage battery is assumed to be replaced every 10 years.

The operation and maintenance costs for single and 3 wind turbine options follow.

Operations & Maintenance Costs	1 Unit $	3 Unit $
Management & Admin	20,000	25,000
Service (operating & routine Maint)	55,000	110,000
Consumables	2,000	6,000
Insurance	8,000	16,000
Contingency @ 20%	17,000	31,400
Total O&M cost ($ pa)	**102,000**	**188,400**

With the costs above the comparative measures of capital cost and per unit generated costs for a single turbine are:

$/kW = 7,387

c/kWh = 59

For a 3 turbine option the equivalent figures are:

$/kW = 4,489

c/kWh = 55

A two turbine wind option would probably result in a lower unit cost because the third unit's power cannot be used because the load is insufficient. It is expected the 2 turbine option would produce a unit cost of around 47c/kWh.

11.3 Solar

11.3.1 Solar panels & Solar Farm

A solar trial project was initiated by Venture Southland for SIESA but a storm destroyed the trial installation and the notion was abandoned. Thus there is no Stewart Island specific solar generation data.

To model the viability of solar generation a basic 250W polycrystalline panel was assumed with associated in-built invertors that plug into a bus producing 415v ac power that avoids the need for a large inverter to convert the multi-panel dc power to ac power. The particular manufacturer selected was ReneSola, Virtus II Module model JC250M-24/Bb. Several sizes of solar farm were considered but 500kW appeared to be optimal for the Island load.

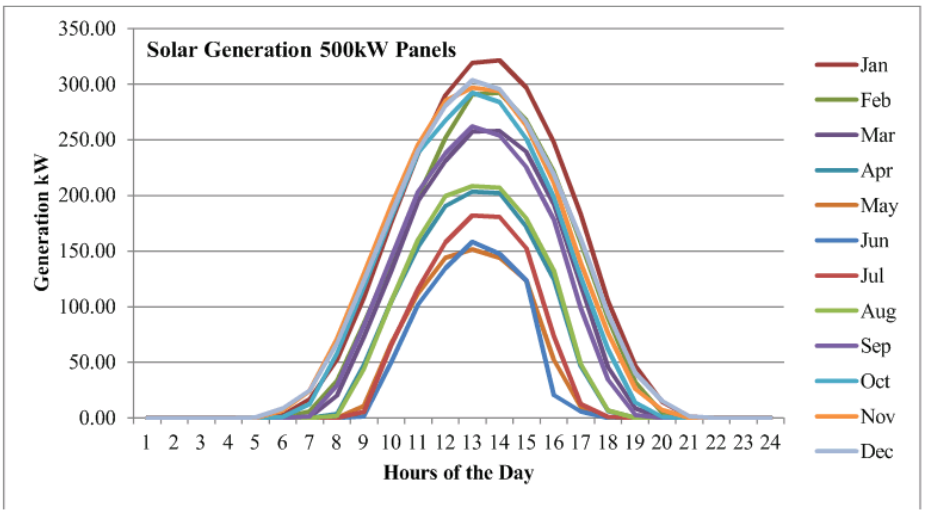
A 500kW solar farm requires 2,000 panels that would occupy about 2 acres of land.

11.3.2 Generation

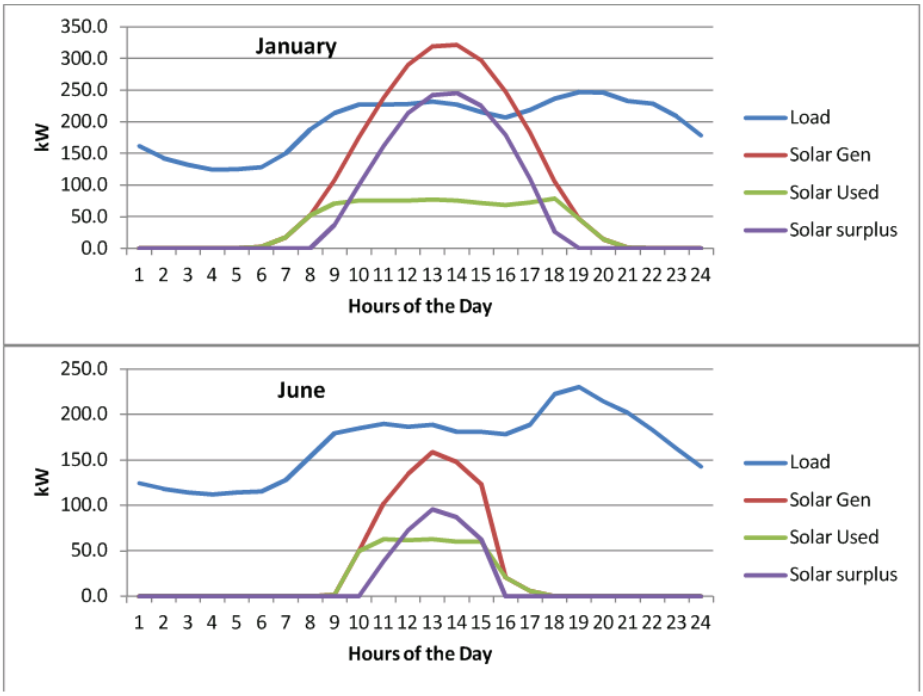
The NIWA solar model was used to calculate the power production from the 500kW solar farm. The climate station used was Tiwai Point that has 22 years of data. The amount of solar generation contributing to the load was limited to 30% to ensure Network stability was maintained.

Power Business investigated various panel tilts from the latitude angle of 47 degrees down to 27 degrees but there was only a marginal improvement in output at the lower angles so 47 degrees tilt was adopted.

The average hourly solar generation for the months of the year is shown below.

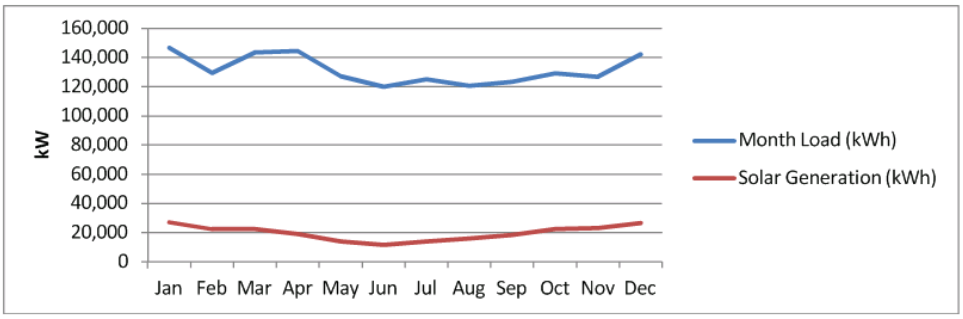


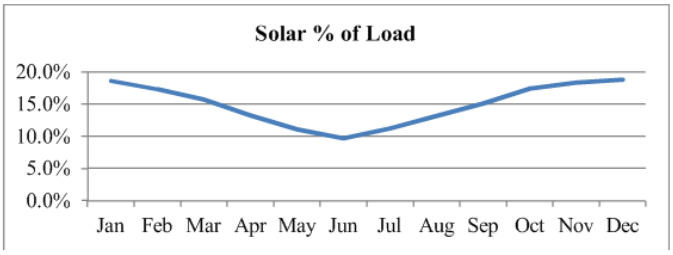
Below is the solar generation modelled with the load requirements for the months of January (high solar month) and June (low solar month).



Power Business also considered commercial battery storage with the solar farm with the concept that surplus solar power could be stored for use later in the day at the evening peak but the costs of batteries were prohibitively expensive for this use. Battery storage is discussed further in section 11.5.

The contribution to Island load is shown in the following graphs.





Average contribution to load of a 500kW solar farm would be about 15% which would save about $54,000 worth of diesel generation pa at the marginal generation cost.

11.3.3 Environmental Impact

A 2 acre solar farm would have a low environmental impact and should be readily consentable. There would obviously be a visual impact from the air. The farm should be located as close as possible to the diesel power station for system control purposes.

11.3.4 Costs

The capital costs for a 500kW solar farm follow.

Capital Costs	$
Solar panels (2,000)	1,070,061
Installation	480,000
Land acquisition (@$20/m2)	162,000
Resource consent	30,000
Network connection incl. Transformer	60,000
Project management incl. Legal & admin	155,000
Contingency @ 15%	284,559
Total	**2,241,620**

The operation and maintenance costs for the 500kW farm follow.

Operation & Maintenance Costs	$ pa
Maintenance	30,000
Management & admin	20,000
Total	**50,000**

With the costs above the comparative measures of capital cost and per unit generated costs for a single turbine are:

$/kW = 4,483

$/kWh = 1.09

11.3.5 Residential Viability

The viability of Residential solar will not likely be any better than SIESA solar but this will not stop some residential installations. Because any residential solar will impact the viability of SIESA because that solar will invariably not contribute to peak generation savings, SIESA may care to consider a distributed generation levy for Network-connected solar installations?

11.4 Hydroelectric

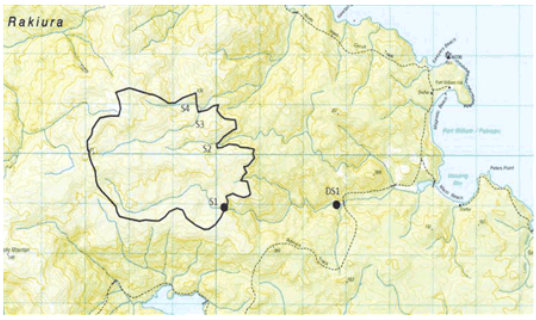
11.4.1 Hydro Resource – Maori Creek and catchments to the North

Use of hydroelectric power on Stewart Island has been talked of for at least 10 years but there has been no detailed feasibility study. One of the better catchments some 9.5km from Oban is high up on the range above Maori Beach. The Maori Creek catchment at 320m above sea level is about 3km2 in area.

Power Business has assumed a residual flow of 20 litres/second is maintained downstream of the Maori Creek dam where natural flows upstream permit. The data over the past year shows several periods where the flow was less than 20 litres/second.

There are three other streams to the North of the proposed dam that could be diverted to augment the Maori Creek flow. The additional catchment area is some 4.2km2 together with that of Maori Creek providing a total catchment area of about 7.3km2 as shown in the diagram below.

Diagram showing streams S2, S3 and S4 that possible could be diverted into the proposed Maori Creek Catchment.



Augmentation of the Maori Creek flows with diversion of flows from the three northern streams is highly desirable. To capture the flows low-head weirs would be build across the streams and a pipeline used to convey the waters into the North Arm head pond. The use of pipeline rather than open channels is proposed to minimise the environmental impact and to reduce ongoing maintenance costs. No residual flow is assumed from the northern streams because they are relatively small and there would be no material environmental impact downstream of the abstraction points.

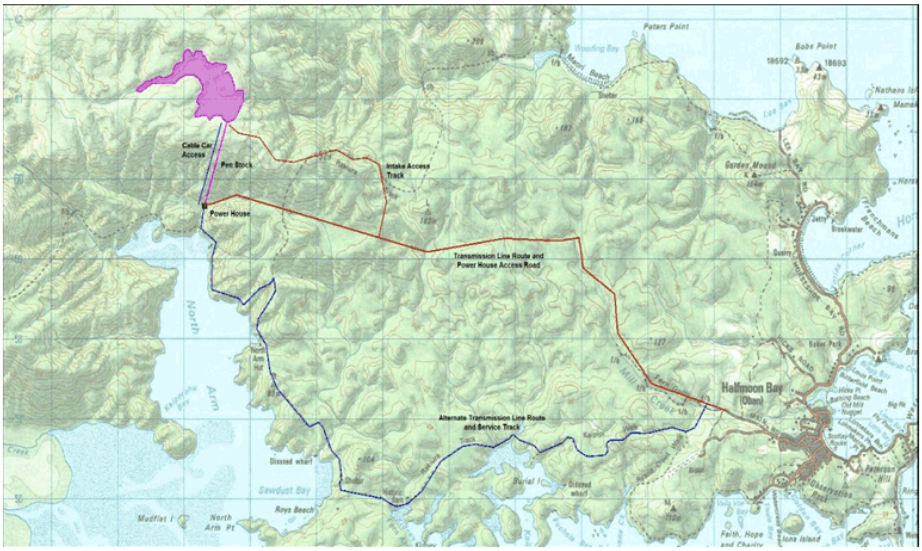
This catchment was last considered by ELMG in their report[6] entitled Stewart Island Hydro – Initial Analysis. The ELMG report considered several sites for a power house in the

stream bed to Maori Beach as well as a North Arm location. Preliminary costings were also produced. G J Wilson Hire, the constructers and owners of the 2.4MW Tallaburn Hydro scheme near Roxburgh also have looked at the North Arm scheme[7] and considered it to be feasible.

Following the work by ELMG, Venture Southland installed a flow gauging weir in the creek close to the Rakiura Track. Data from this weir is being collected at 10 minute intervals and one year's worth was processed for Power Business by Energy3 who have the monitoring contract with the SDC. Energy3 calculated the average flow to be 300 litres/second. However because the flow is the most critical input to evaluating any hydro scheme and in some of the past literature desktop studies had indicated a lower flow, Power Business commissioned Envirolink to visit the weir and to analyse the flow data. Envirolink found in their report[8] that "*the current setup is grossly over recording flow within the notch due to datum issues*." The flow analysis by Envirolink resulted in the average flow for the period May 2015 through June 2016 being only around 140 litres/second and the median 87 litres/second. Envirolink was able to "correct" the flow data and produced hourly flows for a one year period May 2015 through April 2016 and coincidentally that period corresponds closely to a mean rainfall year. Envirolink also produced Maori Creek augmented flow data by utilising the three streams to the north.

11.4.2 North Arm Hydro Scheme

The North Arm Hydro scheme concept is shown in the following diagram. It consists of an intake in a stream that flows down to Maori Beach on the Northern side of the Island that is partially diverted to feed a penstock that would feed a turbine located in the North Arm of Paterson Inlet.



