



Notice is hereby given that a Meeting of the Stewart Island Jetties Subcommittee will be held on:

**Date:** Monday, 10 June 2019  
**Time:** 11.30am  
**Meeting Room:** Stewart Island Pavilion  
**Venue:** Ayr St, Stewart Island

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## Stewart Island Jetties Subcommittee Agenda OPEN

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### MEMBERSHIP

<b>Chairperson</b>	Councillor Bruce Ford	
<b>Members</b>	Dale Chittenden	Department of Conservation
	Lyndon Cleaver	Environment Southland
	Aaron Conner	Community Board
	Colin Hopkins	Commercial Fishing
	Ian Munro	Community Representative
	Phillip Smith	Local Iwi
	Jon Spraggon	SI Promotion Association

### IN ATTENDANCE

**Committee Advisor** Kirsten Hicks

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**Full agendas are available on Council's Website**  
**[www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)**

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**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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**CHAIRPERSON'S REPORT**

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**1 Apologies**

Colin Hopkins has lodged an apology

**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**

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz) or phoning 0800 732 732.

**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 Jetties Subcommittee, 10 December 2018



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## Stewart Island Jetties Subcommittee

### OPEN MINUTES

UNCONFIRMED

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Minutes of a meeting of Stewart Island Jetties Subcommittee held in the Stewart Island Pavilion, Ayr St, Oban on Monday, 10 December 2018 at 8.45am.

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#### PRESENT

**Chairperson**  
**Members**

Bruce Ford  
Dale Chittenden  
Lyndon Cleaver  
Aaron Conner  
Colin Hopkins  
Ian Munro  
Phillip Smith  
Jon Spraggon

Department of Conservation  
Environment Southland  
Community Board  
Commercial Fishing  
Community Representative  
Iwi  
Stewart Is. Promotion Assoc.

#### IN ATTENDANCE

Community Partnership Leader - Karen Purdue  
Policy Analyst - Robin Rout  
Policy Analyst - Carrie Adams  
Management Accountant - Joanie Nel  
Committee Advisor - Kirsten Hicks



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**1 Apologies**

There were no apologies.

**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**

There was no public forum.

**5 Extraordinary/Urgent Items**

There were no Extraordinary/Urgent items.

**6 Confirmation of Minutes**

**Resolution**

Moved Mr Spraggon, seconded Mr Cleaver **and resolved:**

**That the Stewart Island Jetties Subcommittee confirms the minutes of the meeting held on 8 October 2018 as a true and correct record of that meeting.**

**Reports for Recommendation**

**7.1 Investigating a user-pays system for jetty usage**

**Record No: R/18/11/26781**

Policy Analyst Carrie Adams was in attendance for this report

**Resolution**

Moved Mr Spraggon, seconded Mr Cleaver **and resolved:**

**That the Stewart Island Jetties Subcommittee:**

- a) Receives the report titled "Investigating a user-pays system for jetty usage" dated 23 November 2018.**



- 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) Endorses Council staff undertaking policy work with the Stewart Island/Rakiura Jetties Subcommittee to investigate, identify and implement a practical and fair user-pays charging regime for non-recreational jetty usage on Stewart Island/Rakiura.
- e) ~~Recommends to~~ *Requests* the Stewart Island/Rakiura Community Board supports funding \$20,000 of unbudgeted expenditure from ~~the Board's~~ *Stewart Island Jetties Subcommittee* reserves to contribute towards investigating, identifying and implementing a user-pays charging regime for non-recreational jetty usage on Stewart Island/Rakiura.
- f) Recommends to Council that it approve unbudgeted expenditure of \$20,000 from ~~Stewart Island/Rakiura Community Board~~ *Stewart Island Jetties Subcommittee* reserves *or loan* to enable the work required to develop and implement a new user pays regime for Stewart Island/Rakiura jetties to be progressed.

## 7.2 Direction-setting for Annual Plan 2019/2020

Record No: R/18/11/27048

Community Partnership Leader Karen Purdue was in attendance for this report.

