



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

Date: Monday, 9 November 2020
Time: 8.45am
Meeting Room: Stewart Island Pavilion
Venue: Ayr St, Stewart Island

Stewart Island/Rakiura Community Board Agenda OPEN

MEMBERSHIP

Chairperson	Jon Spraggon
Deputy Chairperson	Steve Lawrence
Members	Aaron Conner
	Anita Geeson
	Rakiura Herzhoff
	Gordon Leask
	Councillor Bruce Ford

IN ATTENDANCE

Committee Advisor	Kirsten Hicks
Community Partnership Leader	Karen Purdue
Community Liaison Officer	Megan Seator

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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.

Terms of Reference – Community Boards

TYPE OF COMMITTEE	Community board
RESPONSIBLE TO	<p>Council</p> <p>Each community board will have a relationship with the committees in section 8.4.2 to 8.4.5 of the delegations manual based on the scope of the activities/functions delegated to each committee.</p>
SUBCOMMITTEES	As noted in section 8.5 of the delegations manual various subcommittees will report to specific community boards.
LEGISLATIVE BASIS	<p>Resolution made by Council through the representation arrangements as per the Local Electoral Act 2001.</p> <p>Role, status and membership as per subpart 2 of Part 4 of the Local Government Act 2002 (LGA).</p> <p>Treaty of Waitangi as per section 4, Part 1 of the LGA.</p> <p>Opportunities for Maori to contribute to decision-making processes as per section 14 of Part 2 of the LGA. Community boards delegated powers by Council as per schedule 7, clause 32, LGA.</p> <p>Appointment of councillors to community boards as per section 50, LGA.</p>
MEMBERSHIP	<p>Oreti and Waihopai Toetoe Community Boards have seven members elected by the local authority triennial elections plus a member appointed by Council. All other community boards have six members plus a member appointed by Council.</p> <p>The chairperson is elected by the community board. Councillors who are not appointed to community boards can only remain for the public section of the community board meeting. They cannot stay for the public excluded section unless the community board agrees.</p>
FREQUENCY OF MEETINGS	Every second month but up to ten ordinary meetings a year
QUORUM	Not less than four members
KEY FUNCTIONS	<ul style="list-style-type: none"> to promote the social, economic, environmental and cultural well-being of local communities and in so-doing contribute to the realisation of Council's vision of one District offering endless opportunities to provide leadership to local communities on the strategic issues and opportunities that they face to be advocates and representatives for their local community and in so doing ensure that Council and other agencies have a clear understanding of local needs and aspirations to be decision-makers on issues that are delegated to the board by Southland District Council

	<ul style="list-style-type: none"> • to develop relationships and communicate with key community organisations, special interest groups, residents and businesses within the community • to maintain an overview of the services Council delivers to its communities and assess the extent to which these services meet community needs • to recommend the setting of levels of service and budgets for local activities.
DELEGATIONS	<p>The community board shall have the following delegated powers and be accountable to Council for the exercising of these powers.¹</p> <p>In exercising the delegated powers, the community board will operate within:</p> <ol style="list-style-type: none"> 1) policies, plans, standards or guidelines that have been established and approved by Council 2) the needs of the local communities; and 3) the approved budgets for the activity. <p>Power to Act</p> <p>The community board will prepare and implement programmes of work, which will be reflected in its community board plan, which are relevant to the purposes of the community board that are consistent with the long term plan and annual plan processes of Council. Such programmes are to include budgetary provision for all costs associated with the work.</p> <p>Community Well-Being</p> <ol style="list-style-type: none"> 4) to develop local community outcomes that reflect the desired goals for their community/place 5) to monitor the overall well-being of local communities and use the information gathered to inform development of local strategies to address areas of need 6) work with Council and the community to develop a community board plan for the community of interest area – working in with any community plans that may exist. <p>Community Leadership</p> <ol style="list-style-type: none"> 7) communicate and develop a relationship with community organisations, local groups, and special interest groups within the local community of interest 8) identify key issues that will affect their community of interest's future and work with Council staff and other local representatives to facilitate multi-agency collaborative opportunities 9) promote a shared vision for the community of interest area and develop and promote ways to work with others to achieve positive outcomes 10) provide a local community perspective on Council's long term plan key performance indicators and levels of service

¹ Local Government Act 2002, s.53

as detailed in the long term plan, and on local expenditure, rating impacts and priorities.

Advocacy

11) submissions

- a) authority to make recommendations to Council on matters to be considered in submissions Council may make to external organisations' regional or national policy documents, select committees
- b) authority to make submissions to Council or other agency on issues within its community of interest area
- c) authority to make submissions to Council on bylaws and recommend to Council the level of bylaw service and enforcement to be provided, having regard to the need to maintain consistency across the District for all Council bylaws.

12) authority to prepare a submission to Council on the proposed levels of service, income and expenditure within the community of interest area, for consideration as part of the long term plan/annual plan process

13) provide comment by way of the formal Annual Plan/Long Term Plan process on relative priorities for the delivery of District services and levels of service within the community board area.

District activities include:

- a) wastewater
- b) solid waste
- c) water supply
- d) parks and reserves
- e) roading
- f) libraries
- g) cemeteries
- h) emergency management
- i) stormwater
- j) public toilets
- k) community housing

14) Council will set the levels of service for District activities – if a community board seek a higher level of service they will need to recommend that to Council and it will need to be funded in an appropriate way (locally).

Community Assistance

15) authority to establish prioritisation for allocation based on an overarching set of criteria from council to guide the scope of the activity

- 16) authority to grant the allocated funds from the Community Partnership Fund
- 17) authority to allocate bequests or grants generated locally consistent with the terms of the bequest or grant fund

Northern Community Board

- 18) make decisions regarding funding applications to the Northern Southland Development Fund. The Northern Community Board may invite a representative of the community of Dipton to take part in the decisions on applications to the Northern Southland Development Fund.

Unbudgeted Expenditure

Approve unbudgeted operating expenditure for local activities of up to \$20,000.

Approve up to a \$20,000 increase in the projected cost of a budgeted capital works project/item that is included in the annual plan/LTP.