To evacuate the power produced from the hydro unit a transmission line or underground cable would be installed along the powerhouse access road. There are practically two possible options for access to the powerhouse and intake.

Access Road:
Build a road as short as possible with a tee off up to the intake as shown in redline the diagram above. The road to the power station would be approximately 9.5km. Access is required to the intake to inspect and periodically to clear the intake of debris. Power Business discussed the practicality and likely costs of establishing a road with DoC and local contractor Greg Everest and his associate Colin Duncan. DoC advised, based on their experience of installing walking tracks on the Island the likely cost of a road would be $300/meter, that is, an approximate cost of $6m for roading to the power house and intake! Greg and Colin would not estimate the cost without a site visit but did indicate it would be a major undertaking.

Access Track & Intake Cableway:
The other option that was suggested by DoC was to upgrade the North Arm walking track. This option has not been formally socialised within DoC but is a viable, albeit more expensive option. The route is shown in blueline in the diagram above. If DoC did agree to this option, the track would be upgraded to a narrow single lane route and it is likely that SIESA would need to maintain the track for DoC in return for the access. The route would not be suitable for heavy vehicles. Access to the intake would be via a cable car alongside of the penstock.

Catchment Storage:
A relatively small storage lake is considered highly desirable to enable the station to cope with daily peak demands and to provide limited storage between rainfalls. Power Business has proposed a 30m dam be constructed to provide a 0.5km2 head pond. A working head would of 3 metres would provide approximately one week of storage.

Construction – no road access:
To construct the powerhouse materials and heavy machinery would need to be barged into North Arm. To install the penstock the cable way would be used the haul the pipe sections up the penstock slope.

At the intake small excavators and other machinery could be used to form the intake/dam. This equipment could be hauled up or possible driven up the penstock route? It is likely that extensive use of helicopters would be required.

11.4.3 Environmental Impact

The North Arm Scheme is located in the heart of the Rakiura National Park – the roading, head pond, penstock would have a significant environmental impact that would certainly be opposed. The alternative to the powerhouse road is to upgrade the DoC walking track for operational access but this option has not been approved by DoC. The track upgrade minimises the environmental impact and realistically is probably the only way to get the North Arm scheme consented. For the purposes of determining the financial viability of

the scheme the DoC access track option is assumed.

For access to the intake and head pond it is assumed that a cable car is installed alongside of the penstock.

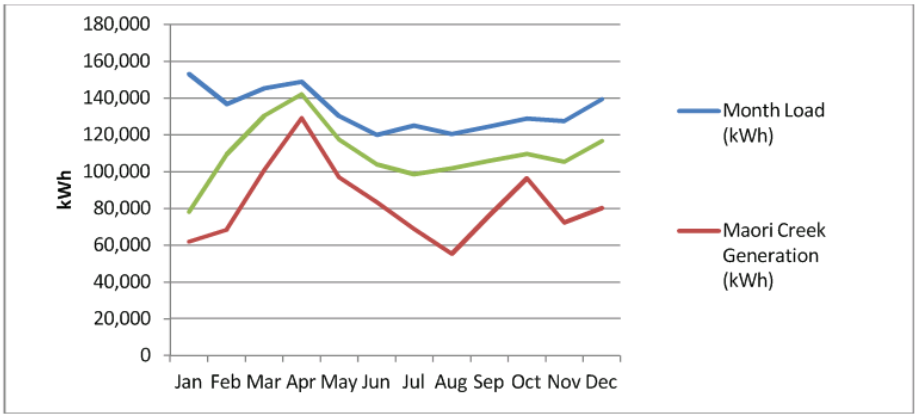
Water storage is essential for the scheme because of the relatively low flows experienced at several periods throughout the year. The storage assumed would inundate approximately 0.5 km2 and the vegetation would need to be cleared from this area. It would be possible to reduce the head pond to that of a weir but that would impact significantly on the operation and the power production of the scheme. The provision of 20 litres/second of residual flow in Maori Creek is intended to maintain natural flows in dry conditions.

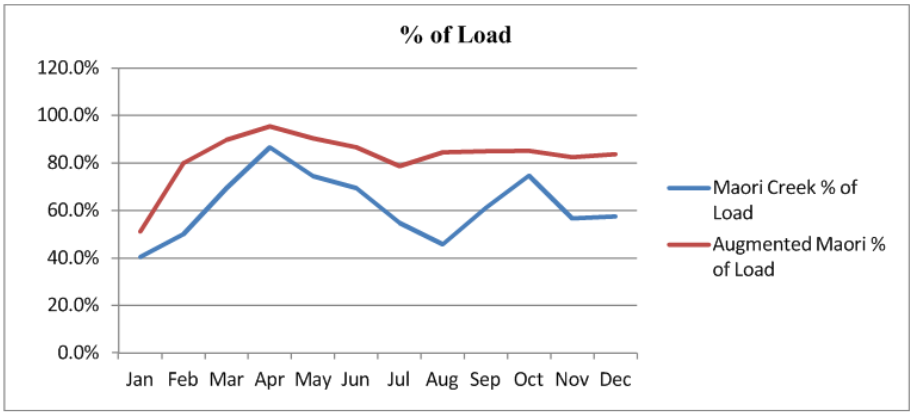
Both overhead and underground options for the 11kV transmission line to the SIESA Network connection point were costed. The underground cable option is approximately 40% more expensive than the overhead line option but has significantly lower environmental impact. This option is assumed and eliminates the risk of windfall and other environmental damage to the option of an overhead line.

To summarise, Power Business recognises that to obtain a resource consent to construct the North Arm hydro scheme will be challenging as it is within the Rakiura National Park so has minimised the environment impact acknowledging that the capital cost to build the scheme would be higher.

11.4.4 Generation

Using stream flow data for Maori Creek and Maori Creek augmented with the flows from the three northern streams and the hydro power equation being the product of head and flow and a constant the power production from the daily average flows for each month of 2015 were derived. These are shown on the graph along with the daily average loads for each month so that the percentage of load supplied from the hydro flows can be calculated.





On average, over one year the Maori Creek flow will provide approximately 62% of the load and the Maori Creek flows augmented with the flows from the three northern streams about 83% of the load. The balance of supply would be from the standby diesel gensets.

The fuel savings on average from hydro generation using Maori Creek amount to some $225,000 pa and with the augmented flows the savings are about $300,000 pa.

The generation and consequential fuel savings are very sensitive to the quantum of residual flow as may be prescribed by an environmental authority. For instance if the residual flow for Maori Creek were to be 50% of the average flow, say 70 litres / second, the contribution to SIESA load would be reduced to 40% and the saving around $145,000 pa.

11.4.5 Costs

The capital costs for a 500kW hydro station follow.

Capital Cost	$
Feasibility Study (including geology)	120,000
Consenting	250,000
Powerhouse access track (DoC)	1,600,000
Intake cable car (from powerhouse)	500,000
Vegetation clearing - headpond	100,000
Dam & Intake	600,000
Penstock	950,000
Powerhouse	400,000
Hydro turbine/generator 500kW(Me)	600,000
Electrical equipment, incl. transformer	115,000
Underground 11kV cable (DoC track)	1,475,000
Project Management & Admin	525,000
Contingency @ 20%	1,447,000
Total	**8,682,000**

The operation and maintenance costs for 700kW hydro station follow.

Indicative Operations & Maintenance Costs	$
Management & Admin	60,000
Service Engineers (operating and routine Maint)	150,000
Consumables	10,000
Insurance	25,000
DoC Concession fee	14,114
Environment Southland water monitoring	5,000
Road maintenance and vegetation clearing	50,000
Contingency @ 20%	62,823
Total O&M cost ($ pa)	**376,936**

With the costs above the comparative measures of capital cost/kW and per unit generated costs for a single turbine are:

$/kW = 17,360

c/kWh = 0.92

To obtain the additional flows from the three streams north of Maori Creek it is estimated that an additional $750,000 investment is required. Thus the total capital cost for the augmented North Arm scheme is estimated at $9.6m including a 20% contingency amount. The capital cost/kW and per unit generated costs for the augmented scheme are:

$/kW = 19,160

c/kWh = 0.74

11.4.6 Eastern Catchment Hydro Options

Jeff Wilson in his paper[7] outlines a low-head scheme that would utilise catchment between Fern Gully and North Arm. This catchment area is in rain shadow but with 3 dams could produce an area of about 6km2. Considering the aspect the average flows are not likely to be more than 275/ litres / second and probably not more than 200 litres/second. Using 200 litres / second the scheme would supply about 27% of the load and the value could be around $100,000 pa. The head is 90m and a unit of about 200kW could be considered for a capital investment estimated at $5.5m and a unit cost of production estimated at $1.60/kWh.

11.5 Battery Storage

Power Business investigated commercial battery storage options to use in association with the solar farm option. However with commercial storage batteries costing around $2,000/kWh, the viability of solar with battery storage is less favourable than for solar alone.

Commercial battery storage is envisaged for use with wind options but primarily as part of

the frequency keeping control system rather than for storage of excess wind energy.

Battery storage costs are expected to decline sharply within the next 5 years as electric vehicle battery technology is further developed and mass production on a global scale commences. As battery storage costs decrease renewable wind generation will become increasingly attractive.

11.6 Other Renewable Generation Options

Venture Southland did consider marine energy options in a 2007 report[9] including tidal current, tide and wave and concluded that these options were not economically viable and/or environmentally unacceptable. Recently Canterbury University researcher, Ian Mason, have promoted wind generation and sea water hydro pumped storage as the best renewable energy solution[10] for Stewart Island. Apart from the environmental issues, using wind to pump sea water into a head pond will not be cost effective because of the cost of the civil works and the relatively low efficiency of pumping water using wind as an energy source to run pumps.

12. Cost-Benefit of Alternative Generation Options

12.1 Discounted Cash Flow

The renewable generation options are evaluated using a discounted cash flow (DCF) model over a 40 year period post installation that is assumed to be the economic life of the generating plant. The economic model appropriately models the time value of money, depreciation on a diminishing value basis and taxation.

The base economic parameters assumed for the DCF model are set out in the following table.

Discount rate	8.5%
Inflation Rate	3.0%
Depreciation rate hydro	3%
Depreciation rate wind	7%
Depreciation rate solar	12%
Taxation rate	28%
Debt funding	0%
Present value date	1 April 2016
Taxation basis for DCF	Post tax

12.2 Economics

Using the capital and operations and maintenance cost figures above the following life cycle economic parameters are derived from the respective DCF models. Note that because of the differing economic lives of hydro and wind/solar a term of 40 years has been used as that reasonably represents the long life of a hydro scheme. Wind and solar installations are assumed to last 20 years. At 20 years for wind turbines a full refurbishment cost is assumed to extend the life by a further 20 years. For solar complete replacement of the panels is assumed at 20 years.

Generation Option	NPV
Wind (1 225kW unit)	-$2.0m
Wind (3 225 kW units)	-$3.2m
Solar (500kW)	-$2.7m
Hydro – North Arm (500kW)	-$9.2m
Hydro – North Arm augmented	-$9.0m

From an economic consideration none of the renewable generation options are viable and none achieve a positive cash flow and hence no return on capital. In this situation the best measure to rank the options is the unit cost of power production coupled with the % of load supplied.

Generation Option	Cost c/kWh	% load supplied
Wind (1 225kW unit)	59	25%
Wind (3 225 kW units)	55	45%
Solar (500kW)	109	15%
Hydro – North Arm (500kW)	92	62%
Hydro – North Arm augmented	74	83%

12.3 Suspensory Loan

If SIESA can obtain capital in the form of a suspensory loan or some form of non-repayable grant renewable generation can be considered for the Island. Below Power Business has calculated the amount of a grant to achieve a unit cost similar to that of mainland New Zealand, i.e. Southland electricity consumers at around 25 c/kWh. The loan amount for 35c/kWh is also calculated as shown in the table below.

	Loan Amount $m	
Generation Option	25c/kWh	35c/kWh
Wind (1 225kW unit)	$1.9m	$1.3m
Wind (3 225 kW units)	$3.3m	$2.2m
Solar (500kW)	$2.1m	$1.9m
Hydro – North Arm (500kW)	$10.8m	$9.2m
Hydro – North Arm augmented	$10.5m	$8.4m

13. Conclusions

This work has revealed that there is little scope for substitution of electricity by the use of alternate energy sources by the Stewart Island Community. The community has largely made changes to reduce or minimise their electricity consumption in response to price increases over the past 5 years. SIESA could probably operate the electricity system more cost-effectively by re-organising the business into generation and distribution divisions and tendering out the supply of operations and maintenance services as well as the fuel delivery to the Island.

Wind, solar and hydro renewable sources of electricity generation have been investigated

but none of these are commercially viable without some subsidy or suspensory loan. The marginal cost of generation form the existing diesel generating sets is calculated at 23c/kWh and the lowest renewable generation source is wind generation (3 units) at 55c/kWh. However 3 wind turbines will only supply on average about 43% of the annual electricity requirement and two turbines is probably the lowest per unit cost solution. Commercial scale storage batteries are expected to significantly decrease in cost and this will make wind generation more cost-effective.

The ideal source of renewable generation is hydroelectric but the topology of the Island does not lend itself to low cost hydro generation because there are no large river valleys close to the load centre at Oban. The North Arm scheme with the Maori Creek catchment augmented with flows from the 3 northern streams is the most viable hydroelectric option. This scheme can on average provide 80% of the currently electricity requirements but at a capital cost close to $10m.

Solar is not commercially viable on Stewart Island due to the low latitude of the Island and even if the cost of solar panels continues to fall will not compete with wind turbines as an alternative.

Common to all renewable energy sources, is the ongoing requirement to retain diesel generation to mitigate dry year conditions for hydroelectricity as it is not possible to cost-effectively establish sufficiently large reservoirs to store water to provide power in low or no wind situations in the case of wind turbines. The table below summarises the key parameters for each option investigated.

