



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

Date: Monday, 30 September 2019
Time: 9.45am
Meeting Room: Stewart Island Pavilion
Venue: Ayr St, Stewart Island

Stewart Island Jetties Subcommittee Agenda OPEN

MEMBERSHIP

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

IN ATTENDANCE

Committee Advisor Kirsten Hicks

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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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CHAIRPERSON'S REPORT

1 Apologies

Jon Spraggon, Colin Hopkins and Ian Munro have lodged apologies.

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 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 June 2019



Stewart Island Jetties Subcommittee

OPEN MINUTES

UNCONFIRMED

Minutes of a meeting of Stewart Island Jetties Subcommittee held in the Stewart Island Pavilion, Ayr St, Stewart Island on Monday, 10 June 2019 at 11.35am.

PRESENT

Chairperson Members

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

Councillor
Department of Conservation
Environment Southland
Community Board
Community Representative
Local Iwi
SI Promotion Association

APOLOGIES

Colin Hopkins

Commercial Fishing

IN ATTENDANCE

Community Partnership Leader - Karen Purdue
Manager, Community Facilities – Mark Day
Manager, Commercial Infrastructure – Dylan Rabbidge
Committee Advisor – Kirsten Hicks

1 Apologies

An apology was received from Member Hopkins.

Moved Member Spraggon, seconded Member Chittenden **and resolved:**

That the Stewart Island Jetties Subcommittee accepts the apology.

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 Member Smith, seconded member Cleaver **and resolved:**

That the Stewart Island Jetties Subcommittee confirms the minutes of the meeting held on 10 December 2018 as a true and correct record of that meeting.

Reports for Recommendation

7.1 Stewart Island Coastal Infrastructure Tourism Infrastructure Fund Application

Record No: R/19/5/8060

Mark Day (Manager, Community Facilities) was in attendance for this item

Resolution

Moved Member Spraggon, seconded Member Chittenden

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.**

The meeting concluded at 11.50am

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE STEWART ISLAND JETTIES
SUBCOMMITTEE HELD ON MONDAY 10 JUNE 2019

DATE:.....

CHAIRPERSON:.....

Commercial User Charging Regime - Stewart Island/Rakiura Jetties

Record No: R/19/9/20440
Author: Robyn Rout, Policy Analyst
Approved by: Rex Capil, Group Manager Community and Futures

Decision Recommendation Information

Purpose

- 1 The purpose of this report is to seek input and feedback from the Jetties Subcommittee on possible charging options for commercial users of Stewart Island/Rakiura jetties. This report seeks a recommendation from the Jetties Subcommittee on its preferred charging approach, which will be reported to a committee of Council in the new triennium, and used to help form the basis for an approach that is fair and reasonable to jetty users.

Executive Summary

- 2 Council currently issues licences to non-recreational users of Stewart Island/Rakiura jetties, which allows the licensees to use the jetties for commercial purposes. In 2017, the Jetties Subcommittee raised that a new charging regime based on patronage might be more appropriate.
- 3 This report is about establishing the mechanism for how a fee is charged, rather than deciding the amount of the fee, which will be discussed at a later stage. Council recognises that jetties have both public and private use. This is taken into account when Council determines appropriate funding sources.
- 4 After considering the legal requirements on how jetties are funded, staff have identified five potential charging options. The options identified are:
 - option 1 - an annual fee based on vessel tonnage
 - option 2 - an annual fee based on passenger numbers
 - option 3 - a fee based on the number of visits to Council administered jetties (or particular jetties)
 - option 4 - a fee based on both vessel tonnage and the number of visits to Council administered jetties (or particular jetties)
 - option 5 - the status quo (a licence fee charged annually for each vessel).
- 5 It is important that any charging method is highly practical. It needs to be administratively simple, easy to enforce, cost effective, and Council needs to be able to charge the fee without relying on an agreement or information from commercial operators. Council also needs to be able to prove any fee it charges is accurate.
- 6 Staff would like to receive feedback on the options, and ask the Subcommittee to recommend a preferred option.
- 7 Following on from this meeting, staff will write a report to the Stewart Island/Rakiura Community Board, to keep them informed and to receive feedback. Staff will then undertake informal consultation with key stakeholders, discussing the possibility of a new charging regime. All of the feedback received will be incorporated into a report presented to a committee of Council. It is anticipated that any new charging regime and fee would be proposed in the 2021-