Authority to delegate to the chief executive, when approving a project definition/business case, over-expenditure of up to \$10,000 for capital expenditure against the budget detailed in the Annual Plan/LTP.

Service Delivery

Local Activities

For activities within the local activities category, the community board shall have authority to:

- a) recommend to Council levels of service for local activities having regard to Council budgets within the Long Term Plan and Annual Plan process
- b) recommend to Council the rates and/or user charges and fees to fund the local activities
- c) accept donations of a local asset eg a gas barbeque, park bench, etc with a value of less than \$20,000.
- d) approve project definitions/business cases for approved budgeted capital expenditure up to \$300,000
- e) recommend to the Services and Assets Committee the approval of project definitions/business case and procurement plan for capital expenditure over \$300,000 and/or any unbudgeted capital expenditure
- f) monitor the performance and delivery of the service in meeting the expected levels of service
- g) facilitate the development of local management plans (for subsequent recommendation to Council), where required by statute or in support of District or other plans for reserves, harbours, and other community facilities, except where powers:
 - have been delegated to Council officers; or
 - would have significance beyond the community board's area or otherwise involves a matter of

	<p>national importance (Section 6 Resource Management Act 1991); or</p> <ul style="list-style-type: none"> involve the alienation of any part of a proposed or existing esplanade reserve by way of width reduction, easement, lease or otherwise. <p>Local activities include:</p> <ol style="list-style-type: none"> community leadership local halls and community centres (within Council's overarching policy for community facilities) wharves and harbour facilities local parks and reserves parking limits and footpaths Te Anau/Manapouri Airport (Fiordland Community Board) Stewart Island Electricity Supply Authority (SIESA) (Stewart Island/Rakiura Community Board) <ol style="list-style-type: none"> for the above two local activities only recommend levels of service and annual budget to the Services and Assets Committee monitor the performance and delivery of the service <p>19) naming reserves, structures and commemorative places</p> <ol style="list-style-type: none"> authority to decide upon requests from the community, regarding names of reserves, the placement of structures and commemorative places. <p>20) naming roads</p> <ol style="list-style-type: none"> authority to decide on the naming for public roads, private roads and rights of way <p>21) assist the chief executive by providing comment (through the board chairperson) to consider and determine temporary road closures applications where there are objections to the proposed road closure.</p> <p>Rentals and Leases</p> <p>In relation to all leases and licences of land and buildings for local activities within their own area, on behalf of Council;</p> <ol style="list-style-type: none"> accept the highest tenders for rentals more than \$10,000 approve the preferential allocation of leases and licenses where the rental is \$10,000 or more per annum. <p>Environmental management and spatial planning</p> <ol style="list-style-type: none"> provide comment on behalf of the relevant community/communities on resource consent applications referred to the community board for comment. recommend to Council the level of bylaw service and enforcement to be provided within the community, having regard to the need to maintain consistency across the District.
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	<p>24) provide advice to Council and its committees on any matter of interest or concern to the community board in relation to the sale of alcohol where statutory ability exists to seek such feedback.</p> <p>25) provide input into regulatory activities not otherwise specified above where the process allows.</p> <p>26) recommend to Council the initiating of an appeal or reference to the environment court on decisions in respect to resource consent applications on which the board has made submissions; ability to provide input to support the development of community planning for a civil defence emergency; and after an emergency event, to provide input and information to support community response efforts.</p>
LIMITS TO DELEGATIONS	<p>No financial or decision making delegations other than those specifically delegated by Council.</p> <p>The community board shall only expend funding on purposes for which that funding was originally raised and in accordance with the budgets approved by Council through its Long Term Plan/Annual Plan. In accordance with the provisions of section 39(2) of Schedule 7 the board may not incur expenditure in excess of the approved budget.</p> <p>Matters which are not Delegated</p> <p>Southland District Council has not delegated to community boards the power to:</p> <ul style="list-style-type: none"> • make a rate or bylaw • acquire, hold or dispose of property • direct, appoint, suspend or remove staff • engage or enter into contracts and agreements and financial commitments • institute an action for recovery of any amount • issue and police building consents, notices, authorisations and requirements under acts, statutes, regulations, bylaws and the like; • institute legal proceedings other than the delegation to recommend to Council the initiating of an appeal or reference to the environment court on decisions in respect to resource consent applications on which the community board has made submissions.
CONTACT WITH MEDIA	<p>The community board chairperson is the authorised spokesperson for the board in all matters where the board has authority or a particular interest.</p> <p>Board members, including the chairperson, do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the board's delegations.</p> <p>The assigned Executive Leadership Team member will manage the formal communications between the board and its</p>

	<p>constituents and for the board in the exercise of its business. Correspondence with central government, other local government agencies or official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.</p>
REPORTING	<p>Community boards are unincorporated statutory bodies which are elected to represent the communities they serve.</p> <p>The boards maintain bound minute books of their own meetings.</p>

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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

Community Board 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 12noon at least one clear day 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 Community Board 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, 12 October 2020



Stewart Island/Rakiura Community Board

OPEN MINUTES

UNCONFIRMED

Minutes of a meeting of Stewart Island/Rakiura Community Board held in the Stewart Island Pavilion, Ayr St, Oban on Monday, 12 October 2020 at 8.45am.

PRESENT

Chairperson	Jon Spraggon
Deputy Chairperson	Steve Lawrence
Members	Aaron Conner
	Anita Geeson
	Rakiura Herzhoff
	Gordon Leask
	Councillor Bruce Ford

IN ATTENDANCE

Acting CEO – Ross McNeil
Group Manager Environmental Services – Fran Mikulicic
Community Facilities Manager – Mark Day
Community Partnership Leader – Karen Purdue
Community Liaison Officer – Megan Seator
Manager Operations, Water and Waste – Grant Isaacs
Committee Advisor – Kirsten Hicks

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

- Manfred Herzhoff – ferry as an essential service
- Leah Rudin-Jones – Butterfield Beach project update
- Paul Norris – Real Journeys future plans
- Constable Stuart Newton – NZ Police

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Anita Geeson, seconded Rakiura Herzhoff **and resolved**

That the Stewart Island/Rakiura Community Board confirms the minutes of the meeting held on 10 August 2020, as a true and correct record of that meeting.