	Renewable Generation Option				
Key Parameters	**Hydro**	**Hydro Addn Flow**	**Solar**	**Wind**	**Wind x 3**
Size (kW)	500	500	500	225	675
Environmental impact	High	High	Low	Med	Med
Contribution to Load (kWh pa)	990,425	1,320,217	238,289	350,884	690,575
Contribution to Load (%)	62%	82%	15%	22%	43%
Diesel savings ($ pa)	$225,097	$300,049	$54,319	$79,746	$156,949
Capital Cost ($m)	$8.7	$9.6	$2.2	$1.7	$3.0
Cost ($/kW)	17,364	19,164	4,483	7,387	4,489
Per unit cost of Generation (c/kWh)	0.92	0.74	1.09	0.59	0.55
NPV ($m, 40 yr base)	-$9.20	-$8.95	-$2.67	-$1.97	-$3.21
Grant required for 35c/kWh unit cost	$9.2m	$8.4m	$1.9m	$1.3m	$2.2m

14. Recommendations

The Power Task Force's brief was to find a sustainable, environmentally acceptable and renewable source of power for Stewart Island at close to mainland pricing per unit. After a comprehensive review of numerous past reports into alternative power supply on Stewart Island and the viability of new initiatives, Power Business has come to the reluctant conclusion that it has not been possible to satisfy the brief.

Whilst the Task Force considered hydroelectric generation as the preferred source of energy, a view shared by Power Business, this option failed to satisfy the requirements of the brief because of insufficient inflows during dry periods, unsuitable topography, limited storage possibilities, difficult access, significant civil engineering challenges, environmental impact, remote from the load source and relatively high cost.

Of the other renewable generation options, wind generation comes closest to meeting the requirements but would not be able to provide more than 43% of the current energy requirements in an "average" wind flow year with three 225kW turbines and then at a cost more than double the marginal cost of diesel generation. However Power Business does expect the cost of wind turbines to reduce and coupled with commercial battery storage this combination could well come into contention within the next 5 years.

There is constant movement in new technologies, which the Task Force should continue to monitor, in the event that these become relevant and economically viable for Stewart Island. Whilst the Task Force has studied a number of new technologies, along with power generation in Pacific Island communities and Mayor Tong studied power generation in Norway none of these technologies were proven or deemed relevant to the Island's current and future power generation needs.

Power Business was very aware of the feelings of the Power Task Force and Consumers and the environmental effects of diesel generation during these investigations. However the object of this review was to fill the brief and these findings based on the best information to date.

Therefore the it is recommend that SIESA continue to provide diesel generation however review the use of wind, combined with high-capacity commercial storage batteries, within the next two years or in the event that the cost of diesel fuel increases significantly.

15. Acknowledgements

Power Business is indebted to the following persons/organisations that willingly assisted with this work:

Energy3 and in particular Tom Cameron who provided much of the analysis in relation to wind options free of charge and contributed to the initial analysis of the hydro data;

Envirolink and Tony Hewitt and Dion Ayers who at very short notice scrambled to visit the Maori Creek hydro intake weir, identified the datum error and conducted the hydrological analysis and provided the corrected flow data;

PowerNet management who provided support for the work and the station operators who showed the Power Business staff around the SIESA network and generating station as well as supplying the SCADA load data;

Venture Southland and Robin McNeill who provided background to the past work and supplied numerous relevant reports to aid the work;

Ian Mason of the University of Canterbury who provided data that he used when studying options, papers he had prepared and willingly discussed the pros and cons of various options;

Department of Conservation and in particular Dale Chittenden who provided valuable information in relation to the hydroelectric options on likely roading and track costs and suggested the option to utilise the DoC walking track as a route for the power cable to Oban;

To numerous colleagues within the energy industry who willingly contributed with their time and thoughts on aspects of the renewable generation solutions for the Island; and finally to

The Power Task Force: Mayor Gary Tong, Councillor Bruce Ford and Jon Turnbull representing MP Sarah Dowie who commissioned the work and provided valuable feedback and support during the course of this investigation.

John McCutcheon
Power Business Ltd
2 September 2016

Appendix A: References

1. Stewart Island Energy Project – Summary of reports prepared, budgets and project status, Venture Southland, October 2015
2. Energy Use in New Zealand Households, Study Report SR155, BRANZ
3. Electricity Supply Asset Management Plan, 2015-2025, SDC February 2015
4. Stewart Island DC Interconnect Converters, Cables and Installation, ELMG, September 2015
5. Stewart Island Wind Resource and Energy Analysis Concept Study, Energy3, May 2016
6. Stewart Island Hydro – Initial Analysis, ELMG, July 2013
7. Stewart Island Power Options, Jeff Wilson, 2011
8. Stewart Island Hydro – Maori Creek, Envirolink, July 2016
9. A proposed way forward to deal with electricity supply at Stewart Island, Venture Southland, August 2007
10. Pumped hydro best renewable option for Stewart Island, Energy News , 20 July 2016

Southland Rural Internet and Mobile Services - Information Report for Stewart Island Community Board

Record No: R/17/3/6590
Author: Rhiannon Suter, Strategic Projects Manager
Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision ☒ Recommendation ☒ Information

Background

1 Stewart Island Community Board requested guidance on what improvements to internet options are available for the Island.

2 Venture Southland is leading work for the region to advocate for improved internet and mobile services for Southland's rural communities. Venture Southland is advocating for fibre (Ultrafast broadband) and LTE (4G Mobile services) for everyone in Southland.

3 The Government has set aspirational targets that by 2025, 99% of New Zealanders will have access to broadband of at least 50 Mbps and 100% of New Zealanders will have access to broadband of at least 10 Mbps. However, research undertaken by Venture Southland shows that many Southlanders are not yet receiving anywhere near these standards and that the proposed improvements are unlikely to achieve the goals intended.

4 Significant research has been undertaken and submissions made as part of the process being led by Crown Fibre Holdings Ltd, on behalf of the Government, to implement the second round of the Rural Broadband programme (RBI2), the Ultrafast Broadband programme (UFB2) and the Mobile Blackspot Fund (MBF), which is a new fund designed to improve mobile coverage on key tourism routes.

5 Venture Southland's work was instrumental in the announcement made on 26 January 2017 that Southland will receive $13.3 million to connect key communities with fibre under the UFB2 programme. Accordingly, Winton, Te Anau, Riverton West, Bluff and Otatara have just been announced as locations which will receive fibre between July 2017 and December 2024. A timetable for each location is expected to be published in 90 days. Priority is being given to completion of UFB1 (within Southland that includes Gore and Mataura, which are not scheduled for completion until 2019).

6 Venture Southland is continuing to work closely with Crown Fibre Holdings, with Southland's Mayors and with local Internet operators to seek improved coverage for rural areas under RBI2. The rural broadband wireless coverage maps which have been published as a guide for RBI2 submissions show Southland as having almost complete coverage, yet feedback from communities reveals this is not the case. Venture Southland has submitted the results of internet speed tests and the Southland Internet and Mobile Surveys (over 1000 responses were received to these surveys in 2015 and 2016) to MBIE and Crown Fibre Holdings. Crown Fibre Holdings is currently working to assess areas currently receiving less than 20 Mbps (Category 2 users).

7 Assessment of mobile signal coverage on the Southland road network has also been undertaken by Venture Southland and is available at www.venturesouthland.co.nz. A copy of the submission made to Crown Fibre Holdings is attached for those interested in the detail.

8 Venture Southland has commissioned an Independent expert to produce a recommendation for a strategic response to Southland's long term network development plans. This will be submitted to Crown Fibre Holdings in April 2017.

What does this mean for Stewart Island?

9 **Fibre (UFB2 programme):** Stewart Island did not meet the population criteria to receive fibre under the UFB2 programme and the Government has no plans to install fibre for Stewart Island.

10 Wireless Broadband Internet (RBI programme):

11 One area south of Half Moon Bay is on the Crown Fibre Holdings list of areas not yet covered by RBI1 (receiving less than 5 Mbps – known as Category 1 end-users – See the "Map of non-coverage areas and mobile black spot locations using data provided by Crown Fibre Holdings, 2016" in the appended document). Four people from Stewart Island responded to the Southland Mobile and Internet Survey – There is no consistent message possible from these results as everyone reported different satisfaction with the services they were receiving. One person participated in the Great Southland Internet Speed test and their internet speed was between 5Mbps (existing minimum 3G RBI contractual standard) and 20Mbps (Coverage required Category 2 end users).

12 Existing minimum 4G RBI contractual standards introduced in August 2016 require 30 Mbps minimum for 4G RBI customers. There is one tower on Stewart Island which is 4G RBI and so theoretically all consumers being served by a 4G tower should be receiving 30 Mbps minimum speeds under the Vodafone- Government RBI contract. Individuals or businesses having problems with their service should contact Venture Southland (see below) and their provider to ensure that the appropriate level of advocacy and service improvement can be achieved.

13 **Telecommunications Backhaul:** Venture Southland is of the view that Stewart Island's issues will not be solved by either the UFB2 or RBI programmes as the major limitation effecting the Island is not the cabling or wireless provision on the Island but rather the bottleneck in transferring internet data across Foveaux Strait. Most copper cabling on Stewart Island, which was laid between 1985~1987, is likely to be of sufficient quality that most residences on Stewart Island could be adequately served by VDSL service over the Chorus network. Speeds of up to 50Mbps should be obtainable. Currently transfer of data across the Strait (backhaul) is achieved by dual microwave links, which can carry very much less data than a fibre optic cable. While we cannot yet quantify how badly this bottleneck is impinging on overall user speeds, we are confident that this is a crux point. The most practical method of addressing this situation is to increase the capacity of the digital microwave radio links as it likely that other solutions such as laying undersea fibre would be a very high cost logistically complex solution.

14 **Mobile Coverage (MBF):** Stewart Island is not on the Mobile Blackspot Fund longlist. This fund is intended primarily to improve connectivity on very high use tourist driving routes.

15 **Independent expert recommendation for development of telecommunications network within the region.** This region wide review will factor in the needs of Stewart Island.

Support and information

Contact Navarre Campbell, Digital Enablement Co-ordinator (03 211 1400; navarre@venturesouthland.co.nz) for further information and to ensure that your connectivity feedback is included within the Venture Southland's research. This will assist Venture Southland's work in advocating for improved services for the region.

Recommendation

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Southland Rural Internet and Mobile Services - Information Report for Stewart Island Community Board" dated 27 March 2017.

b) Request Venture Southland to approach Chorus on their behalf to set up a meeting to discuss the possibility of upgrading the microwave link to the Island. Venture Southland would support members of the Community Board and/or Southland District Council in this meeting.

Attachments

A Southland Submission to Crown Fibre 2 December 2016 - Summary ⇩

2 December 2016

Steve Inglis
Project Manager
Crown Fibre Holdings

Email: RBI2.MBS@crownfibre.govt.nz

Dear Steve

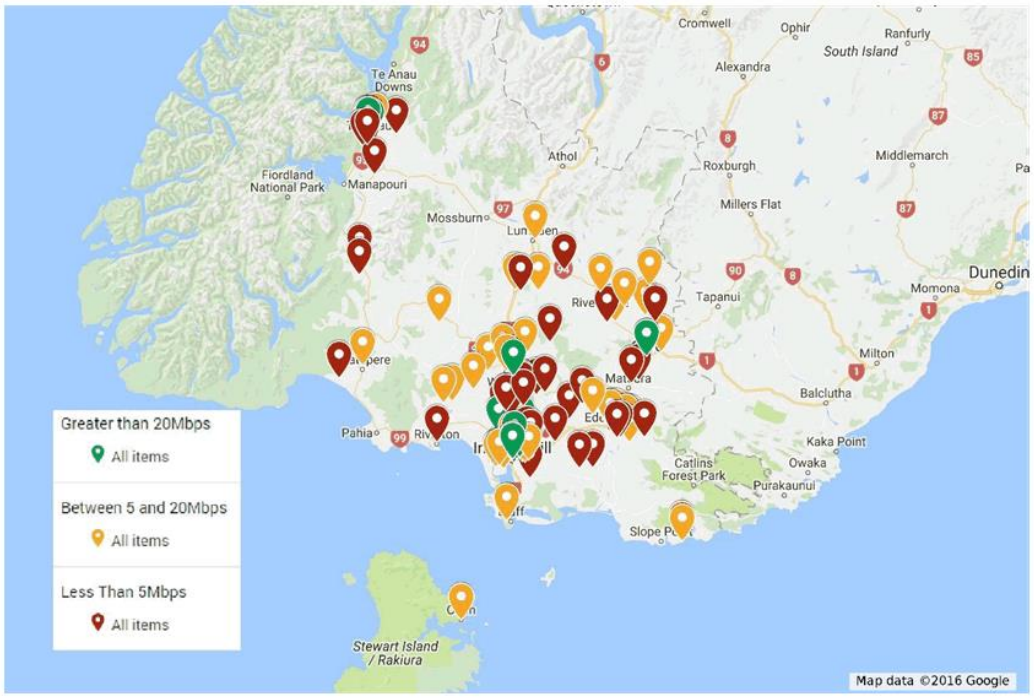
Response to coverage information

Thank you for the opportunity to submit on the coverage information.

In the 2015 Ultrafast Broadband, Rural Broadband and Mobile Black Spot Fund Registration of Interest Venture Southland submitted to MBIE and in the response to the questions we provided to Crown Fibre Holdings on Friday 26 November 2016, we outlined the concerns about the woeful inadequacy of the official coverage maps provided by the telecommunications operators.