### Resolution

Moved Chairperson Ford, seconded Mr Chittenden

**That the Stewart Island Jetties Subcommittee:**

- a) **Receives the report titled "Direction-setting for Annual Plan 2019/2020" dated 29 November 2018.**
- 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) Notes that any extraordinary projects for the local area have been included in the 2019/2020 Annual Plan, as identified through Council process in the project plan for extraordinary projects/activities/events project template completed by 21 September 2018.
- e) Agrees that the budget for the year commencing 1 July 2019 be adopted for inclusion in the Council's Draft 2019/2020 Annual Plan (subject to any minor amendments made at this meeting).

The meeting concluded at 9.35am

CONFIRMED AS A TRUE AND CORRECT RECORD AT A  
MEETING OF THE STEWART ISLAND JETTIES  
SUBCOMMITTEE HELD ON 10 DECEMBER 2018

**DATE:**.....

**CHAIRPERSON:**.....

## Stewart Island Coastal Infrastructure Tourism Infrastructure Fund Application

Record No: R/19/5/8060  
Author: Mark Day, Community Facilities Manager  
Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision ☒ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to seek support from the Stewart Island Jetties Subcommittee to prepare the Tourism Infrastructure Fund (TIF) for the proposed Stewart Island coastal infrastructure project.
- 2 It also recommends that the money that is held in the Stewart Island Jetties Subcommittee Reserve be used towards the co-funding component of the TIF application.

### Executive Summary

- 3 On 19 December 2018, staff from the Services and Assets and Community Partnership teams met with the Group Manager Services and Assets and the Chief Executive to discuss potential projects that would be suitable for the fourth round of TIF applications. At this meeting it was agreed to look at two projects, one of which is to upgrade the coastal infrastructure at Ulva Island and the other to upgrade the coastal infrastructure at Golden Bay on Stewart Island.
- 4 During the intervening period, considerable work has been undertaken to define the scope of the projects, finalise the concept, undertake community consultation and get approval in principal for the projects from the Stewart Island Jetties Subcommittee, the Stewart Island/Rakiura Community Board, the Finance and Audit Committee, the Services and Assets Committee and finally to Council so that an application can be prepared and submitted to the Ministry of Business, Innovation and Employment (MBIE).
- 5 Although these are not deemed strategic assets in terms of Section 76 of the Local Government Act 2002, they are strategic assets to the Island community where access to the water is vital in terms of transportation both to and from the Island and locally around the Island.

## **Recommendation**

**That the Stewart Island Jetties Subcommittee:**

- a) Receives the report titled “Stewart Island Coastal Infrastructure Tourism Infrastructure Fund Application” dated 5 June 2019.**
- 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) Recommends that the money that is held in the Stewart Island Jetties Subcommittee Reserve be used towards the co-funding component of the Tourism Infrastructure Fund application for the Stewart Island Coastal Infrastructure.**
- e) Recommends to the Services and Assets Committee that they support the preparation of the Tourism Infrastructure Fund application for the Stewart Island Coastal Infrastructure.**

**Background**

6 The application includes two separate projects proposed for the next application round to the Tourism Infrastructure Fund. The two Stewart Island projects are distinct and yet connected.

7 **The Ulva Island coastal infrastructure**

8 The project includes:

- (a) Replace the existing coastal structure to meet recommended standards
- (b) Replace the existing causeway
- (c) Upgrade onshore amenity area and amenity facilities
- (d) Interpretation signage
- (e) Provision for resource\building consents associated with the project.

9 **The Golden Bay coastal infrastructure and associated connection to Halfmoon Bay**

10 The project includes:

- (a) Replace the existing coastal structure to meet recommended standards
- (b) Build a break water to protect the coastal structure
- (c) Improve vehicle storage space for short and long term visitors
- (d) Create a safe foot access link between Golden Bay and Halfmoon Bay
- (e) Redesign the road access to improve access and egress to the coastal structure
- (f) Vegetation removal to facilitate new parking space for long term parking
- (g) Improve the onshore amenities to enhance the visitor experience including toilet facilities, shelter and stairway
- (h) Create a viewing platform to provide daytime/nigh time viewing opportunities
- (i) Provision for alteration of existing three waters infrastructure
- (j) Interpretation signage
- (k) Provision for resource\building consents associated with the project.