Reports

7.1 Community Leadership Report - Stewart Island/Rakiura Community Board

Record No: R/20/9/56379

Community Partnership Leader Karen Purdue was present for this report

Resolution

Moved Deputy chairperson Lawrence, seconded Gordon Leask **and resolved**

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "Community Leadership Report - Stewart Island/Rakiura Community Board" dated 29 September 2020.**

Moved Councillor Ford, seconded Aaron Conner **and resolved recommendation b) as indicated by ~~striketrough~~, with new resolution underlined**

- b) ~~Supports the project to further investigate if the passenger and light ferry service is an essential service for the island under the Public Transport Plan, thereby enabling funding under the New Zealand Transport Authority.~~
Supports further investigation to enable passenger and freight services be considered an essential service for Stewart Island Rakiura.

7.2 Operational Report for Stewart Island/Rakiura Community Board

Record No: R/20/9/50400

Community Partnership Leader Karen Purdue was present for this report

Resolution

Moved Rakiura Herzhoff, seconded Gordon Leask **and resolved**

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "Operational Report for Stewart Island/Rakiura Community Board" dated 1 October 2020.**

7.3 Council Report

Record No: R/20/9/51937

Councillor Ford presented this report

Resolution

Moved Cr Ford, seconded Aaron Conner **and resolved**

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "Council Report" dated 28 September 2020.**

7.4 Chairperson's Report

Record No: R/20/9/53202

Chairperson Jon Spraggon presented this report

Resolution

Moved Rakiura Herzhoff, seconded Aaron Conner **and resolved**

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "Chairperson's Report" dated 1 October 2020.**

7.5 SIESA Monthly Reports from Powernet - July and August 2020

Record No: R/20/9/51793

Ashby Brown presented this report via Zoom.

Resolution

Moved Anita Geeson, seconded Gordon Leask **and resolved**

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "SIESA Monthly Reports from Powernet - July and August 2020" dated 29 September 2020.**

7.6 SIESA - Financial Report to 30 June 2020

Record No: R/20/10/59540

Ashby Brown presented this report via Zoom.

Resolution

Moved Rakiura Herzhoff, seconded Gordon Leask **and resolved**

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "SIESA - Financial Report to 30 June 2020" dated 6 October 2020.**

7.7 Southland District - Wellbeing Indicators Snapshot - August 2020

Record No: R/20/9/52011

Community Partnership Leader Karen Purdue was present for this report

Resolution

Moved Gordon Leask, seconded Aaron Conner **and resolved**

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled "Southland District - Wellbeing Indicators Snapshot - August 2020" dated 23 September 2020.**

The meeting concluded at 11.00am

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE STEWART ISLAND/RAKIURA
COMMUNITY BOARD HELD ON 12 OCTOBER 2020

DATE:.....

CHAIRPERSON:.....

Long Term Plan 2031 - Direction Setting Report

Record No: R/20/10/62654

Author: Jason Domigan, Corporate Performance Lead

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 For the community board to allocate local budgets for 2021-2031 and to recommend to Council local rates for the year commencing 1 July 2021.

Executive Summary

- 2 This report provides an overview of the local activities and services for Stewart Island for 2021-2031 which are provided under the governance of the Stewart Island/Rakiura Community Board. The report details the costs of these activities over the 10 years as well as the draft rates.
- 3 The draft budgets will be incorporated into Council's draft Long Term Plan 2031 (LTP) which, pending Council approval, will be released for consultation in March 2021. Once the plan is finalised (and subject to any changes resulting from submissions), the budgets shown for 2021/2022 will be used to set rates for the year beginning 1 July 2021 (referred to as LTP year one).
- 4 The information in this report and its attachments, has been sourced from previous discussions between the committee, the community partnership leader, services and assets, and finance staff along with activity management plans (AMPs) that officers have prepared.

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) Receives the report titled "Long Term Plan 2031 - Direction Setting Report" dated 4 November 2020.
- 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 to Council that the following rates and charges (including GST) for the year commencing 1 July 2021 be included in the Long Term Plan 2031.

<u>Rate</u>	<u>Rate GST inclusive</u>
Stewart Island/Rakiura Community Board rate (subject to confirmation on funding of the Stewart Island Jetties)	\$118,459
Stewart Island Waste Management Rate	\$115,562

- e) Acknowledges that Council has yet to confirm any district rate funding towards the Stewart Island Jetties further to consultation on Councils Revenue and Financing Policy.
- f) Recommends to Council the setting of the following Stewart Island Jetties fees and charges (including GST) for the year commencing 1 July 2021, Long Term Plan 2031 (subject to any amendments made at this meeting).

<u>Stewart Island Jetties Fee/Charge Description</u>	<u>Fee/Charge (GST Incl)</u>
Wharf and Jetty user annual fee	\$1,350.00
Boat Park fee	\$287.50

- g) Recommends to Council the setting of the following fees and charges (including GST) for the year commencing 1 July 2021 for inclusion in the Long Term Plan 2031 (subject to any amendments made at this meeting).