2031 Long Term Plan that will be consulted on in February/March 2021. This plan will come into effect on 1 July 2021.

Recommendation

That the Stewart Island Jetties Subcommittee:

- a) Receives the report titled “Commercial User Charging Regime - Stewart Island/Rakiura Jetties” dated 11 September 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) Provides feedback on the options presented.**
- e) Provides feedback on the key stakeholders that should be involved in informal consultation about any new charging regime.**
- f) Recommends to a committee of Council, that the charging regime for commercial jetty usage should be one of the following options:**
 - option 1 - an annual fee based on vessel tonnage**
 - option 2 - an annual fee based on passenger numbers**
 - option 3 - a fee based on the number times a commercial user visits Council administered jetties (or particular jetties)**
 - option 4 - a fee based on both vessel tonnage and the number of visits to Council jetties**
 - option 5 - the status quo (a licence fee charged annually for each vessel).**
- g) Provides feedback on what a fair and reasonable fee would be, in relation to its preferred option.**
- h) Notes that if a new charging regime and fee are implemented, this would not come into effect until 1 July 2021.**

Background

- 8 On Stewart Island/Rakiura, Council administers Fred’s Camp Jetty, Little Glory Jetty, Millers Beach Jetty, Port William Jetty and Ulva Island Jetty. It is anticipated that the Golden Bay Wharf will also be transferred into Council ownership in the near future. In this report, these facilities are collectively referred to as the jetties.

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- 9 Council currently issues licences to non-recreational users of Stewart Island/Rakiura jetties, allowing licensees the non-exclusive use of the jetties for embarkation and disembarkation of passengers and for the loading and unloading of goods. The licence fee is currently \$1,350 (GST inclusive), and this is charged annually for each vessel used by the licensee, in accordance with their licence. The licences currently held were issued in 2014 and the term of the licences is ten years. The licence agreements can be terminated upon notice. When notice is given, the agreement will expire on 31 October following the giving of notice.
- 10 In 2017, the Stewart Island/Rakiura Jetties Subcommittee outlined that they wanted to change this approach to be more in line with a user-pays regime based on patronage.
- 11 Staff presented a report to the board and to the Jetties Subcommittee on 10 December 2018. The outcome of the meetings were that the board and the Jetties Subcommittee endorsed staff undertaking work with the Jetties Subcommittee to investigate, identify and implement a practical and fair user pays regime for non-recreational jetty usage. They also requested that Council approve unbudgeted expenditure of \$20,000, to be funded from reserves or from a loan, from the Jetties Subcommittee.
- 12 On 6 March 2019, Council endorsed proceeding with the work, and approved \$20,000 of unbudgeted expenditure to be funded from the Jetties Subcommittee general reserves.

Issues

Content of this report

- 13 This report seeks to identify an appropriate charging method to set a fee for commercial users of Council administered jetties on Stewart Island/Rakiura.
- 14 At this stage, more information is required before Council can analyse what an appropriate fee for commercial jetty usage should be. A number of pieces of work are currently being undertaken or are anticipated, that relate to the jetties. These include:
- the Stewart Island/Rakiura sustainability review
 - the review of the Stewart Island/Rakiura visitor levy
 - clarity on any redevelopment of the Ulva and Golden Bay jetties, including the level of service that will be provided and any associated costs
 - the review of the Revenue and Financing Policy (this involves applying legislation and considering appropriate funding sources for the jetties activity, for example considering whether district or local funding, fees and charges, grants etc are appropriate)
 - determining jetty maintenance costs (including on any jetties that are redeveloped).