11 The Ulva Island, Halfmoon Bay and Golden Bay infrastructure services the local, commercial, recreational and tourism needs of the Island community.

12 The Halfmoon Bay structure is distinctly different as it is a commercial infrastructure which is owned by SouthPort. This infrastructure is an extension of the Island's roading network and provides a vital link to the wider Stewart Island area.

13 The aim of the projects are to improve the connection between the main Halfmoon Bay wharf, the Golden Bay wharf, the connection to the infrastructure on Ulva Island and access to Paterson Inlet and beyond.

- 14 By upgrading and providing two way access to the facility at Golden Bay, this will improve the flow of traffic and remove the current access and egress bottle neck at the entrance. By adding a new car park to service longer term parking, the current parking issues will be mitigated and a turning circle provided for buses dropping off and picking up visitors.
- 15 These improvements will then provide a vital link to Ulva Island and the wider tourist, recreational and commercial activities in Paterson Inlet.
- 16 Further, safe foot access link between Halfmoon Bay and Golden Bay will help to mitigate the current health and safety risk which is evident where visitors are using the road as there is no footpath. This will also improve safe vehicle travel between the township and Golden Bay.
- 17 The addition of a viewing platform at the top carpark will provide both day time and night time viewing for visitors to the Island. With the expected demand of visitors after the announcement of the Dark Skies Sanctuary this will provide an alternative option to the current platform at Observation Rock where is no parking available.
- 18 The Stewart Island Jetties Subcommittee and the Stewart Island/Rakiura Community Board have already approved in principal the concept designs for the projects.

### **Issues**

- 19 The following issues and risks are evident in association with the proposed scope:
- 20 The next round of Tourism Infrastructure Fund opens on 1 August 2019 and as such all necessary detail and approvals need to be closed out by this date.
- 21 Due to the high cost of infrastructure projects on the island it is difficult to provide accurate cost estimates without first finalising design. The project team is working with designers and peer reviewers to ensure that the costs estimates are as accurate as possible without first having to complete detailed design. Detailed design completion would be both costly and time consuming. It is intended to seek at least 50% funding of design through the application process.
- 22 Due to the estimated cost of the two projects it is important to note that the financial funding impact will be significant for the Stewart Island Community to meet the 50% funding that is required by MBIE. Even more so if the TIF application is unsuccessful. In this instance staff recommend revisiting scope, costs and funding.
- 23 Resource consent applications will likely be required for a number of elements. These may need to be publicly notified exposing the project to appeals and potential delays. Other considerations that need to be satisfied through the process include the existing coastal permits and any limitations these may have to the design and consenting process; and the Memorandum of Understanding that the Department of Conservation has with the Hunter Family Trust providing access across their property for management purposes. This MOU is due to expire in 2020 and will need to be renewed.
- 24 Further to the above, an existing pontoon structure owned by a local business is connected to the Golden Bay Wharf. It will be important to ensure that this structure and its future operational requirements are considered through any development at this site.

## **Factors to Consider**

### **Legal and Statutory Requirements**

- 25 Resource consent will be required for a number of pieces of work associated with both projects.
- 26 Public consultation will likely be required either formally or informally through the development process.
- 27 Building consents will be required for a number of pieces of work associated with both projects.

### **Community Views**

- 28 Community consultation has been undertaken including a public meeting that was held on 8 October 2018. Feedback from this workshop and subsequent informal consultation has been considered within in the final scope and design concept of the projects. Discussions have also been held with stakeholders who have a vested interest in the Ulva Island and Golden Bay infrastructure.
- 29 Further community discussions will be required throughout the design and project phases.
- 30 We recognise that this will be an important project that requires consultation with iwi. We have initiated this and will work through the appropriate Council process.