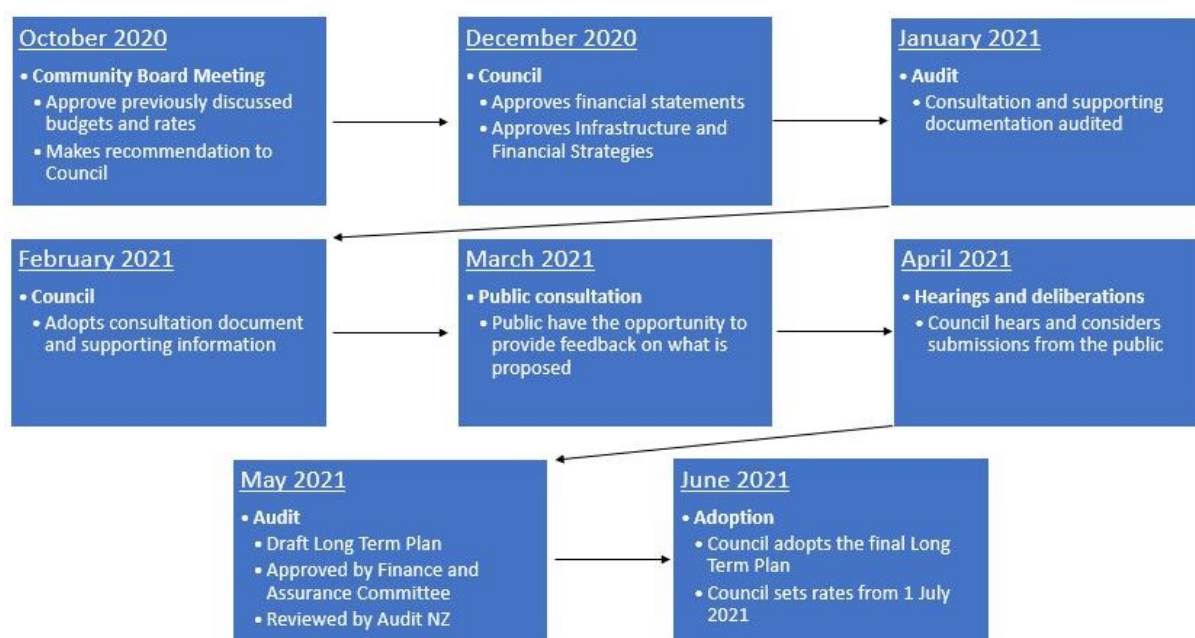
<u>Description</u>	<u>Fee/Charge (GST Incl)</u>
Traill Park – Pavilion Hire	\$50.00

- h) Identifies any significant issues/priority projects for the local area that need to be included in the Long Term Plan 2031 consultation process to encourage feedback from the local community (to be discussed at the meeting, and advised if any).**

Background

- 5 The LTP provides the community with information on the role, scope, service level and priority of Council activities for 10 years and is adopted every three years.
- 6 In preparing the LTP budgets and programmes, Council reviews its strategic direction, various policies and activity management plans (AMPs). Council also develops a series of assumptions about the environment that it expects to operate in during the 10 year period. Council summarises this information in a document for consultation with the community.
- 7 Following Council approval, the LTP consultation document will be released to the public in March 2021 and the community has an opportunity to provide feedback on the proposed plan. Council will decide on any changes to the draft plan before it is adopted in June 2021.
- 8 Year two and three of the LTP are used as the basis for the Annual Plan's for those years.

Overview of the process



- 9 The separate paper on the committee agenda outlines key policies that are being reviewed by Council. The following policies being reviewed help support and inform the LTP:
 - Significance and Engagement Policy
 - Policy on Development and Financial Contributions
 - Revenue and Financing Policy.
- 10 Council's Procurement Policy is also being reviewed alongside these policies and all were endorsed by Council at its 21 October meeting for public consultation between in 4 November and 4 December 2020.

Issues

District wide

- 11 There are a number of district-wide issues which Council has been considering as part of the 2021 LTP that local committees should also be aware of. The key issues that have been identified through this process are detailed below.

Climate Change

- 12 Climate change has the most potential to affect the general wellbeing of the district, particularly over the medium and long term. Short term effects include storm, flood and drought impacts on the economy and in some cases, human safety. Longer term, there will be effects to biosecurity, ecosystems and biodiversity, viability of certain agricultural crops, fire risk and coastal erosion.
- 13 Key points for the Southland region include:
- sea level rise progressively impacting low lying coastal areas, affecting ecology and settlements; it is known that areas of Colac Bay, Orepuki, Fortrose and Stewart Island/Rakiura are subject to coastal processes that are causing erosion resulting in loss of land and Council roading infrastructure
 - water availability in some areas becoming scarce; Northern Southland is projected to experience the largest increases in drought
 - extreme weather events are larger and more frequent; floods are expected to become larger across the district
 - stormwater and wastewater systems are particularly vulnerable to climate change and small changes in rainfall extremes (intensity or duration), can overwhelm the current design capacity of these systems
 - changes and associated impacts, such as risk based insurance will influence investment in built development (ie coastal and flood plain development) and types of farming
 - the occurrence of heat waves will double by 2040.

Roading network – bridges and rehabilitations

- 14 The average age of roads is increasing. This increase will continue as more value is extracted from roads beyond their original intended value-exchange, especially low use roads that are pushed further out before renewal is justified. It is critical to ensure that roading assets are not pushed beyond the efficiency threshold, which would mean maintaining the asset is more expensive than renewing it.
- 15 The remaining lifespan of a number of wooden bridges in the district is reducing to the extent that renewal or significant structural upgrading is needed soon. As indicated above, the strategy for managing the risk posed by sub-standard bridges is to impose weight and or speed restrictions so they are not subjected to unsustainable loads. A risk still remains from road users ignoring the restriction signs and driving overweight vehicles over the bridge which could cause catastrophic failure.

Community wellbeings

- 16 In May 2019 the Labour-led government reinstated the four well-beings into the Local Government Act. One of the act's main objectives is to restore the purpose of local government to be "to promote the social, economic, environmental, and cultural well-being of communities".
- 17 Southland District Council anticipated the reinstatement of this section of the act. It is consistent with our approach of supporting communities to nurture the development, health and resilience of their own places through a process of community-led development.

Covid-19

- 18 The Covid-19 pandemic has placed significant pressures and restrictions on all New Zealanders and has changed the lives of many individuals, whanau and communities in New Zealand. The initial phase saw New Zealand placing a particular focus on the health aspects and the second phase has seen a greater focus on the economic and social impacts of the pandemic on community and business recovery.
- 19 It has also been recognised that the recovery phase will require a different focus and approach to the response phase. Adding to the complexities of recovery is that there is still significant uncertainty as to how the pandemic will play out and the variances of the effects globally, nationally, regionally and locally. There is also the variance of the effects on different sectors of the economy and community.
- 20 What is important to recognise is that no one organisation is responsible for the recovery required to deal with the economic and social impacts as a result of Covid-19. Local authorities are however, well positioned to play a community leadership and co-ordination role given the responsibility that they have to represent and advocate for their communities.