Council will be in a position to determine an appropriate fee for commercial jetty use when these work streams are complete. If a new charging regime and fee are proposed, these will be consulted on as part of the 2021-2031 Long Term Plan, and this plan will come into effect on 1 July 2021.

Options identified

- 15 A number of options have been identified on how Council could charge commercial users of jetties. These options have been developed taking into consideration section 101 of the Local Government Act 2002, which outlines what Council must consider when it is determining how to meet its funding needs. The options are:
- option 1 - an annual fee based on vessel tonnage
 - option 2 - an annual fee based on passenger numbers

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- option 3 - a fee based on the number times a commercial user visits Council administered jetties (or particular jetties)
 - option 4 - a fee based on both vessel tonnage and the number of visits to Council jetties
 - option 5 - the status quo (a licence fee charged annually for each vessel).
- 16 Any charging method selected will have to be administratively simple, cost effective, easy to enforce and Council needs to be able to charge the fee without relying on an agreement or information from commercial operators. Council also needs to be able to prove that any fee it charges is accurate/valid.
- 17 Under the current jetty licencing contracts, agreement has been reached between the licensee and Council on a number of factors, such as how the jetties can be used, provisions to look after the environment, and provisions on damage and liability. Under the first four charging options outlined above, Council would not be entering into a contract with the commercial users, so other informal or formal rules would have to be established regarding jetty usage.

Option 1 - An annual fee based on tonnage

- 18 For this option, each commercial vessel that uses Council jetties would pay an annual fee based on the tonnage of the vessel. There would be different tiers of boat weight, and vessels in each tier would be charged a specific annual fee. For example:

TABLE 1 – ANNUAL FEE BASED ON TONNAGE	
VESSEL WEIGHT (TONNES)	Annual fee
<10	\$X
10-20	\$X
>20	\$X

- 19 The boats using Council jetties and their tonnage, could be identified through discussions with commercial operators. If necessary, Council would estimate a fee.

Option 2 - An annual fee based on passenger numbers

- 20 For this option, commercial users would pay an annual fee based on the number of passengers (per round trip, or a one way trip if the passengers were just being dropped off and not picked up again) they carry annually to Council jetties, on any of their vessels. This could also be done by having a range of passenger numbers, and commercial operators would be charged an annual fee based on the range their passenger numbers fall in. For example:

TABLE 2 – ANNUAL FEE BASED ON PASSENGER NUMBERS	
ANNUAL PASSENGER NUMBERS	Annual fee
<1000	\$X

TABLE 2 – ANNUAL FEE BASED ON PASSENGER NUMBERS	
1001-2000	\$X
2001-3000	\$X
3001-4000	\$X
>4001	\$X

- 21 The passenger numbers carried by each user would be ascertained through discussions with commercial operators. If necessary, Council would estimate a fee.
- 22 The Jetties Subcommittee suggested that commercial users could provide information on the number of passengers carried to Council jetties from their manifests/logbooks. It was suggested that the commercial users then could be charged a fee per passenger. There are difficulties with this charging approach. Council’s legal advisor was not aware of any way to require a commercial operator to provide information on their passenger numbers to Council, if the commercial operator did not wish to do so.

Option 3 – A fee based on the number times a commercial user visits Council administered jetties (or particular jetties)

- 23 For this option, commercial users could pay a fee for the number of visits they make to Council administered jetties. If a vessels berths at (parks alongside/ties up to) a Council administered jetty, it would be measured as one count. There are two ways this fee could be structured.

AN ANNUAL FEE

- 24 Firstly, there could be an annual fee to a commercial user, based on the number of visits the commercial user is making to Council jetties. A range of visits could be provided, such as those shown below.