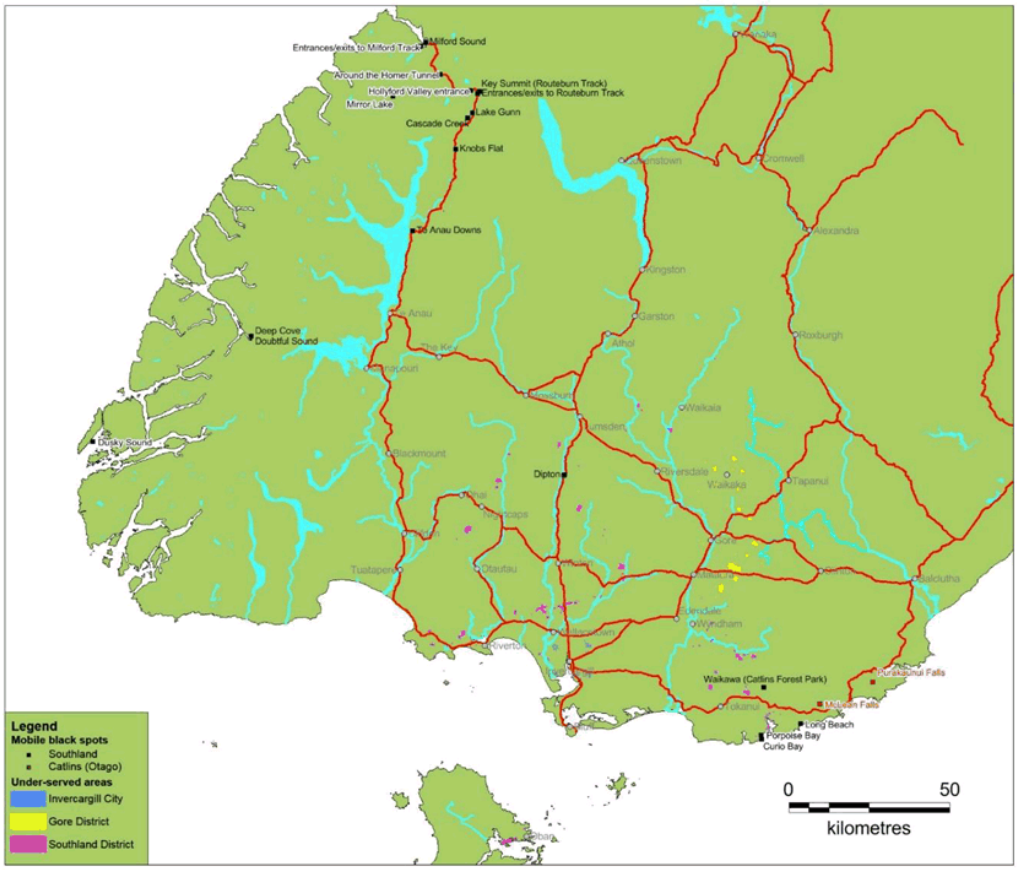
Internet services
The map below shows the results of an internet speed test survey which Venture Southland has undertaken over the last month. 152 households responded to the survey and where multiple speed tests were provided, the average was used. With the exception of 11 customers in Te Anau, Gore and Winton, all customers outside Invercargill are receiving services of less than 20 Mbps download rate. Thirty six percent are receiving less than 5 Mbps.

While this survey can only be indicative due to the short time frame, this nevertheless shows that customers are far away from receiving the level of service which the Government targets indicate are and will be available. This information is also consistent with the public consultation undertaken by Venture Southland, Southland District Council and is consistent with the feedback received from businesses, emergency services, local rural sector groups, MP staff, and is also reflected in current social media commentaries.



Regional internet speed test results, November 2016.

This paints a significantly different picture to the coverage data provided by Crown Fibre Holdings which we have mapped below.



Map of non-coverage areas and mobile black spot locations using data provided by Crown Fibre Holdings, 2016

Venture Southland has also undertaken a survey of customer experiences of their mobile and internet services, to which we have received 192 responses. This is an update to the same survey which we undertook in 2015 prior to the submission of our ROI to which we received over 700 responses. 28% of respondents report that their service is very or impossibly slow or variable/ unreliable, compared to 35% in 2015. While a third have seen improvements in their service over the last year (33%), almost as many believe their service has worsened (26%). 32% of business owners say that the quality of internet and cell phone services in their area is affecting their ability to attract staff.

Many respondents took the time to provide feedback on the services they are receiving and their comments are included in the appendices below.

We contend that the limitations of RBI1 4G LTE 700 MHz wireless technology mean that only a small number of households can be adequately served within the coverage areas published by the large operators. The fact that so many customers within the official coverage areas choose to reluctantly accept 2Mbps services from WISPs is in itself indicative of the fact that they are unable to receive the services advertised by the main operators. In addition the aging copper network means that people are increasingly receiving poor service on ADSL and VDSL services. For this reason our recommendation is that the

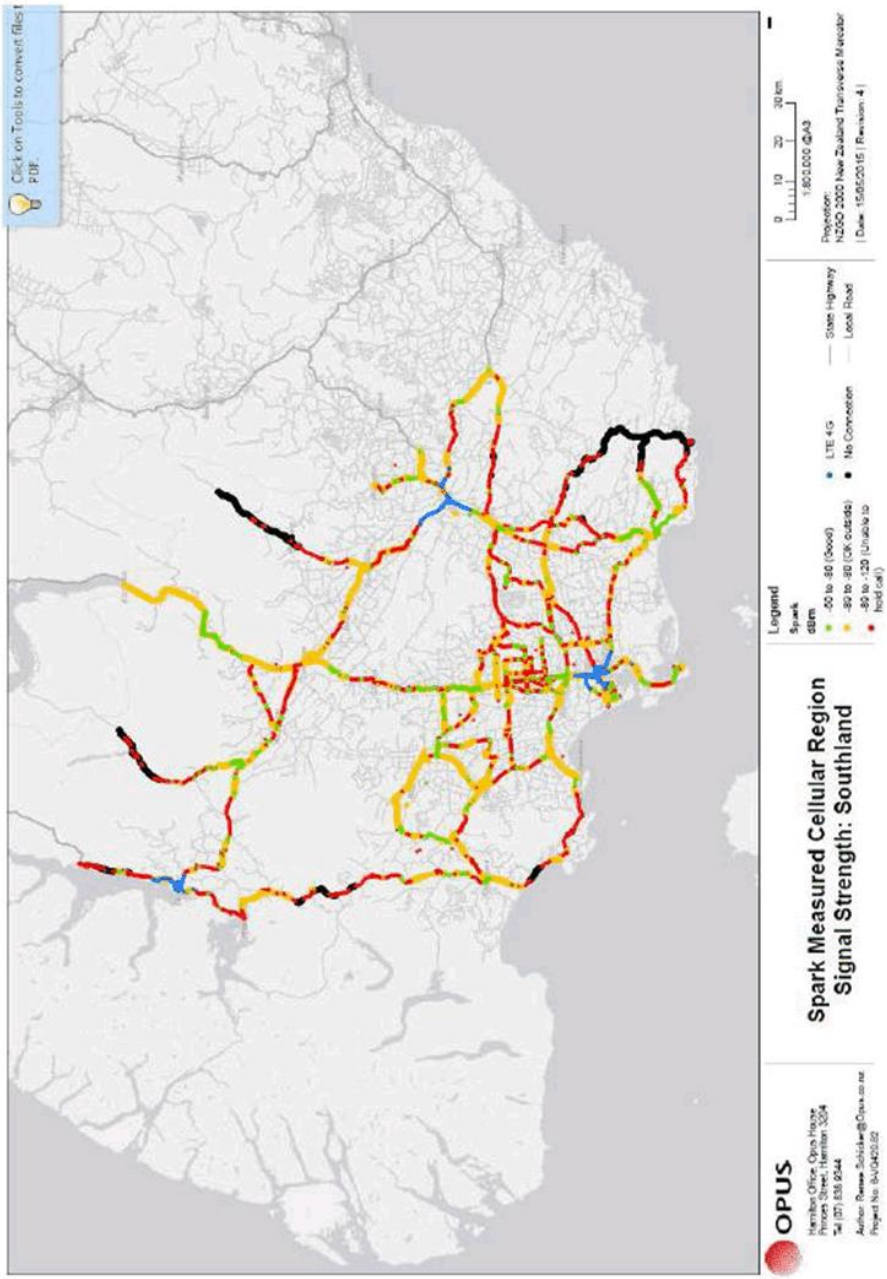
only sustainable solution to Southland's needs are both fibre and LTE everywhere. This is outlined in our report "Whole of Community Broadband" which was submitted as a part of MBIE's 2015 ROI and is attached again for your information.

Mobile coverage
In 2015 Opus Consultants on behalf of Venture Southland, undertook an assessment of coverage on both Spark and Vodafone on state highways and key routes within the region. This reveals significant areas of black spots and poor coverage. In addition, the results of the 2016 Southland Internet and Mobile survey show that 15% of customers cannot use their cell phone in their home and a further 39% can only use their phone in some locations within the home. 57% of respondents or their family members regularly experience coverage issues which impact on their lives.

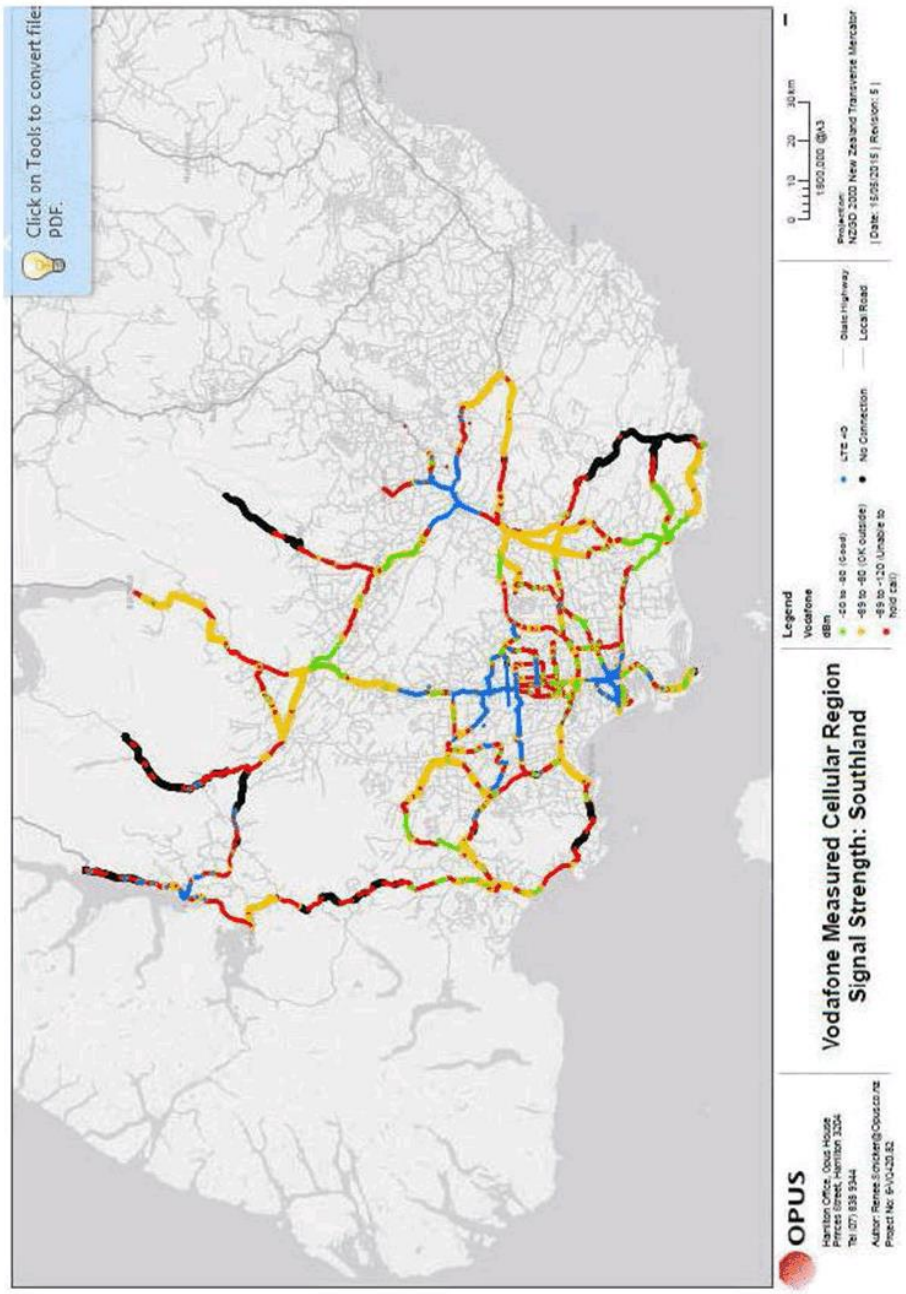
The survey findings are shown on the attached maps:

1. Spark mobile
2. Vodafone mobile
3. And combined mobile coverage.

Spark Mobile Coverage in Southland – May 2015

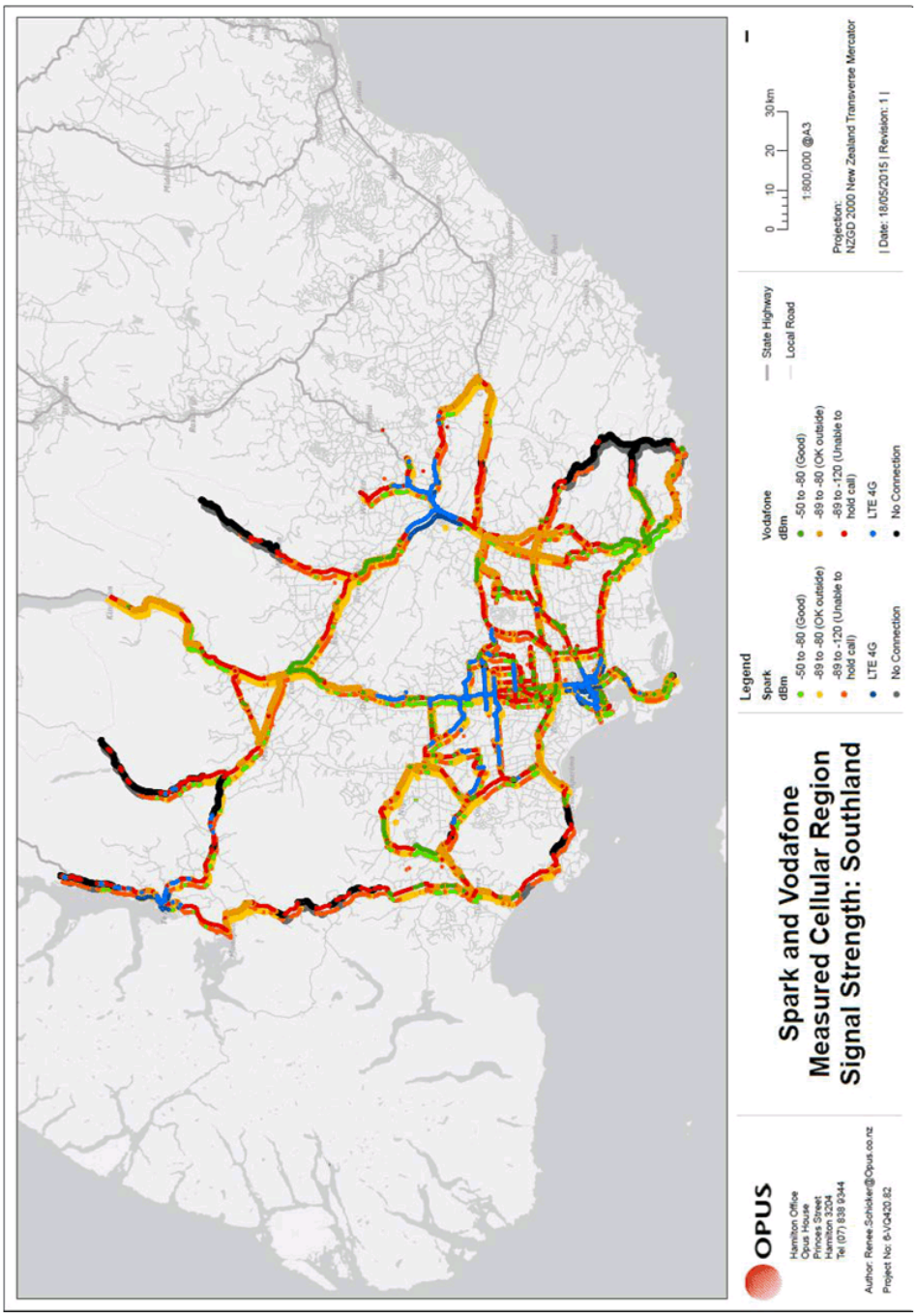


Vodafone Mobile Coverage in Southland – May 2015



Combined Mobile Coverage in Southland – May 2015

Item 8.4 Attachment A



As you know, this issue is of huge significance to Southland communities and businesses. Digital connectivity has been identified as the primary enabler required for the success of the Southland Regional Development Strategy Action Plan which was launched on November

30th by Ministers Joyce and Guy in Invercargill attended by more than 500 people. It is imperative that an accurate baseline be used to assess actual areas of coverage and standards of service available to customers to ensure that the outcomes of RBI2 are more impactful than those achieved under RBI1.

Venture Southland believes that a successful outcome for the region will require:

- A coordinated strategic approach guided by a national and regional network development plan
- Investment in the enduring elements of the network, including fibre and significant tower installations
- A goal of fibre and LTE everywhere by 2030.

We urge you to give this submission serious consideration and we are willing to provide additional information as required to further build on the data that has been provided to date. Should you require any further information, please contact the writer.

Yours faithfully

Stephen Canny
GM Business and Strategic Projects

Appendix A: Feedback to the 2016 Southland Internet and Mobile Survey
Appendix B: Comments from the Vodafone Facebook Post about Rural Broadband
Appendix C: Southland regional Development Strategy – Digital Enabler
Appendix D: Consumer Stories

Recently Adopted Policies

Record No: R/17/3/3812
Author: Robyn Rout, Policy Analyst
Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision ☐ Recommendation ☒ Information

Purpose

1 This report notifies the Community Board of policies that have recently been adopted by Council. Copies of the policies are included as attachments to this document, for the member's information.

New Policies

2 Members may be aware that Council has been reviewing and developing a number of policies. The following policies came into effect when they were adopted at a Council meeting on the 23rd of February:

- **The Easter Sunday Shop Trading Policy** – this is a new Policy that allows all shops in the District to trade on Easter Sunday.
- **The Stewart Island/Rakiura Visitor Levy Policy** – this Policy gives guidance on the governance and administration of the Levy. The Policy has been updated to bring it into alignment with current roles within Council, and so it aligns with recently adopted terms of reference and delegations. A more comprehensive review of the Stewart Island/Rakiura Levy is scheduled to be completed next year.

3 **The Remission and Postponement of Rates on Maori Freehold Land Policy** was also adopted at the meeting on the 23rd of February, and will come into effect on the 1st of July. This Policy allows rates to be remitted on Māori Freehold Land when the land meets the criteria outlined in the Policy. The Policy has been updated to bring it into alignment with current roles within Council, and some minor matters have been clarified.

4 If any further information about the policies is needed, please contact the Strategy and Policy team.

Recommendation

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "Recently Adopted Policies" dated 14 March 2017.

b) Notes that the Council has recently adopted three new policies, two of which came into effect on the 23rd of February 2017.

Attachments

A Easter Sunday Shop Trading Policy ⇩
B Stewart Island/Rakiura Visitor Levy Policy ⇩
C Remission and Postponement of Rates on Maori Freehold Land Policy ⇩

SOUTHLAND DISTRICT COUNCIL
EASTER SUNDAY SHOP TRADING POLICY

This policy applies to: the Southland District

DOCUMENT CONTROL

Policy owner: Group Manager Environmental Services	TRIM reference number: R/2016/10/17248	Effective date: 23 February 2017
Approved by: Council	Date approved: 23 February 2017	Next review date: 2022

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EASTER SUNDAY SHOP TRADING POLICY

1. PURPOSE

The purpose of this policy is to allow all shops in the Southland District to open on Easter Sunday. This policy will:

- promote ease of business;
- recognise the needs of the retail and tourism sectors;
- apply a consistent and simple approach to Easter Sunday shop trading.

2. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
Shop	Is a building, place, or part of a building or place, where goods are kept, sold, or offered for sale, by retail; and includes an auction mart, and a barrow, stall, or other subdivision of a market; but does not include - (a) a private home where the owner or occupier's effects are being sold (by auction or otherwise); or (b) a building or place where the only business carried on is that of selling by auction agricultural products, pastoral products, and livestock, or any of them; or (c) a building or place where the only business carried on is that of selling goods to people who are dealers, and buy the goods to sell them again.
Employer	Has the same meaning as in Section 5 of the Employment Relations Act 2000
Shop Employee	Means an employee within the meaning of Section 6 of the Employment Relations Act 2000 who works in or from a shop.
Southland District	Is the area depicted in Appendix 1.

3 BACKGROUND

In 2016 the Shop Trading Hours Act 1990 (the Act) was amended, allowing councils to introduce a policy letting shops trade on Easter Sunday.

Council can apply the policy to the whole District, or just to a particular region or regions. A policy cannot define specific opening hours, what types of shops may open, or for what purposes a shop may open.

4. POLICY DETAILS

4.1 Shop Trading Permitted

This policy allows all shops to trade on Easter Sunday.

4.2 Right to refuse to work

Employers must comply with the provisions relating to a Shop Employees right to refuse to work, as is set out in the Act and in the Employment Relations Act 2000.

Employers and Shop Employees must also give notice in accordance with the time provisions set out in the Act.

4.3 Scope

This Policy applies to the whole of the Southland District. A map outlining the boundaries of the Southland District is included as Appendix 1.

This Policy does not apply to the sale or supply of alcohol. Alcohol sale and supply is regulated under the Sale and Supply of Alcohol Act 2012.

4.4 Review

This Policy will be reviewed within five years of adoption. The Act requires the use of the Special Consultative Procedure when adopting, reviewing and determining whether to amend, revoke, replace or continue the policy.

5. ROLES AND RESPONSIBILITIES

Party/Parties	Roles and Responsibilities
Environmental Services	Providing advice on the content and scope of the policy. Advising on adopting, reviewing, amending, revoking, replacing or continuing the policy.
Strategy and Policy	Adopting, reviewing, amending, revoking, replacing or continuing the policy. Undertaking consultation in accordance with the Special Consultative Procedure.
Communications	Developing a communications strategy and assisting with consultation.

6. ASSOCIATED DOCUMENTS

The sale and supply of alcohol on Easter Sunday aligns with the Act. The sale and supply of alcohol is restricted by the Sale and Supply of Alcohol Act 2012.

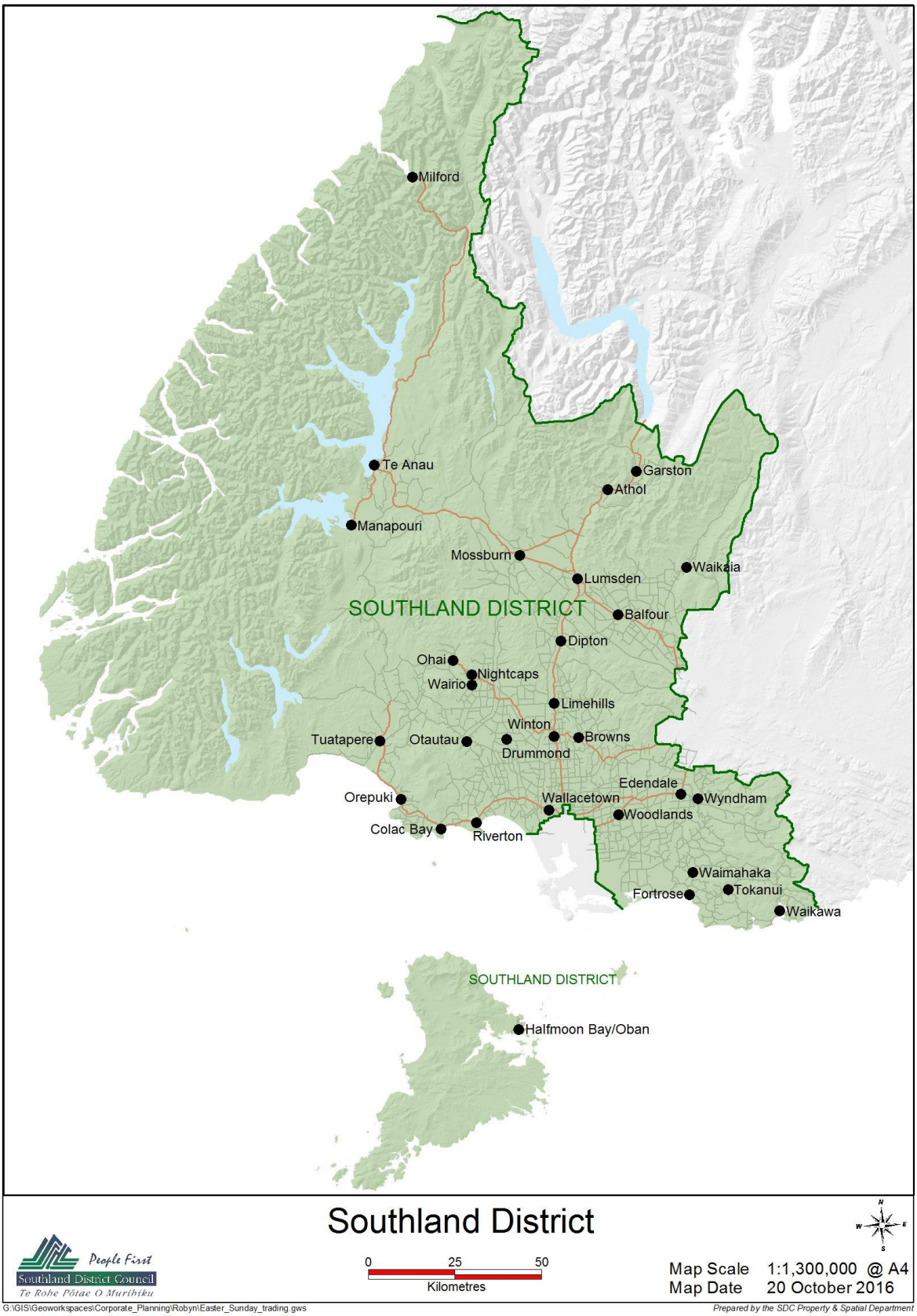
This policy aligns with the Southland Regional Development Strategy's objective of generating an ease of doing business in Southland.

7. REVISION RECORD

Date	Version	Revision Description
23 February	R/16/10/17248	Policy introduced

Item 8.5 Attachment A

APPENDIX 1. Map of the Southland District



POLICY: **STEWART ISLAND/RAKIURA VISITOR LEVY**

ROLE RESPONSIBLE: Activity Manager Community Assistance

DATE APPROVED: 23 February 2017

DATE AMENDED:

FILE NO: R/17/1/1098

1.0 PURPOSE

This policy provides guidance on governance and administration of the Stewart Island/Rakiura Visitor Levy. The policy outlines who is liable to pay the levy as well as how the levy will be collected, administered, allocated and enforced.

2.0 BACKGROUND

Although Stewart Island/Rakiura has a small resident population, it is a destination for a large number of short-term visitors. This creates a unique funding challenge for Southland District Council.

The Southland District Council (Stewart Island/ Rakiura Visitor Levy) Empowering Act 2012 (the Act) was passed into law on 26 March 2012. The Act empowers Southland District Council set and collect levies and obtain revenue from visitors to Stewart Island/ Rakiura. Under the Act, funds must be used to better provide services, facilities, and amenities for Island visitors.

3.0 DEFINITIONS

The Act - the Southland District Council (Stewart Island/ Rakiura Visitor Levy) Empowering Act 2012.

Council - the Southland District Council.

Island - Stewart Island/Rakiura.

Levy - the sum of money (inclusive of GST) collected under Stewart Island/ Rakiura Visitor Levy Bylaw 2012.

Revenue - revenue (inclusive of GST) collected under Stewart Island/ Rakiura Visitor Levy Bylaw 2012, by an approved operator in accordance with contractual arrangements with the Council.

Visitor - any person who travels to the Island and is not exempt from payment of levy or revenue under the Act or the provisions of this policy.

Approved Operator - once an agreement is reached between Southland District Council and a transport vessel operator for the collection and payment of revenue, the operator becomes an Approved Operator. The Approved Operators are Real Journeys on behalf of Stewart Island Experience, Stewart Island Flights and ISS McKay on behalf of the cruise ships.