### **Costs and Funding**

- 31 Council currently has indicative costs based on the current concept plans and scope. The initial scoping work has been completed by WPS | OPUS and they have provided an indicative range of cost.
- 32 The Ulva Island project has been estimated at costing between \$650,000 and \$880,000 and the Golden Bay project has been estimated costing between \$2,885,000 and \$3,750,000. These figures could result in a worst case cost of approximately \$4,630,000. The variation in the range of the estimates is due to the estimates being based on concept designs and the difficulty of quantifying the cost of work on Stewart Island where it can be up to 50% more than similar work undertaken on the mainland.
- 33 There are two possible options that may provide a higher level of confidence in the total cost estimates:
- Get the WPS | OPUS peer reviewed by another consulting firm.
  - Approve additional funding to take the concept designs to 50% complete and engage a contractor at this point to work on finalising the costs for the projects.
- 34 It is important to note that both of the above options have time constraints associated with them. However, it is anticipated that option 1 is the lesser constrained.
- 35 The TIF application requires the applicant to be prepared to co-fund 50% of the project and show how this is going to be funded.
- 36 The Stewart Island/Rakiura Community Board will need to be able to show that they are in a position to be able to sustainably fund their component of the balance of the TIF application.

## **Stewart Island Jetties Subcommittee**

**10 June 2019**

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- 37 On the basis of the above, the Stewart Island/Rakiura Community will need to fund up to \$2,315,000 as their contribution towards the project.
- 38 The Board have indicated that they are prepared to take a loan to fund this with the intention of applying to the Stewart Island Visitor Levy to cover the cost of the repayments.
- 39 To service this level of loan the Board will need to have approval from the Stewart Island Visitor Levy Committee to access \$150,000 each year for the next thirty years from the levy.
- 40 At the current annual value of the visitor levy this would equate to 83% of the levy going towards the two coastal infrastructure projects.
- 41 Under the current policy the Stewart Island Visitor Levy Committee is not in a position to approve committing funds to repay a loan until 1 July 2019 and this can only be committed for 10 years.
- 42 If the Board are not successful in attaining this level of funding from the visitor levy, it may have to either explore supplementary local rates funding, or revision to scope as alternatives.
- 43 A combination of levy funding and rates funding could be explored. As an example, if \$1,500,000 was available from the levy this would require \$94,000 from the levy which would reduce the impact on the levy to 50%. However it would mean an increase to the Community Board portion of the rates from \$185 to \$389 in the first year and then increasing progressively by 1% over the next 10 years. To date this hasn't been discussed with the community but any increase in rates is not likely to be very palatable.
- 44 Before the approval to submit the TIF application is sought, and provided Council and the relevant Committees/Community Board supports the TIF application in principle, further work will need to be completed to demonstrate that the anticipated loan funding and maintenance regime is able to be sustainably serviced. This will involve Council staff working with the Community Board, the Jetties Committee, the Stewart Island Visitor Levy Committee and other potential funding sources to provide a sustainable solution. Once completed, provided a sustainable funding option is identified, this will be included in the subsequent reporting to the necessary Committees/Community Board, including Council, seeking approval to lodge the application.
- 45 If the Board is unable to attract external funding from other sources or increase rates then the worst case scenario is that the Board will have to fully fund 50% of the co-funding. Without other funding sources and a commitment from the Stewart Island Visitor Levy Committee, Council staff have concerns about the ability of the Stewart Island/Rakiura Community Board to service the level of debt that would be associated with this project.

### **Policy Implications**

- 46 These projects have been included in the Long Term Plan.



## Analysis

### Options Considered

47 **Option One -The TIF application preparation is supported and continues**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>Stewart Island residents has an opportunity for the coastal infrastructure needs for the island to be partly met by external funding.</li></ul>	<ul style="list-style-type: none"><li>None identified.</li></ul>

**Option 2 – The TIF application preparation is not supported and is discontinued.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>None identified.</li></ul>	<ul style="list-style-type: none"><li>The TIF application will not be prepared and submitted to MBIE.</li><li>Funding for the coastal infrastructure will be need to be met by the Stewart Island Community.</li></ul>

## Assessment of Significance

48 Not considered significant.

## Recommended Option

49 Option One: The TIF application preparation is supported and continues.

## Next Steps

50 Prepare a report to the Services and Assets Committee recommending support for the TIF application for the Stewart Island Coastal Infrastructure.

## Attachments

There are no attachments for this report.