TABLE 3 - AN ANNUAL FEE BASED ON VISITS TO COUNCIL JETTIES	
NUMBER OF VISITS TO COUNCIL JETTIES	Annual fee
<1000	\$X
1001-2000	\$X
2001-3000	\$X
>3001	\$X

- 25 An estimate of the number of times a commercial user visits a Council administered jetty could be ascertained through discussions with commercial operators. If necessary, Council would estimate the fee.

PERIODIC FEE BASED ON ACTUAL VISITS

- 26 As an alternative to charging an annual fee, a sensor system could be used and commercial users could pay a periodic fee based on their actual jetty visits. For example, a commercial user might be charged \$1.00 for each jetty they visit.
- 27 Council is aware of sensor technology that could electronically monitor if a vessel has berthed at a Council jetty. This sensor system would work by there being a sensor on the jetty, and also a small sensor on the commercial user’s boat. The sensor on the jetty would register a count if the sensor on the boat came within a close proximity. This sensor system could be placed at all jetties, or at particular jetties. This type of sensor system requires internet coverage. Commercial users would have to agree to have sensors on their boats.

Option 4 - A fee based on vessel tonnage and visits to Council jetties

- 28 Under this option, commercial users would pay a fee for visits to Council jetties, and the fee would relate to the weight of their vessels. This option could be structured as an annual fee or a periodic fee based on actual visits, as is shown below.

ANNUAL FEE

TABLE 4 – AN ANNUAL FEE BASED ON TONNAGE AND ESTIMATED VISITS					
		Number of visits			
		<1000	1001-2000	2001-3000	>3001
VESSEL WEIGHT (TONNES)	<10	\$X	\$X	\$X	\$X
	10-20	\$X	\$X	\$X	\$X
	>20	\$X	\$X	\$X	\$X

PERIODIC FEE

TABLE 5 – A PERIODIC FEE BASED ON ACTUAL VISITS	
VESSEL WEIGHT (TONNES)	Charge per visit
<10	\$X
10-20	\$X
>20	\$X

Option 5 - The status quo – a licence fee charged annually for each vessel

- 29 As is outlined above, Council currently issues licences to non-recreational users of the jetties, allowing licensees the non-exclusive use of Council administered jetties. The licence fee is

currently \$1,350 (including GST), and this is charged annually for each vessel used by the licensee, in accordance with their licence. Council does have the option of continuing this charging approach.

Factors to Consider

Legal and Statutory Requirements

- 30 Under section 101(3) of the Local Government Act 2002, Council must meet its funding needs for each activity following consideration of factors including who is benefitting, the period over which any benefit will occur, and whether the actions of a particular group contribute towards to need to undertake the activity. Council is also required to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.
- 31 Legal advice has been obtained on how to create the legal mechanism for collection and enforcement, if Council was to introduce one of the new charging regimes outlined above. The advice received has outlined that the most practical way to set a fee for commercial jetty usage is through the fees/charges section in its annual plan. In setting a fee in the annual plan, Council would have to ensure:
- the charge is fair and reasonable based on the use of the jetties
 - jetty resource consent conditions allow for a charge to commercial users
 - the charge does not ‘double dip’ (commercial users are not charged for amounts that will also be funded from other sources).
- 32 Structuring the charge through fees/charges is the most practical way to set the fee as Council could recover charges as a debt in the District Court. If a fee was set in a bylaw and a commercial operator did not pay the required fee, it would be a criminal offence requiring prosecution.
- 33 Legal advice suggested that the charging approach should be based on jetty usage, but that the charge could be further categorised based on the predicted costs to Council from users.
- 34 Other than ensuring that Council doesn’t ‘double dip’, no ‘red flags’ have been identified in regards to the interaction between the Stewart Island/Rakiura Visitor Levy Bylaw and a new charging regime for commercial jetty use.