Agent - a business entity that enters into a contractual arrangement with Southland District Council to collect the Levy from its passengers on behalf of the Council.

Resident - a person recognised as living on the Island for electoral residency purposes under Section 23 of the Local Electoral Act 2001.

Ratepayer - a person who is named on a current rates notice of a rating unit on the Island. Only persons who are named on current rates notices are considered to be ratepayers, regardless of who funds rates payments.

Tenant - a person who has a tenancy agreement for a rating unit on the Island under the provisions of the Residential Tenancies Act 1986.

Dependant - a person primarily under the care and responsibility of another person, living with that person as a member of their family and substantially reliant on that person for financial support.

Activity - has the meaning given in Section 5(1) of the Local Government Act 2002 This includes:

(a) the provision of facilities and amenities; and

(b) the making of grants; and

(c) the performance of regulatory and other governmental functions.

Freedom traveller - a visitor who travels to the Island by means other than as a passenger of an approved operator. This includes chartered vessels and independent travel. It does not include people who travel via the ferry (Stewart Island Experience) or scheduled flight (Stewart Island Flights) or cruise ships.

Rakiura Māori Land Trust - the Rakiura Māori Lands Trust is governed by six Trustees appointed by the Māori Land Court upon recommendation from the beneficial owners. The Rakiura Māori Land Trust holds lands and funds in trust for many Rakiura Māori descendants.

4.0 COLLECTION

The Act provides for the collection of money from two sources:

1. ***Revenue*** collected on behalf of Southland District Council by Approved Operators; and
2. ***Levy*** income from visitors arriving as freedom travellers.

Through contractual arrangements, Southland District Council will collect *revenue* from Approved Operators. Approved Operators include Stewart Island Experience (the ferry), Stewart Island Flights (scheduled airline service) and cruise ships. Passengers will pay the Approved Operator in accordance with the terms of carriage ie, the levy will form part of their ticket price.

However, if the person travels via an Approved Operator and pays a local or child fare, the Approved Operator will not charge the levy.

Under the Stewart Island/Rakiura Visitor Levy Bylaw 2012, Southland District Council will collect the *levy*. The *levy* will be collected from freedom travellers, ie those who are visitors under the Act but do not travel as passengers of an Approved Operator. Where a person is a freedom traveller the categories of exemption in Clause 4.1 apply. This means that if a person is not exempt, he or she will have to pay the levy.

The Act exempts people visiting the Island for a continuous period of 21 days. If revenue is collected from such individuals, they can seek a refund from Southland District Council by providing proof they have been on the Island for at least 21 days.

4.1 Who Pays

All individuals travelling to Stewart Island/Rakiura must pay the levy or pay revenue to an Approved Operator unless they are exempt under the Act or pay a local fare.

The Act provides several categories of exemption. These are:

1. Residents, ratepayers and tenants of Stewart Island/Rakiura and their spouses, civil union partners, de facto partners, or dependants;
2. Beneficiaries of the Rakiura Māori Land Trust or individuals who have an ownership interest in a Māori land block on the Island;
3. Visitors who remain on the Island for any continuous period of 21 days or more;
4. Owners of a transport vessel or individuals employed under contract to work on a transport vessel;
5. Individuals whose visit is entirely within the boundaries of the Rakiura National Park;
6. Persons under the age of 18 years on the date of arrival on the Island.

Where the resident or ratepayer exemption applies to a person, the exemption does not automatically apply to the whole family or group. The exemption applies to the ratepayer(s) set out on the rates notice and their spouse, civil union partner, de factor partner or dependant. This does not include visiting adult children or grandchildren (unless they are dependants). Holiday home owners are exempt if they are a ratepayer on the Council's rates notice. However, beneficiaries of family trusts are unlikely to be exempt if they are not designated by name as ratepayers on the Southland District Council rates notice.

The exemption does not apply to visiting trades-people unless the person stays for more than 21 days. Volunteer visitors are also required to pay the levy unless they fall within a category of exemption.

Visiting entirely within the boundaries of the Rakiura National Park means the person visiting does not arrive or leave through the township of Oban.

5.0 CALCULATION

The amount of the levy is set out in the Stewart Island/Rakiura Visitor Levy Bylaw 2012 and is currently set at $5.00.

In the event an increase in the levy amount is considered, public consultation will occur via the Southland District Council Annual/ Long Term Plan process. If Council decides to increase the levy amount, the increase will not take effect until 1 October in the year following the decision ie, Approved Operators will receive 15 months lead in time before they start collecting the new amount.

5.1 Arrangements with Approved Operators

Approved Operators will collect revenue on behalf of Southland District Council in accordance with contractual arrangements. The contractual arrangements will be negotiated for each Approved Operator taking into account the individual circumstances of each transport business.

Apart from cruise ships, Approved Operators will charge the levy for both inbound and outbound journeys ($2.50 each way). This allows for passengers who use different modes of transport to travel to and from the Island and allows the levy to be apportioned across the modes of transport on an equitable basis.

5.2 Collection of the Levy from Freedom Travellers

The Stewart Island/Rakiura Visitor Levy Bylaw 2012 outlines levy collection from visitors who travel to the Island via private or chartered transportation ie, freedom travellers. A levy of $5.00 will be payable when the person arrives on the Island. Southland District Council has provided a collection box to receive payments, placed at the Southland District Council office at 10 Ayr Street, Oban. Freedom travellers can deposit levy payments at this location at any time. Southland District Council will also enter into agreements with an agent(s) operating chartered vessels to collect the levy from passengers on behalf of Southland District Council.

Only one payment is required per person for the duration of their stay on the Island. Travel to neighbouring Islands (excluding the mainland) will not constitute leaving the Island.

6.0 PROOF OF EXEMPTION

Persons exempt under the Act can apply for a Southland District Council photo identification card. Southland District Council photo identification cards will be accepted as proof of exemption by Approved Operators and agents. They will also be accepted by enforcement officers monitoring compliance with the Stewart Island/Rakiura Visitor Levy Bylaw 2012.

A Southland District Council photo identification card will be issued and renewed at no cost to exempt applicants. Renewing a Southland District Council photo identification card will require confirmation of entitlement using documentation as set out in Appendix A. Photographs will also be updated at the time of renewal. It is the responsibility of the card holder to advise the Council of any change in contact details or exemption status.

The card remains the property of Southland District Council. Cards are not transferable and cardholders retain sole responsibility for use of the card issued to them. A replacement fee will apply to lost or damaged cards. This fee will be set out in the Southland District Council Schedule of Fees and Charges.

Agreements between Southland District Council and Approved Operators are reached on an individual basis and may differ. A Southland District Council photo identification card may be required by the Approved Operator at the time of ticket purchase or boarding the vessel for an exemption to be granted.

Each Approved Operator may choose to compile a list of names eligible for local fares. Eligibility for a local fare is a commercial decision made at the discretion of Approved Operators and is not influenced or administered by Southland District Council. Individuals can contact Approved Operators to ascertain whether they maintain such a list and to determine their eligibility for inclusion. Eligibility for local fares may mean that there is no requirement to apply for and carry a photo identification card when travelling.

6.1 Application for Exemption

An application to receive a Southland District Council photo identification card can be made by attending the Southland District Council office located at 15 Forth Street, Invercargill or by sending a completed application form to PO Box 903, Invercargill 9840 accompanied by a colour passport sized photo of each applicant.

Applicants are also required to provide documentation which proves their exemption. Examples of accepted documentation to prove exemption status are set out in Appendix A.

Two categories of card will exist, distinguished from one another by colouring. The first category will cover people with long term exemptions, including ratepayers, residents and beneficiaries of the Rakiura Māori Land Trust. Cards issued to individuals in this category will be valid for a period of up to five years.

A second category of card will be issued to people who have a temporary exemption due to circumstances such as seasonal work or extended temporary stay on the Island. These cards will be valid for a fixed period of time up to six months. To align with seasonal work trends, fixed periods for temporary cards will be from 1 October to 31 March and from 1 April to 30 September each year.

7.0 REFUNDS

People who have been charged the levy but believe that they are exempt under the Act can apply to Southland District Council to receive a refund. Refund applications should state the reason for the claim, along with a copy of supporting documentation as set out in Appendix A.

An application for a refund must be made within six months of the date of travel.

8.0 AUDIT

Southland District Council has the ability to audit the collection and payment of the levy by agents and revenue by Approved Transport Operators. Audit procedures may include a review of visitor numbers against funds received.

9.0 ENFORCEMENT

Part 2 of the Act outlines infringement offences. Any person considered a visitor that has evaded payment or falsely claims that they are not a visitor will be considered to have committed an infringement offence.

An infringement fee is set by way of regulation and will be displayed on signs erected on the Island. Infringement notices can be issued by Southland District Council Enforcement Officers. Enforcement Officers are authorised to request proof of payment or exemption from individuals.

Southland District Council photo identification cards are accepted as proof of exemption. A ticket issued by an approved transport operator, a cruise ship boarding pass or a receipt from the collection box or a levy collection agent will also be accepted as proof of payment.

10.0 ADMINISTRATION

The Stewart Island/Rakiura Visitor Levy Subcommittee (the Subcommittee) has delegated responsibility to make decisions regarding funding from the Stewart Island/Rakiura Visitor Levy Fund. Decisions will be based on the compatibility of applications with allocation criteria and alignment with strategic outcomes determined by the Subcommittee.

The Stewart Island/Rakiura Visitor Levy Subcommittee is a Subcommittee of the Community and Policy Committee and is subject to standard audit procedures. The Community and Policy Committee will be informed of funding decisions via memoranda. Southland District Council's Annual Report will contain an itemised statement of the Stewart Island/ Rakiura Visitor Levy Fund each year.

10.1 Stewart Island/ Rakiura Visitor Levy Subcommittee Membership

The Subcommittee will meet annually to review applications and allocate funding. The Subcommittee will consist of the following members appointed by Council:

- A representative recommended by each of the Approved Operators (three in total).
- One Community Board representative and the Councillor for Stewart Island.
- One independent Councillor who will act as a representative of Southland District Council and be appointed by the Council. The independent Councillor will act as Chair of the Subcommittee.

The Chair of the Subcommittee will have a casting vote, which can only be exercised to resolve an evenly split vote.

10.2 Technical Advisory Group

The Subcommittee will be supported by a Technical Advisory Group (TAG). The TAG will be appointed by Southland District Council to provide strategic insight and technical expertise regarding funding applications. The Technical Advisory Group will provide recommendations to the Subcommittee based on an assessment of the demand for projects, their viability, likely impact and alignment with strategic outcomes.

10.3 Allocation Criteria

Allocations will be made in May of each year. The application process will be administered by Venture Southland. Advertisements will be placed once the fund is open to receive applications and will include the deadline for receipt of applications. Late applications will not be considered.

Only funds that have been received by Southland District Council at the time of advertisement will be allocated.

To be considered for funding, applications must be consistent with Section 6(b) of the Act. Section 6(b) states that revenue and levies collected must be used to fund:

1. Activities used by visitors;
2. Activities on the Island for the benefit of visitors; or
3. To mitigate the adverse effects of visitors on the environment of the Island.

These criteria do not exclude applications for funding in relation to the development or maintenance of existing facilities, services and projects. However, no funds will be allocated retrospectively for projects that have already been completed.

In considering applications, the Subcommittee will give priority to applications for activities or projects that can demonstrate the widest public benefit. Applications that primarily benefit a single or limited number of persons or entities will be given a low priority.

Applications to the Stewart Island/Rakiura Visitor Levy Fund must be made using the appropriate documentation provided by Venture Southland. All applications must include:

- An outline of the project or work requiring funding, including a timeline.
- If the project involves physical works, scale conceptual plans including site plans.
- Any requirement for resource or building consent.
- A business plan for the project including costs and on-going funding requirements, if any.
- Evidence of legal status of the applicant (eg, charitable trust or body corporate).
- An assessment of how the project meets the purposes of the Act and responds to the set strategic outcomes.
- Declarations of interest.

If a Subcommittee member has any connection to an application greater than that of the general public that member should declare an interest in the relevant application, prior to it being considered. In such circumstances, the member affected shall still be entitled to speaking and voting rights, unless the member has a pecuniary interest in the application.

11.0 REVIEW

Southland District Council will review the Stewart Island Rakiura Bylaw and this Policy within 6 years of adoption.

APPENDIX A: DOCUMENTS WHICH CAN BE USED TO CLAIM EXEMPTION OR REFUND

The table below contains a list of documents which will be accepted as proof of exemption from the need to pay the Stewart Island/Rakiura Levy.

These documents will be accepted in relation to 1) applying for a photo identification card and 2) applying for a refund.

Original documentation from both Category A and Category B must be presented concurrently. Southland District Council requires proof of both identity and levy exemption status. A current address will need to be provided to receive notice of renewals and other information.

This is not a comprehensive list and other equivalent documents may be accepted when applying for a Southland District Council photo identification card or applying for levy refund.