Revenue and Financing Policy

- 21 The draft Revenue and Financing Policy sets out the ways Council intends to pay for the operating and capital expenditure of each activity that Council provides and why. The policy provides the framework for how Council will fund its activities and how it will set rates as part of the Long Term Plan 2031 (LTP).
- 22 The review of the draft policy and associated rating review is being carried out ahead of the LTP in order to provide an early opportunity for community input and, to allow Council to model the impact on rates as part of the budgeting process before the LTP consultation document is prepared. Any changes however won't come into effect until 1 July 2021.
- 23 The large proportion of changes stem from the process to review Council's approach to rating, originating from the change to Council's community board representation arrangements resulting from the 2018 representation review. As such the changes largely relate to rating approaches for selected activities for which community boards have responsibility for and reflect the discussions held by Council staff with community boards over the previous months.
- 24 These changes propose that one community board rate be set for Stewart Island/Rakiura set on a fixed amount per rating unit with a differential for those in the urban (1.0), semi urban (0.5) or rural (0.25) areas to reflect the varying benefit received. Additionally, it is proposed to remove the current ward rate (based on land value) and incorporate the costs previously collected by the ward into the new community board rate. It is also proposed to move local representation, cemetery and litter bin funding from the local rate to a district general rate and changing the basis for stormwater funding from a local targeted rate to a district targeted rate set on a fixed amount

per rating unit for those in serviced (1.0) and unserved (0.25) areas to reflect the varying benefit received. These changes have been discussed with community boards over the past few months and is part of the suite of policies being consulted on in November.

- 25 This report has been prepared on the basis of the proposed rating changes. It is important to note that these are still subject to the consultation process and Council confirming its decision following this consultation. As such the final community board rate may be different to that proposed.
- 26 A series of rating boundary maps have also been prepared to identify the areas for the proposed new local targeted community board rate and also the proposed new district-wide targeted stormwater rate (Attachment E). The maps show the definition of the rating differential categories within these rates (urban/semi-urban/rural for community boards rates and serviced/unserved for stormwater). The boundaries and differential have been developed after taking into account the relevant services provided and the nature and scale of the community/infrastructure as well as feedback from community boards. For Stewart Island/Rakiura, the Community Board and stormwater area covers the whole Island. Community boards are asked to consider whether any further changes are needed to the proposed rating areas to be incorporated into the LTP 2031.

Future of local government

- 27 The local government sector is about to enter a period of transformation, particularly in light of the extensive changes that are likely to occur as a result of the three waters reform and resource management reform processes.
- 28 The reducing role of the local government sector in both the infrastructure provision and regulatory service areas are likely to have an impact on the number, shape and form of local authorities in the future. This is expected to include discussion about whether it remains relevant to have a distinction between regional and territorial local authorities.

Havelock North water enquiry and three waters reform

- 29 The government is reviewing the regulation and supply arrangements of drinking water, wastewater and stormwater (three waters) to better support New Zealand's prosperity, health, safety and environment. Most three waters assets and services, are owned and delivered by local councils, including Southland District Council. The review ran in parallel to the latter stages of the Havelock North Inquiry into drinking water safety following the campylobacter outbreak in 2016.
- 30 During 2019/2020 a new national water services regulatory body, Taumata Arowai, was established to administer and enforce a new drinking water regulatory system (including the management of risks to sources of drinking water); and to support improving the environmental performance of wastewater and stormwater networks. The three waters reform will continue to evolve over the next few years as councils work alongside Taumata Arowai to meet these higher standards.

Resource management reform

- 31 In 2019 the government appointed an independent review panel, led by the Hon Tony Randerson QC, to undertake a comprehensive review of the resource management system. The review had a dual focus on improving outcomes for the natural environment and improving urban and other development outcomes.

- 32 The report recommends the repeal of the Resource Management Act 1991 (RMA) and its replacement with two new pieces of legislation being a Natural and Built Environments Act (NBEA) and a Strategic Planning Act. The focus of the Natural and Built Environments Act would be on enhancing the quality of the environment and on achieving positive outcomes to support the wellbeing of present and future generations. The Strategic Planning Act would set long-term strategic goals and facilitate the integration of legislative functions across the resource management system.
- 33 The reform of the RMA and increased focus on better environmental outcomes will significantly impact environmental management and will challenge how local government currently operates with the independent review panel recommending local government reform as a necessary step to be successful in achieving these outcomes.

Local community issues

- 34 Key issues that the committee need to be aware of for the Stewart Island/Rakiura community over the next 10 years are:
- 35 Jetties. As part of the Stewart Island/Rakiura Service Sustainability Study, Council resolved to give specific consideration to the issues and options in relation to the delivery of services to the Stewart Island/Rakiura community as it progresses its review and give specific consideration to options for funding of the jetties activity as part of the Revenue and Financing Policy. The report suggested that the review of the policy should specifically consider the distribution of benefits for locally funded activities and the extent to which activities such as jetties might have a broader public good through, for example, the provision of access.
- 36 Council is also considering amending the funding approach for Stewart Island Electricity Supply (SIESA) which provides electricity on the island. The majority of the funding for this activity currently comes from charges to consumers. Council is considering introducing a separate targeted rate with differentials on properties in the electricity supply distribution area to collect a portion of the cost.
- 37 Sustainability. The Community Board has identified through the Future Opportunities project a need to ensure that growth is managed and sustainable on the island. It is also noted that there is an accommodation issue for seasonal and permanent workers and an increased cost for managing infrastructure compared to the mainland.
- 38 Covid-19 impact. The potential effects of Covid-19 for the Stewart Island/Rakiura community will remain uncertain for some time. Short term impacts have not been significant but the medium to long term impacts will need to be monitored closely.

Local budget development

- 39 The draft budgets for the Stewart Island/Rakiura community for 2021-2031 have been prepared based on the development of activity management plans as well as discussions between the committee, community partnership leaders, services and assets, and finance staff over the past few months.
- 40 The aim of this has been to ensure that all projects and changes to expenditure have been discussed prior to the budget meetings so that the meetings are focussed primarily on the rates recommendation. This approach has been taken to enable greater opportunity for Boards to plan for the future needs of their communities, and as the LTP is audited, to enable the finalisation of budgets to meet required timeframes.