Community Views

- 35 Community views on this matter will be sought in an informal consultation process, after a preferred option or options are identified. People will also have the opportunity to give their views by making a formal submission if a new fee is proposed in a draft annual plan or long term plan.
- 36 Council is aware of some community views on this matter. Research completed on the Stewart Island Wharfing Provision, by consultant Sandra James in 2017, investigated community views on jetties on Stewart Island/Rakiura and identified:
- that local users understood the need to pay for their use of the jetties
 - that there was a need for long term strategic planning rather than a reactionary approach to jetties
 - that there was unanimous agreement that the jetties should be self-funding and not a burden on rate payers alone

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- a new funding strategy should be investigated, with funding from multiple sources, that is fair and equitable.

37 It can be anticipated that if a new charging regime requires the current licensees to pay more to use jetties, then they would expect that there will be a commensurate improvement in the service that they are receiving. This would include, for example, an improved maintenance and renewals regime.

38 It can also be expected that if the amount paid to use Council administered jetties increases, whether or not the level of service has improved, this will not be well received well by some people, and it may be seen as not facilitating local businesses.

Costs and Funding

39 A copy of the long term plan budget for the jetties activity on Stewart Island/Rakiura is included with this report as Attachment A. Income for the jetties activity is budgeted to come from licencing fees and interest on reserves. Other possible income sources may be grants, such as from the visitor levy or central government grants. The jetties activity is locally funded but in this financial year there is no local rating for the renewal and maintenance of the jetties. Expenses for the activity include insurance, maintenance, depreciation and internal interest.

40 If Golden Bay jetty is transferred to Council ownership, and both Golden Bay and Ulva Island jetties are replaced, it is likely a loan will be required to partially fund these renewals. Servicing this loan would substantially increase the annual expenditure for the jetties activity.

41 Council recognises that jetties have both public and private use. This is taken into account when Council determines appropriate funding sources.

Policy Implications

42 It is important that the jetties on Stewart Island/Rakiura are managed strategically. Council has been undertaking work to review the strategic challenges associated with delivering Council services on Stewart Island/Rakiura. Part of this work includes understanding current and desired future levels of service, investigating available funding tools and looking at future costs relating to delivering Council services on the island. In relation to this work investigating a new charging regime, the review is likely to help inform the amount that should be charged for commercial jetty use.

43 Council supports the Southland Regional Development Strategy that has an objective of removing obstacles to doing business in Southland. Measures can be taken to facilitate an ease of doing business in regards to a developing a charging regime, such as making the regime administratively simple for commercial operators, and ensuring any fee is fair and reasonable.

44 People operating commercial vessels on Stewart Island/Rakiura may also pay other fees or levies. These include:

- a marine levy to Environment Southland
- collecting \$1.00 from each passenger who travels to Ulva Island (this is then passed on to the Ulva Island Charitable Trust)
- a concession fee to the Department of Conservation (for operators who take visitors on guided trips).

Analysis

Options Considered

- 45 The following reasonably practicable options have been identified for charging commercial users of Council administered jetties.

Option 1 – An annual fee based on vessel tonnage of each commercial boat that will use the jetties

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • takes into account the distribution of benefit received from the wharf as heavier vessels are able to carry more passengers/goods, so may benefit more • takes into account that heavier vessels may contribute more to the need to undertake the activity as heavier vessels may cause more damage to the jetties than light vessels • an annual fee would be administratively easy for Council. Council would be able to collect charges cost effectively and encourage payment and compliance. 	<ul style="list-style-type: none"> • heavier vessels may not always benefit more from having access to the jetties than lighter vessels – for example a heavy vessel may not use the jetties very often • heavier vessels may not always cause more damage to the jetties than lighter vessels – damage can also relate to how vessels are berthed and the frequency of use • Council would need monitoring in place to be able to validate that vessels were using Council jetties – there would be costs associated with setting up this monitoring • the exact cost of implementing this option is not known • Council may have to estimate tonnage if a commercial operator did not provide it, which would take up staff time and may not be accurate • may not be supported by some people affected by or interested in this matter • this charging mechanism would not put in place any rules about how the jetties could be used.