<table>
<tr><th colspan="2">At least one photo ID must be produced from Category A
The name on the document must be exactly the same as the applicant's name</th></tr>
<tr><td colspan="2">• Passport (Passports can be accepted up to two years after the expiry date).
• Proof of Age Card with photo.
• Drivers Licence.
• Public Service Employee ID Card bearing a photo.
• Education ID Card with photo.
• Firearms licence.</td></tr>
<tr><th colspan="2">At least one form of identification from Category B</th></tr>
<tr><th>Reason for exemption</th><th>Example of accepted proof of exemption</th></tr>
<tr><td>• Ratepayers.
• Tenants.
• Residents.</td><td>One or more of the following documents showing name and address on Stewart Island:
• Notice of rates or VG number verified by Rates Department. Rates Notices must state that the applicant is the owner of the property to which the Rates Notice was sent and the document must be current at the time of the application.
• Tenancy Agreement.
• Utilities bill.
• Insurance Renewal Advice.
• Motor Vehicle Registration.
• Electoral roll number.
• Mortgage documents.
• Current Land Titles Office records.</td></tr>
<tr><td>• Spouses of a ratepayer or tenant.
• Civil union or de facto partner of a ratepayer or tenant.
• Dependants of a ratepayer or tenant.</td><td>• Application to be made in conjunction with the respective person.</td></tr>
<tr><td>• Rakiura Māori Land Trust beneficiaries.</td><td>• Southland District Council may be able to check property rights via the www.Māorilandonline.govt.nz website or work with the Rakiura Māori Land Trust to access its database of beneficiaries.</td></tr>
<tr><td>• People under the age of 18.</td><td>• Passport.
• School student concession card.
• Birth Certificate.</td></tr>
<tr><td>• Owners or those working on transport vessels.</td><td>• Employment documentation (eg, payslips, letter from employer).</td></tr>
<tr><td>• Visitors whose visit is for 21 days or more.</td><td>• Tickets or invoices showing names and dates of arrival and departure.
• Receipts for accommodation covering the relevant time period.</td></tr>
</table>

SOUTHLAND DISTRICT COUNCIL
DRAFT REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND

This policy applies to: Council and owners of Māori freehold land

DOCUMENT CONTROL

Policy owner: Community and Futures	**TRIM reference number:** R/16/8/13717	**Effective date:** 1/07/2017
Approved by: Council	**Date approved:** 23 February 2017	**Next review date:** 1/07/2020

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REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND

1. PURPOSE

Southland District Council has developed the Remission and Postponement of Rates on Māori Freehold Land Policy (the Policy) to ensure fair and equitable collection of rates from all sectors of the community. The Policy recognises that certain Māori-owned lands have particular features, ownership structures or other circumstances that make it appropriate to provide rates relief.

The Policy provides the framework for granting remissions and postponements for the payment of rates and penalties on Māori freehold land, as is adopted under Section 102(2)(e) and Section 108 of the Local Government Act (2002).

2. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
LGA	Local Government Act (2002)
LGRA	Local Government (Rating) Act (2002)
Maori freehold land	Land whose beneficial ownership has been determined by the Māori Land Court by freehold order.
Service Rates	Sewerage and water rates, recycling and rubbish bin collection rates
Waahi Tapu	Place sacred to Maori in the traditional, religious, ritual or mythological sense.

3. POLICY DETAILS

3.1 Background

The Southland District Council carries out its rating function in accordance with the requirements of the LGRA and the LGA.

All Māori freehold land in the Southland District is liable for rates in the same manner as if it were general land (as per section 91 LGRA).

Māori Freehold land is defined in the LGRA as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy.

Whether rates are remitted in any individual case will depend on the individual circumstances of each application. Schedule 11 of the LGA identifies the matters which must be taken into account by Council when considering rates relief on Māori freehold land.

When considering the objectives listed below Council must take into account:
- the desirability and importance of the objectives (3.2) to the District; and
- whether remitting the rates would assist attainment of those objectives.

3.2 Objectives

The objectives of rates remission and postponement on Māori freehold land by Council are:

(a) supporting the use of the land by the owners for traditional purposes;
(b) recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands;
(c) avoiding further alienation of Māori freehold land;
(d) facilitating any wish of the owners to develop the land for economic use;
(e) recognising and taking account of the presence of Waahi Tapu that may affect the use of the land for other purposes;
(f) recognising and taking account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere);
(g) recognising and taking account of the importance of the land for community goals relating to:
    i. the preservation of the natural character of the coastal environment,
    ii. the protection of outstanding natural features,
    iii. the protection of significant indigenous vegetation and significant habitats of indigenous fauna;
(h) recognising the level of community services provided to the land and its occupiers;
(i) recognising matters related to the physical accessibility of the land.

3.3 Conditions and Criteria for the Postponement and Remission of Rates on Maori Freehold Land

Conditions for the rates to receive rates remission include for defined Maori freehold land to be:

- Maori freehold land as set out in the definitions
- not occupied by a dwelling, out-building or commercial building; and
- not used for economic benefit.

Applications for remission of rates on Māori freehold land must be made in writing, and should include:

- a description of the size, position and current use of the land,
- an indication of the ownership and documentation that shows the land which is subject to the application for rates remission is Māori freehold land,
- outline future plans for the land (if any),
- sources and level of income generated by the land (if any),
- financial accounts if requested,
- outline the reason for the request,
- describe how the application meets any one or more of the objectives listed in 3.2.

Council may grant a remission of up to 100% of all rates, except Service Rates.

3.4 Postponement of Rates

Council does not postpone rates for Māori freehold land; however, it will remit 100% of rates (excluding Service Rates) on application, if the application meets the criteria set out in 3.3.

3.5 Remission of Penalties

Remission on rates penalties on Māori freehold land will be subject to application meeting the criteria set out in 3.3. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Where significant arrears exist, penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be made on the same basis as remission of rates, with the delegated authority to remit penalties being given to the Chief Financial Officer, with recommendations from the Finance Manager.

3.6 Remission of Rates

An application for remission of rates must be considered by the Chief Financial Officer.

All rates on Māori freehold land whose owners name or names (or the name of the lessee) appears on the valuation roll (under Section 92 of the LGRA) will be collected in the usual manner of rate collection and follow up.

All rates, rates arrears and penalties on Māori freehold land vested in trustees will be collected from income derived from that land and held by the trustees for the beneficial owners, but limited to the extent of the money derived from the land and held by the trustees on behalf of the beneficial owner or owners (as per Section 93 LGRA).

For Māori freehold land, any person who actually uses the land whether for residing, farming, storage or any other use, whether they have a lease or not, is liable to pay the rates (as per Section 96 LGRA). The rates invoice will be delivered to that person and the rates will be collected in the usual manner. Section 97 of the LGRA provides for the person to be treated as having used the whole of the land for the whole financial year, unless they can establish otherwise.

Rates arrears on Māori freehold land shall be reviewed annually and amounts determined by Council as uncollectible shall be written off (for accounting purposes) on such land.

3.7 Existing decisions on Māori Freehold land

Any decisions made by Council regarding rates remissions on Māori freehold land before 1 July 2017 remain recognised by Council.

3.8 Length of decision

Decisions regarding rates remission on Māori freehold land remain in perpetuity, unless the land becomes occupied or used for economic benefit. In this case, it is expected that the landowners would advise Council of the change in land use. If there is evidence of the use of the land for occupation or economic benefit, Council may request financial statements regarding the property in order to review a decision. Reviews of decisions regarding rates remission for Māori freehold land will be made by the Chief Financial Officer.

4. ROLES AND RESPONSIBILITIES

Party/Parties	Roles and Responsibilities
Finance Manager	Receive applications and make recommendations to Chief Financial Officer for remission of rates on Māori freehold land.
	May request financial statements regarding the property if there is evidence that the land is occupied or

	being used for economic benefit.
	May write off rates if the application is accepted
Chief Financial Officer	Accept or decline applications for remission of rates on Māori freehold land. Review applications, if applicable, for remission of rates on Māori freehold land.

5. ASSOCIATED DOCUMENTS

- Local Government Act (2002),
- Local Government (Rating) Act (2002)

6. REVISION RECORD

Date	Version	Revision Description
2016	Remission and Postponement of Rates on Māori Freehold Land	R/16/8/13717 – Long Term Plan 2018-2028
2015	Remission and Postponement of Rates on Māori Freehold Land	R/15/6/10846 – Long Term Plan 2015-2025
2012	Remission and Postponement of Rates on Māori Freehold Land	R/13/8/11136 - Long Term Plan 2012-2022
2007	Rates Remission Policy for Māori Freehold Land	2007/05/4523
26 June 2003	Remission and Postponement of Rates on Māori Freehold Land	
30 January 1997	Remission and Postponement of Rates on Māori Freehold Land	

New Triennium 2016-2019 - New Approach

Record No: R/17/3/4150
Author: Rex Capil, Group Manager Community and Futures
Approved by: Steve Ruru, Chief Executive

☐ Decision ☐ Recommendation ☒ Information

Introduction

1 The Southland District Council has been undertaking some significant change over the past two years.

2 This has been reflected in considering business improvement opportunities for Council from both an internal and external perspective.

3 Many of the internal operational changes have been embedded in over the past 12 months following an Organisation Redesign which resulted in the current operational and staffing structure.

4 Council has utilised the new triennium 2016-2019 and the October 2016 election to introduce a number of the changes that have a greater external focus – and involve the interface with communities and the Council's own community governance structures.

5 This report covers off the next stage of induction for the eight Community Boards of the Southland District Council.

New Triennium 2016-2019 – New Approach

6 The Southland District Council is considering how it engages and liaises with its communities and external stakeholders.

7 As part of this approach it has developed some clarity around the approach and way of working with its community governance structures – being Community Boards and Community Development Area Subcommittees – for the 2016-2019 triennium.

8 The council's governance structure is based on the Southland District Council (1 Mayor and 12 Councillors) as being the territorial authority and the Local Government Act 2002 establishes how Council can delegate decisionmaking – while acknowledging that Council is ultimately responsible for a delegated decision.

9 Council approved, at its 26 October 2016 meeting, the Southland District Council Community Board Terms of Reference which clearly define the scope of activities and delegations for the Community Boards within the status, role and powers defined in the Local Government Act 2002.

10 Community Boards are unincorporated bodies resourced by Council and are part of the Council governance structure. Therefore as an elected representative of the Community Board members represent Council when they act under a Council delegation.

11 It is acknowledged that Council and Community Boards share the common objective to assist in contributing to delivery of services and activities for the betterment of the communities Council serves.

12 As was mentioned explicitly by the Mayor and Chief Executive Officer at the inaugural meetings of Community Boards in November 2016 – a key focus for this triennium is that

Council supports its Community Boards to be future focussed and think wider communities of interest – both geographic and issues based.

13 This means Council and Community Boards need to look at HOW we do things to ensure long term sustainability and affordability of service provision across the District is maintained at an appropriate level for future generations.

14 There are many challenges and opportunities facing the Southland region and district and Council is committed to leading the way with its Community Boards to view these bigger picture issues in a strategic and collaborative way.

15 Council is supporting elected Community Board representatives to acknowledge and understand they are part of the bigger district wide picture and have a significant role to play to ensure the district continues to develop and prosper as one.

16 Council is also promoting a multi-agency approach when addressing future issues and opportunities – and to this end sees Community Boards playing a significant role in leading and addressing various community wide initiatives on behalf of their wider communities of interest.

17 Council is advocating across the region and district for more of a partnering and collaborating approach in working together for a better Southland. Council should not be seen as the sole solution – but as being part of the solution.

18 The attached presentation provides an overview and a rationale for the new approach and new way of working to be developed and implemented for the 2016-2019 triennium. The new approach does mean that we will be changing and doing things differently to the way in which they have been done in the past. It is essential that we do change if Southland is to prosper in the future.

Recommendation

That the Stewart Island/Rakiura Community Board:

a) Receives the report titled "New Triennium 2016-2019 - New Approach" dated 4 April 2017.

Attachments

A Community Board Meetings - April 2017 - new triennium new approach ⇩

New Triennium 2016-2019 – New Approach

Community Board Meetings – April 2017

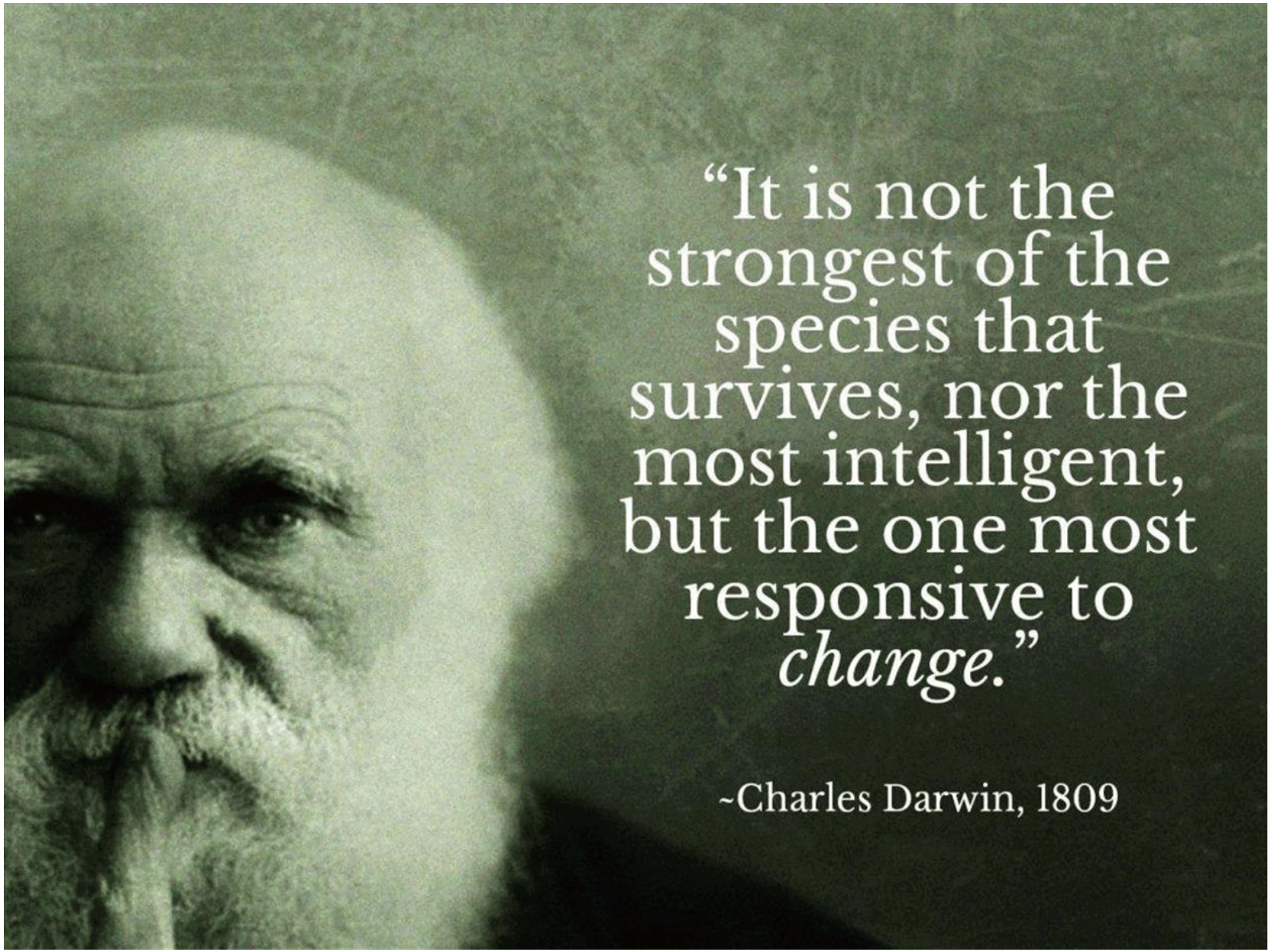
Item 8.6 Attachment A

- National and regional pressures
- Doing more with less
- Seeking improvements
- Not about what – but how
- Fit for purpose
- Fit for future
- What we do today – how we did it 25 years ago – significantly different
- Only constant is change
- Opportunity to embrace change

Nothing stayed the same and farmers had been required to adapt to stay in business, Baird said.