- 41 While significant planning has taken place to date, there are further opportunities through future years in Annual Plan processes to deal with any new projects that may arise outside of the LTP.
- 42 The objective of this direction setting report is to highlight issues, confirm priorities and plan expenditure and funding for the next 10 years for the Stewart Island/Rakiura Community Board's consideration as part of Council's LTP.
- 43 If approved by Council via the LTP, the Stewart Island/Rakiura Community Board will be able to spend Council funds allocated in accordance with the budgeted expenditure. This occurs via Council staff approving purchase orders. If the board wishes to spend funds that are unbudgeted, including monies from reserves, the board has a delegation to approve up to \$20,000, otherwise the decision will need Council approval.
- 44 Included in Attachment B of this report is a summary of all planned projects for the Stewart Island/Rakiura community for the next 10 years.

Factors to Consider

Legal and Statutory Requirements

- 45 The draft budgets (including details of projects) will form part of the activity statements and financials in Council's Long Term Plan 2031. The LTP (and associated consultation document) is a requirement of the Local Government Act 2002.
- 46 There is a statutory requirement to adopt an LTP before rates can be set in accordance with the provisions of the Local Government (Rating) Act 2002.

Community Views

- 47 Any significant issues affecting local communities may be included in the official consultation document including summarised financial projections will be publicly available from 1 March to April 2021.
- 48 Community boards are also asked to advise staff of any local issues/projects that they would like to be highlighted in the consultation material where they are wanting to encourage feedback from the local community or let the community know of any significant projects.
- 49 Any submissions received from the public on local issues will be forwarded to the relevant community partnership leader (and chairperson and board/committee if required) for comment. As a result of the submission process, amendments may be made prior to Council formally adopting the finalised LTP by 30 June 2021.

Costs and Funding

- 50 The financial considerations are set out in Attachment's A-D and G as follows:

Attachment A	Stewart Island/Rakiura financial summary and rates calculation
Attachment B	Stewart Island/Rakiura projects
Attachment C	Stewart Island/Rakiura reserve balances
Attachment D	Stewart Island/Rakiura loan information
Attachment G	Stewart Island Jetties budget report for the LTP

51 The LTP workshop was held on 12th October. The changes discussed at the workshop have been implemented as follows:

- Funding of the investigation into Baker Park Tracks from the Stewart Island general reserve instead of a loan
- Addition of Part 2 and Part 3 of the Horseshoe Bay Road walking track with funding by a grant. Should the grant not be received the board has advised the project will not proceed
- Funding of the installation of a track network through Baker Park changed to a grant from a loan
- Moving of the project to replace the shelter building roof at Moturau Gardens to 2024/25 from 2021/22
- Removal of the main road beautification project for \$10,675 in 2012/22 as requested by the board
- The Committee enquired about the playground equipment planned in the Long Term Plan year, on further discussion with staff the 2027/28 project of \$58,274 is for the replacement of the swing and bouncy dolphin, based on current prices. The \$10,300 project in 2022/23 has been removed.
- A new footpath in the 2021/22 year has been retained for the extension of the footpath on Dundee St to Golden Bay Road, the remainder of the new footpaths have been removed from the Long Term Plan as requested
- An allowance has been made for the potential addition of a new footpath/walkway on Golden Bay Road, over three years starting in 2022/23, to be funded by a grant. The cost of this project has been based on the estimate included in the TIF funding proposal. The roading team are proposing the inclusion of a project in 2021/22 to scope the extent of the requirements given the topography of the land. Staff are currently seeking an estimate of this scoping project and are hoping to have that available at the meeting for discussion.
- The footpath renewals starting in 2023/24 have been retained. The details of which footpaths will be renewed will be discussed with the Community Board the year prior to the renewals
- The new streetlighting initially planned has been removed.

Stewart Island Jetties

52 Further to the discussion with the board at the workshop, the renewal project for Golden Bay Wharf has been brought forward to 2021/22 and 2022/23. In 2021/22 it is planned to undertake scoping, an ecological review and obtain the necessary resource consents, \$79,628 funded from the Stewart Island Jetties general reserve. In 2022/23 the rebuild of the wharf is planned. Previously the scoping and renewal was planned in 2024/25 and 2025/26. As a result of bringing forward the project, the maintenance planned to occur previously on the Golden Bay

wharf before replacement have been removed, total \$270,603. Staff believe that the remaining maintenance budget will be sufficient to meet any maintenance required on Golden Bay and the other wharves and jetties.

- 53 As a result of moving the Golden Bay wharf project the estimated additional income required has changed. Initially it was estimated an average of \$92,000 would be required annually for the first six years increasing to \$115,000 over the last four years. Now it is estimated an additional \$15,000 would be required in the 2021/22 and 2022/23 years increasing to an average of \$95,000 for the following period of the LTP.
- 54 Direction is sought from the Committee over funding for the Stewart Island Jetties. Currently a number of pieces of work are being undertaken that impact on the funding model and resulting revenue sources required. These are
- Council is currently consulting on the Revenue and Financing Policy, this policy sets out the revenue sources for Council activities. Previously the policy only allowed for income from user fees, grants and local rate funding. The policy currently being consulted on proposes a change to allow district rate funding should the Council agree to it. Consultation closes on the 4th December 2020 with Council considering the feedback and changes to the policy in its December or January meeting. Once the policy has been adopted Council will consider and confirm to the Board any element of district rate funding.
 - Currently user fees are collected from those commercial operators that use the jetties by way of a fixed annual user fee. The Community Board and Council have over the past year been considering changes to the way user fees are calculated, with various options being considered. A workshop with the Stewart Island jetties wharf advisory group will proceed after this meeting where this methodology and its impact will be discussed along with the proposed budgets and the changes to the Revenue & Financing policy. Council staff are also preparing a report for the Council meeting on the 18th November 2020 updating them on the discussion with the Community Board at its workshop and seeking confirmation of the methodology to be used going forward. As part of that report staff are indicating that they will be giving an update of the discussion between the Community Board and the Advisory group.
 - Council staff will also be working with the Stewart Island Visitor Levy committee to develop a 10year funding plan in line with the Stewart island Visitor Levy policy. As part of this staff will be providing members with details over potential jetty funding requirements and also seeking feedback/confirmation of the possible level of funding going forward. Within the current budgets for the jetties no allowance from this revenue source has been included, refer appendix G.
- 55 As such staff are seeking discussion with the community board around the level of user fees for the jetties and the level of local rate funding if any. Currently within the existing budgets the balance of funding required (\$15,000) is coming from the local rate. Appendix G outlines that revenue for users will be \$12,550 based on the current 2020/21 annual fee of \$1,350 (excl gst). This does not take into account any potential increase in annual fees given the inclusion of any new users associated with Golden Bay Wharf only or an increase in the base user fees.