Option 2 – An annual fee based on passenger numbers

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • takes into account benefit as vessels that carry more passengers are likely to have more commercial benefit from the jetties • takes into account that vessels that carry more passengers may contribute more to the need to provide/maintain jetties – may be associated with heavier vessels that may do more damage when berthing, more foot traffic/wear and tear etc. 	<ul style="list-style-type: none"> • may not properly take into account benefit – for example other goods might be carried, or there may be more benefit received by carrying staff to work (to marine farms etc) than carrying tourists • passenger numbers may not be directly related to the need to provide/maintain jetties – eg damage may be more closely linked to boat weight and jetty use

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<ul style="list-style-type: none"> • an annual fee would be administratively easy for Council. Council would be able to collect charges cost effectively and encourage payment and compliance. 	<ul style="list-style-type: none"> • Council would need monitoring in place to be able to validate that vessels were using Council jetties, and that Council was charging an accurate fee (such as a webcam, which would be an onerous way to validate passenger numbers). There would also be a costs associated with setting up the monitoring • the exact cost of implementing this option is not known • Council may have to estimate passenger numbers if a commercial operator didn't provide them, which would take up staff time and may not be accurate • may be over-complicating - the weight of a vessel may serve as a rough proxy for the number of passengers carried • may not be supported by some people affected by or interested in this matter • this charging mechanism would not put in place any rules about how the jetties could be used.
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Option 3 - A fee based on the number of visits to Council administered jetties (or particular jetties)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • may take into account benefit as vessels that visit the jetties frequently may receive a lot of benefit • vessels that frequently visit the jetties may contribute more to the need to provide/maintain jetties than vessels who visit less often • this is a user pays approach, which is generally supported by residents/ratepayers • if this option is structured as an annual fee, it would be administratively easy for Council. Council would be able to collect charges cost effectively and encourage payment and compliance • a sensor system would enable Council to clearly ascertain when Council jetties are being used, and Council would be able to 	<ul style="list-style-type: none"> • the frequency of berthing may not be closely related to the damage caused – the weight of the vessel and how it is berthed may be more closely related • vessels that berth more frequently may not benefit more than those who berth less frequently (a commercial user with a large boat who berths once may benefit more than a small vessel berthing frequently • Council would need monitoring in place to be able to validate that vessels were using Council jetties, and that it was charging an accurate fee (such as a webcam or sensor). There would be costs associated with setting up this monitoring • the exact cost of implementing this option is not known

<p>charge an accurate fee, and validate a fee that has been issued.</p>	<ul style="list-style-type: none"> • Council would have to estimate annual visit numbers if a commercial operator didn't provide them, which would take up staff time and may not be accurate • if this option is structured as a periodic fee it would be more of an administrative burden on Council, and may not be as effective as an annual fee at encouraging payment and compliance • if this option is structured as a periodic fee, the funding generated may not be known in advance, which may make long term planning more difficult • may not be supported by some people affected by or interested in this matter • this charging mechanism would not put in place any rules about how the jetties could be used.
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Option 4 – A fee based on both vessel tonnage and the number of visits to Council jetties

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • may take into account benefit as heavy vessels and vessels that visit jetties often are likely to benefit more from the jetties than other vessels • takes into account that vessels that are heavier and visit the jetties often may contribute more to the need to provide/maintain jetties • if this option is structured as an annual fee, it would be easier to administer than a periodic fee. Council would be able to collect charges cost effectively and encourage payment and compliance • a sensor system would enable Council to clearly ascertain when Council jetties are being used, and Council would be able to charge an accurate fee, and validate a fee that has been issued. 	<ul style="list-style-type: none"> • may not be closely related to the damage caused – how a vessel is berthed may be more closely related • may not accurately take into account the benefit received by accessing the jetties • this option requires two inputs, which makes it slightly harder to administer • Council would need monitoring in place to be able to validate that vessels were using Council jetties, and that it was charging an accurate fee (such as a webcam or sensor). There would be costs associated with setting up this monitoring • the exact cost of implementing this option is not known • Council would have to estimate annual visit numbers and tonnage if a commercial operator didn't provide them, which would take up staff time and may not be accurate • if this option is structured as a periodic fee, the funding generated would not be known