If a farmer tried to farm his land in 2017 as it was done in the 1960s he would go broke, Baird said.

He said some of the farming practices presently being undertaken could be improved on and farmers were focusing on the need to improve their environmental practices.


"It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to *change*."
~Charles Darwin, 1809

Item 8.6 Attachment A

- Council's work programme is made up of many components – national, regional, district, local inputs
- The overall work programme is ultimately the responsibility of the SDC
- Council's work programme must reflect Council's direction which reflects community aspirations
- This is based on a 10 year planning model with a 3 year focus with a 1 year priority – operationalising the 10 Year LTP with the Annual Plan
- Council's organisational and operational structure reflects this
- To this end Council staff work for Council (CEO) and work with Community Boards/CDAs

- Our WOW – Way of Working – must reflect this approach
- Constantly need to ask – what is a CB/CDA matter vs. what is an RFS
- What is a Board matter vs. what is a Board meeting matter?
- It seems there has been a tendency to work to the meeting schedule rather than work to the work programme – this new approach is about the work programme
- Work programme is not about the meetings
- Meetings are about a future focus, community relationships and community leadership

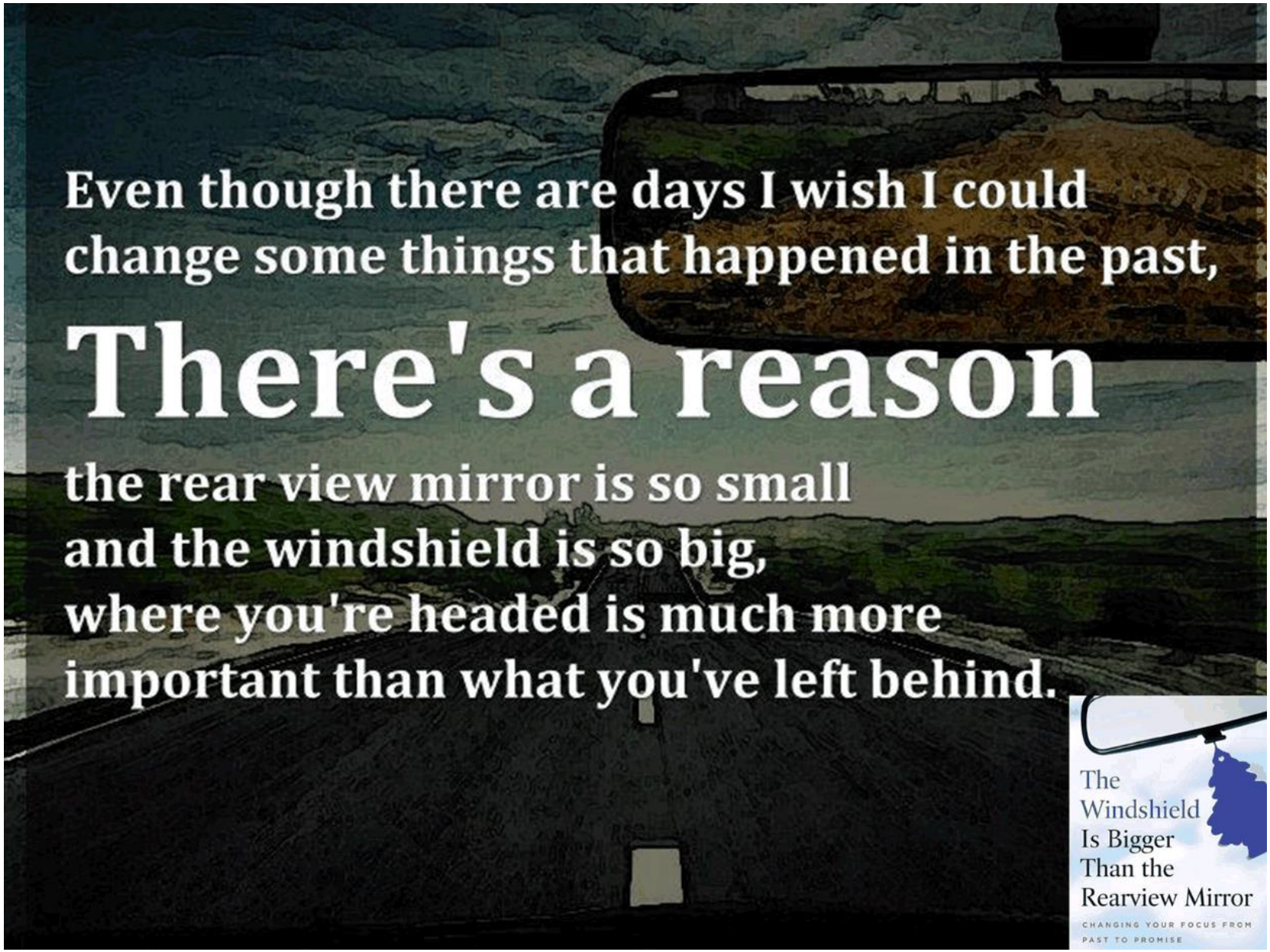
Item 8.6 Attachment A

- Correspondence – how it is treated
  - if it requires a Board decision – Board Chair will be informed the correspondence has been received and it will be referred to the appropriate staff member to prepare a report for next meeting
  - If it requires staff follow up – Board Chair will be informed the correspondence has been received and referred to appropriate staff member to deal with direct and Chair will be informed when this has been done

- Planning – future focus – 10 Year LTP 2018 – 2028
  - Think wider communities of interest – not just your village/township
  - Think demands and needs
  - Think longer term
  - Think changing demographics, community awareness, lifestyles, consumer choice and expectations
- Decisionmaking requirements
  - Boards need to provide staff with a clearly understood project scope and defined brief or work request
  - Good governance is about providing a clear direction to have staff get on and deliver to that direction. Good direction requires clarity

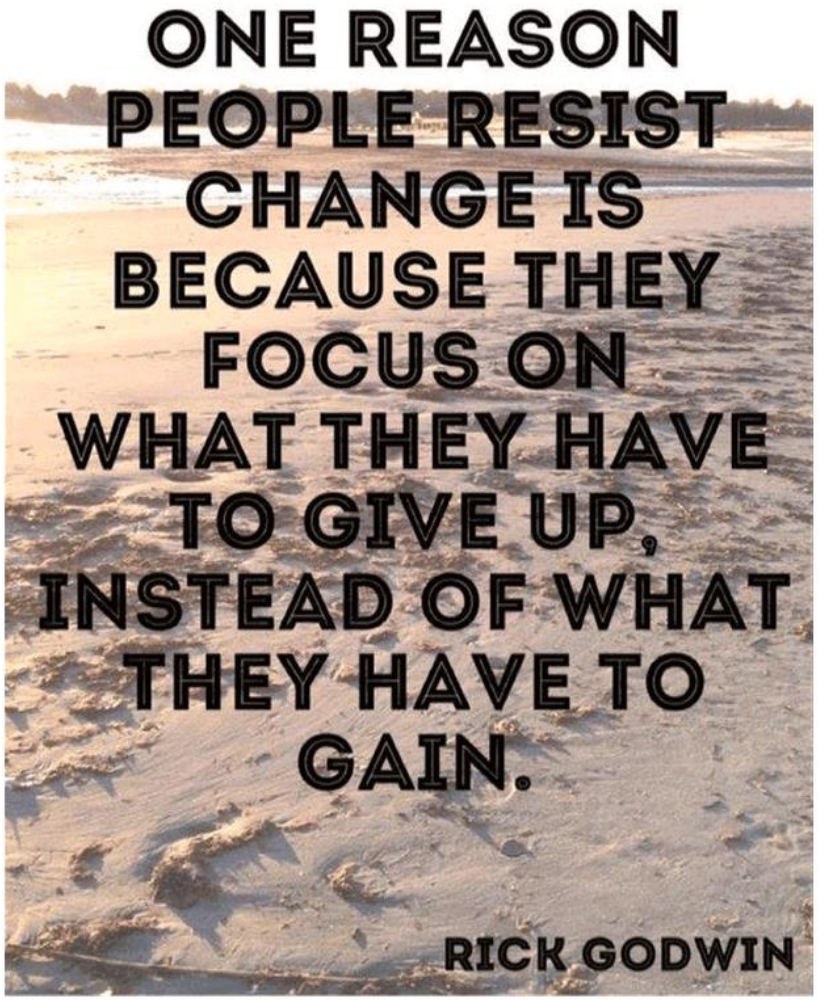
Item 8.6 Attachment A

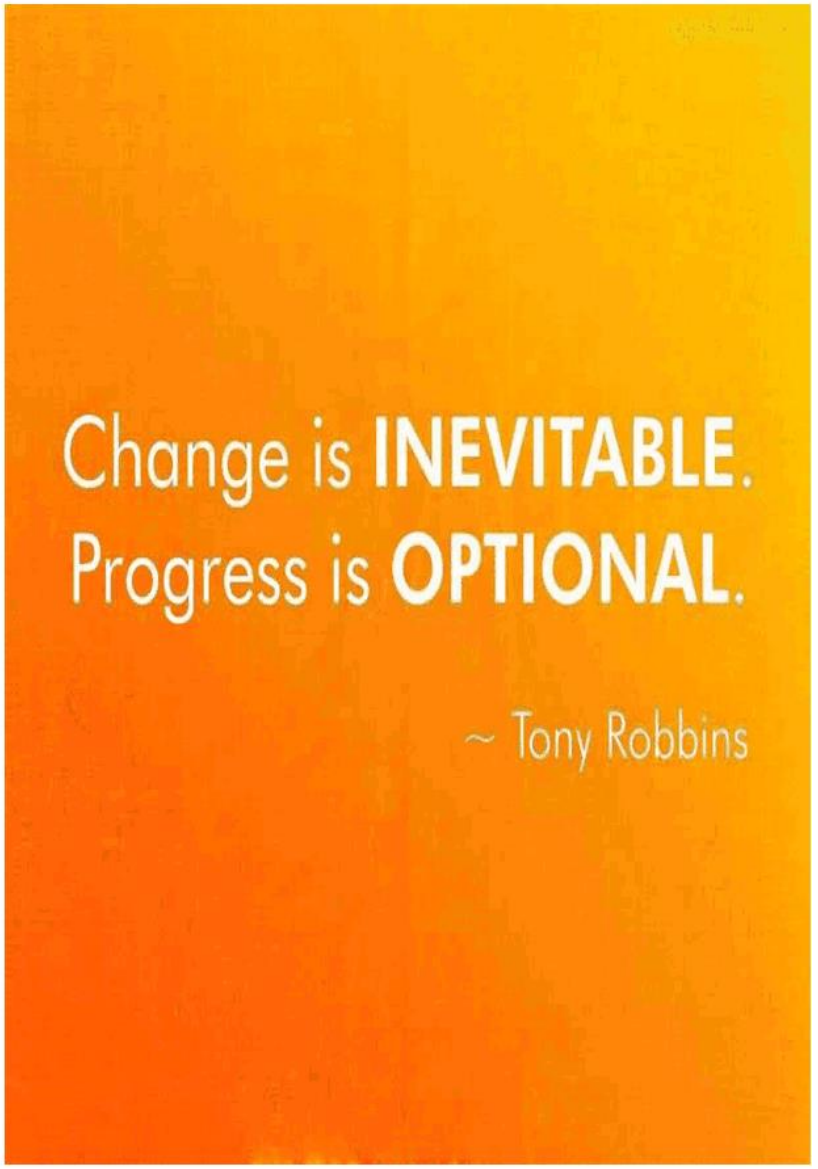
- Need to foster the 'working with' approach
- Not 'a them and us' mentality
- Purpose of the meetings are future focussed and making decisions for the future good of the Southland District
- If there are queries around work programme progress – there is a process in place that doesn't rely on waiting for a meeting to get information
- And there is the use of the RFS system for dealing with service related issues
- Use the meetings for their purpose – to be future focussed, to confirm your direction, to monitor and assess against where are in relation to where you want to be going in the future


Even though there are days I wish I could
change some things that happened in the past,
There's a reason
the rear view mirror is so small
and the windshield is so big,
where you're headed is much more
important than what you've left behind.
The
Windshield
Is Bigger
Than the
Rearview Mirror
CHANGING YOUR FOCUS FROM
PAST TO PROMISE

Item 8.6 Attachment A

- To build trust
- Respecting roles and responsibilities
- Understanding that the change is already embedded in – and it will continue….
- Accepting this will be different – not the what but the how we do things
- To focus on the gains – not the perceived losses
- About being brave and owning the change….
- Being champions for the District and its future


ONE REASON
PEOPLE RESIST
CHANGE IS
BECAUSE THEY
FOCUS ON
WHAT THEY HAVE
TO GIVE UP,
INSTEAD OF WHAT
THEY HAVE TO
GAIN.
RICK GODWIN


Change is INEVITABLE.
Progress is OPTIONAL.
~ Tony Robbins

Item 8.6 Attachment A

Questions, Comments, Feedback