- 56 At the meeting staff and the community board need to consider the way forward to balance the various discussion occurring and the impact on local rates and user fees, taking into consideration the above information.

Other Points

- 57 Attachment A outlines the total rates needed to fund the costs for the current 2020/21 year and the ten years of the Long Term Plan. It also indicates the rate per rating unit or separately used and inhabited part based on the current units charged for each of the ten years of the plan. The actual increase in the nine years following the 2021/22 rating year will still be subject to review as part of that years Annual Plan or Long Term Plan process.
- 58 Depending on the size of the reserve and the current budgets a minimum of \$2,500 has been included in each park, reserve and beautification budget to allow for general maintenance to occur.
- 59 Within each playground, \$7,500 has been included to cover the cost of inspections, an annual washdown to prolong the life of the assets, soft-fill turning and the replacement of minor parts such as shackles etc.
- 60 Within each hall, depending on the current budgets, \$2,500 has been included for activities such as the building code of compliance and an annual exterior washdown.
- 61 Overall mowing and gardening costs have increased, the increase in the budgets is either due to an actual contract that has recently being entered into or an indication of cost increases as a result of recent tendering.
- 62 The key reasons for the change in the overall community board rate from 2020-21 to 2021-22 are outlined below.

Nature of change	Movement (\$)	Reason
Stewart Island/Rakiura Community Board Area		
Total 2020-21 rates for (excl GST)	\$73,347	
Additions		
Mowing	\$27,679	Allowance has been made for the increase in mowing costs based on the new contract and the loss of the NZTA subsidy as an urban area.
Gardening	\$5,000	The increase is an estimate to cover the cost of renewing the gardening contract.
Maintenance General	\$9,304	There has been an increase in maintenance costs for beautification, playgrounds and Moturau Gardens as discussed above.
Other Costs	3,559	
Less		
Stewart Island Jetties	(\$15,881)	In 2020/21, the Stewart Island Community Board contributed \$30,000 towards the maintenance of the jetties. Based on current

Stewart Island/Rakiura Community Board
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Nature of change	Movement (\$)	Reason
		estimates as noted above this has reduced to approx. \$15,000.
Proposed 2021-2022 Community Board rate (excl GST)	\$103,008	
Plus GST	\$15,451	
Proposed 2020-2021 Community Board rate (incl GST)	\$118,459	

- 63 Other Community Board rate changes and the key reasons for changes are listed in the table below

Rate	Rate 2020/21 incl GST	Proposed Rate 2021/22 (incl GST)	Key reason for change
Stewart Island Waste Management Rate	\$360.12	\$302.52	The cost of street litter bins has been removed. It is proposed these will be District Funded.

Assumptions

- 64 In preparing the 10 year forecasts, Council has used a number of assumptions as follows:
 Estimates are built from the levels of service desired by the community.
- interest has not yet been included in the projected reserve balances for the 10 years of the plan. Once the budgets have been finalised, interest will be calculated and transferred directly to the relevant reserves
 - the estimates include an allowance for price level changes (inflation) which is a financial reporting requirement. For the plan, overall inflation has been assumed at 2.5-3.7% per annum. The individual inflation components used to develop the budgets are assumed at 1.5-3.5% per annum
 - interest on borrowings has initially been charged at 2.00% per annum, this is still subject to Council confirmation and as such may change
 - no allowance has been made in the estimates for any possible increases in contract rates for contracts being re-tendered
 - reserves have been used to fund project/capital work where possible rather than using internal loans.

Policy Implications

- 65 There are no specific policy implications in this direction setting report. If the board identifies an additional funding source that is not identified in the Revenue and Financing Policy, this would require an update to the policy to allow for that mechanism to be used as a funding source.

Analysis

Options Considered

66 There are two options identified for the community board to consider.

- option 1 – recommend that Council adopt the proposed budgets outlined in this report
- option 2 – make amendments to the proposed budgets outlined in this report.

Analysis of Options

Option 1 – Recommend that Council adopt the proposed budgets outlined in this report, including any amendments agreed at this meeting

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • enables the draft Long Term Plan to be progressed within the legislative timeframe • local rates recommendation to Council is finalised • budgets and projects can be updated or reviewed annually as part of the Annual Plan budgeting process (or approved via unbudgeted expenditure process). 	<ul style="list-style-type: none"> • no further changes can be recommended by the community board outside of future Annual Plan processes unless a submission is made through the formal consultation process.

Option 2 – Make amendments to the proposed budgets outlined in this report

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • the proposed budgets and projects accurately reflect the wishes of the community board. 	<ul style="list-style-type: none"> • rates requirements may need to be recalculated • may impact the delivery of the Long Term Plan within the legislative timeframe.

Assessment of Significance

67 The decision to be made by the community board is not a significant decision on its own under Council's Significance and Engagement Policy. However, the Long Term Plan (into which the committee's budgets are incorporated) is considered significant and will be consulted on in March 2021.

Recommended Option

68 Staff recommend the community board endorse option 1 - Recommend that Council adopt the proposed budgets outlined in this report, including any amendments agreed at this meeting.

Next Steps

- 69 Recommendations made through this direction setting process from all community boards will be considered by Council at the meeting on 16 December 2020. Following that, the LTP consultation document is developed and subject to Council endorsement, will be made available for public consultation in March 2021.