	<p>in advance, which may make long term planning more difficult</p> <ul style="list-style-type: none"> • may not be supported by some people affected by or interested in this matter • this charging mechanism would not put in place any rules about how the jetties could be used.
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Option 5 - The status quo (a licence fee charged annually for each vessel)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • known by the commercial operators • there are contractual terms about how the jetties can be used, and about who will pay for damage etc • to an extent takes into account the benefit received and damage being undertaken by commercial jetty users (by charging them a specific fee that isn't charged to other ratepayers) • does take into account that some commercial users may be benefitting more and contributing more to the need to undertake the activity, by charging for each boat operating (rather than for each operator) • easy to administer – no inputs. Council can collect charges cost effectively and encourage payment and compliance • there would be no cost to set up monitoring etc. 	<ul style="list-style-type: none"> • may not properly take into account benefit – for example the owners of vessels that carry a large number of passengers may be receiving more benefit from the jetties than owners with smaller vessels (who pay the same amount). • does not take into account that heavier vessels or vessels using the jetties more frequently may contribute more to the need to undertake the jetty activity • may not be supported by some people affected by or interested in this matter • all commercial users may not be paying the fee.

Assessment of Significance

- 46 The matters discussed and recommendation sought in this report, have not been assessed as being significant in relation to the Local Government Act 2002 and Council's Significance and Engagement Policy.

Recommended Option

- 47 Staff believe that the Subcommittee should recommend option four, an annual fee based on tonnage and visit numbers, to a committee of Council. Staff recommend this option as it best takes into account (and charges an appropriate fee to) the commercial users receiving the most benefit from, and potentially contributing the most to the need to provide, Council administered jetties. Staff are aware that this option is not the easiest option to administer, and that it would also require there to be monitoring in place to validate any fee charged.

Stewart Island Jetties Subcommittee

30 September 2019

Next Steps

48 The proposed next steps for this work are as follows:

DATE	TASK
NOVEMBER 2019	A report will be presented to the Stewart Island/Rakiura Community Board informing it of the recommendations made by this Subcommittee, and seek feedback
2020	Staff, in collaboration with the Jetties Subcommittee, will discuss with key stakeholders the possibility of a new charging regime
2020	A report will be presented to a committee of Council outlining the feedback received from the Subcommittee, the board and key stakeholders. The committee will make recommendations to Council
2020	Council will consider a new charging method and fee, and may endorse them to be included in the draft Long Term Plan
FEB/MARCH 2021	Staff will consult on any proposed charging mechanism and fee, in the draft Long Term Plan

Attachments

A Long Term Plan 2018-28, budget for Stewart Island/Rakiura jetties [↓](#)

Budget Estimate Report for 26700 Stewart Island Jetties
Start Year: 2020/2021

Stewart Island Jetties
26700 Stewart Island Jetties

Object	Description	Actuals 2018/2019	Current Budget	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
Income													
11162	Grants General (Capital)	-	(433,812)	-	-	(22,968)	-	(24,108)	-	(27,623)	-	-	-
11316	Licence Fee	(17,609)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
19114	Contribution - Township	-	-	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
19151	Internal - Interest on Reserve	(7,538)	(2,046)	(2,187)	(3,020)	(3,869)	(4,723)	(5,591)	(6,462)	(7,345)	(8,230)	-	-
		<u>(25,144)</u>	<u>(473,358)</u>	<u>(69,687)</u>	<u>(70,520)</u>	<u>(94,337)</u>	<u>(72,223)</u>	<u>(97,199)</u>	<u>(73,962)</u>	<u>(102,468)</u>	<u>(75,730)</u>	<u>(67,500)</u>	<u>(67,500)</u>
Expenditure													
19186	Internal - Grant Income	(100,000)	-	-	-	-	-	-	-	-	-	-	-
21311	Material Damage Insurance	1,856	1,499	1,532	1,566	1,602	1,640	1,681	1,725	1,770	1,817	1,817	1,817
31523	Legal Costs	11,617	-	-	-	-	-	-	-	-	-	-	-
31542	General Projects	27,430	-	-	-	-	-	-	-	-	-	-	-
35214	Maint - General	5,419	25,550	15,667	26,686	16,380	27,955	17,192	29,399	18,098	30,978	30,978	30,978
35229	Maint - Project	71,869	-	-	-	22,969	-	24,108	-	27,624	-	-	-
41113	Depn - Marine As	9,066	31,092	49,292	49,292	49,292	49,292	49,292	49,292	49,292	49,292	-	-
43317	Internal - Interest on Loans	1,934	1,805	13,201	12,803	12,386	11,949	11,492	11,013	10,511	9,986	-	-
		<u>29,792</u>	<u>59,946</u>	<u>79,692</u>	<u>90,347</u>	<u>102,629</u>	<u>90,836</u>	<u>103,765</u>	<u>91,429</u>	<u>107,295</u>	<u>92,073</u>	<u>32,795</u>	<u>32,795</u>
	Net Operating (Surplus)/Deficit	4,647	(413,412)	10,005	19,827	8,292	18,613	6,566	17,467	4,827	16,343	(34,705)	(34,705)
Capital Expenditure													
67313	Marine Assets - Renewal	75,750	493,812	-	-	-	-	-	-	-	-	-	-
		<u>75,750</u>	<u>493,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>						
Capital Movements													
87892	To - STEW JETTIES General	(52,137)	(32,046)	30,871	20,651	31,769	21,011	32,601	21,221	33,359	21,317	34,705	34,705
87893	Ex - STEW JETTIES General	(171,452)	(108)	-	-	-	-	-	-	-	-	-	-
87894	To Wharf replacmnt Golden	57,960	-	-	-	-	-	-	-	-	-	-	-
87895	Ex - Wharf Replacmnt Golden	58,272	-	-	-	-	-	-	-	-	-	-	-
87896	To Wharf replacmnt Ulva	115,908	-	-	-	-	-	-	-	-	-	-	-
26700 Stewart Island Jetties													
Object	Description	Actuals 2018/2019	Current Budget	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
Capital Movements													
89165	Ex - District Operations	(80,000)	-	-	-	-	-	-	-	-	-	-	-
		<u>(73,449)</u>	<u>(32,154)</u>	<u>30,871</u>	<u>20,651</u>	<u>31,769</u>	<u>21,011</u>	<u>32,601</u>	<u>21,221</u>	<u>33,359</u>	<u>21,317</u>	<u>34,705</u>	<u>34,705</u>
Loans													
71532	Internal Loans - Princ	-	(20,000)	-	-	-	-	-	-	-	-	-	-
71533	Internal Loans - Repaid	2,718	2,846	8,416	8,814	9,231	9,668	10,125	10,604	11,106	11,632	-	-
		<u>2,718</u>	<u>(17,154)</u>	<u>8,416</u>	<u>8,814</u>	<u>9,231</u>	<u>9,668</u>	<u>10,125</u>	<u>10,604</u>	<u>11,106</u>	<u>11,632</u>	<u>-</u>	<u>-</u>
Non Cash Depreciation													
99511	Add Back Non Cash Depn	(9,666)	(31,092)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	-	-
		<u>(9,666)</u>	<u>(31,092)</u>	<u>(49,292)</u>	<u>(49,292)</u>	<u>-</u>	<u>-</u>						
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>