Attachments

- A Financial Summary and Rates Calculation Community Board Meeting 9.11.20 - LTP 2021-31 [↓](#)
- B Projects Community Board Meeting 9.11.20 - LTP 2021-31 [↓](#)
- C Reserve Balances Community Board Meeting 9.11.20 - LTP 2021-31 [↓](#)
- D Loans Community Board Meeting 9.11.20 - LTP 2021-31 [↓](#)
- E Stewart Island/Rakiura Community Board and Stormwater Rating Maps - 9.11.20 [↓](#)
- F Fees and Charges [↓](#)
- G Stewart Island Jetties Budget Report Community Board Meeting 9.11.20 - LTP 2021-31 [↓](#)

Stewart Island/Rakiura Community Board

12 October 2020



Stewart Island/Rakiura Community Board Rate - Financial Summary and Rates Calculation

Stewart Island/Rakiura Community Board Rate		Current Year		LTP Budget Financial Year								
Rate Description	Business Unit Description	2021	2122	2223	2324	2425	2526	2627	2728	2829	2930	3031
Stewart Island/Rakiura Jetties	Stewart Island Jetties	\$ -	\$ 14,119	\$ 16,077	\$ 82,332	\$ 86,728	\$ 86,748	\$ 86,766	\$ 104,502	\$ 104,523	\$ 104,544	\$ 100,395
Stewart Island/Rakiura Jetties Total		\$ -	\$ 14,119	\$ 16,077	\$ 82,332	\$ 86,728	\$ 86,748	\$ 86,766	\$ 104,502	\$ 104,523	\$ 104,544	\$ 100,395
Stewart Island/Rakiura Community	Administration - Stewart Is	\$ 2,374	\$ 14,322	\$ 14,737	\$ 15,106	\$ 15,483	\$ 15,886	\$ 16,283	\$ 16,706	\$ 17,158	\$ 17,621	\$ 18,079
	Beautification - Stewart Is	\$ 29,825	\$ 55,000	\$ 56,247	\$ 57,353	\$ 58,487	\$ 59,696	\$ 60,888	\$ 62,159	\$ 63,513	\$ 64,904	\$ 66,280
	Cemetery - Stewart Island	\$ 11,205	\$ 10,458	\$ 12,431	\$ 12,700	\$ 12,976	\$ 13,871	\$ 14,161	\$ 14,471	\$ 14,801	\$ 15,139	\$ 15,474
	Community Leadership - SI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Moturau Gardens	\$ 3,214	\$ 15,691	\$ 15,943	\$ 16,167	\$ 16,395	\$ 16,640	\$ 16,881	\$ 17,137	\$ 17,412	\$ 17,694	\$ 17,971
	Playground - Waterfront	\$ 4,000	\$ 7,500	\$ 7,718	\$ 7,910	\$ 8,108	\$ 8,319	\$ 8,527	\$ 8,749	\$ 8,985	\$ 9,227	\$ 9,467
	Refuse Collection - Stewart Is	\$ -	\$ 19,673	\$ 20,244	\$ 20,750	\$ 21,268	\$ 21,821	\$ 22,367	\$ 22,949	\$ 23,568	\$ 24,204	\$ 24,834
	Stormwater Drain - Stewart Is	\$ 20,447	\$ 36,199	\$ 54,864	\$ 55,561	\$ 56,279	\$ 57,048	\$ 57,810	\$ 58,636	\$ 59,516	\$ 60,426	\$ 61,366
	Street Works - Stewart Island	\$ 32,252	\$ 1,136	\$ 5,450	\$ 5,479	\$ 5,509	\$ 5,541	\$ 5,572	\$ 5,606	\$ 5,642	\$ 5,679	\$ 5,715
	Trall Park	\$ 6,430	\$ 9,562	\$ 9,810	\$ 10,031	\$ 10,257	\$ 10,496	\$ 10,743	\$ 11,000	\$ 11,267	\$ 11,543	\$ 11,829
Stewart Island/Rakiura Community Total		\$ 104,999	\$ 169,541	\$ 197,444	\$ 201,057	\$ 204,762	\$ 209,318	\$ 214,927	\$ 219,148	\$ 223,648	\$ 228,427	\$ 233,505
Grand Total		\$ 104,999	\$ 183,660	\$ 213,521	\$ 283,389	\$ 291,490	\$ 296,066	\$ 301,693	\$ 323,650	\$ 328,171	\$ 330,971	\$ 323,900
Less Stormwater		\$ 20,447	\$ 36,199	\$ 54,864	\$ 55,561	\$ 56,279	\$ 57,048	\$ 57,810	\$ 58,636	\$ 59,516	\$ 60,426	\$ 61,366
Less Cemeteries		\$ 11,205	\$ 10,458	\$ 12,431	\$ 12,700	\$ 12,976	\$ 13,871	\$ 14,161	\$ 14,471	\$ 14,801	\$ 15,139	\$ 15,474
Less litter bins		\$ -	\$ 19,673	\$ 20,244	\$ 20,750	\$ 21,268	\$ 21,821	\$ 22,367	\$ 22,949	\$ 23,568	\$ 24,204	\$ 24,834
Less representation		\$ -	\$ 14,322	\$ 14,737	\$ 15,106	\$ 15,483	\$ 15,886	\$ 16,283	\$ 16,706	\$ 17,158	\$ 17,621	\$ 18,079
Stewart Island/Rakiura Community Board Rate excluding GST		\$ 73,347	\$ 103,008	\$ 111,245	\$ 179,272	\$ 185,484	\$ 187,440	\$ 191,072	\$ 210,888	\$ 213,128	\$ 213,581	\$ 213,527
Plus GST		\$ 11,002	\$ 15,451	\$ 16,687	\$ 26,891	\$ 27,823	\$ 28,116	\$ 28,661	\$ 31,633	\$ 31,969	\$ 32,037	\$ 32,029
Stewart Island/Rakiura Community Board Rate including GST		\$ 84,349	\$ 118,459	\$ 127,932	\$ 206,163	\$ 213,307	\$ 215,556	\$ 219,733	\$ 242,521	\$ 245,097	\$ 245,618	\$ 245,556
New rate per rating unit including GST	Count	2021	2122	2223	2324	2425	2526	2627	2728	2829	2930	3031
Urban - 1x modifier	497	\$ 169.72	\$ 238.35	\$ 257.41	\$ 414.81	\$ 429.19	\$ 433.71	\$ 442.12	\$ 487.97	\$ 493.15	\$ 494.20	\$ 494.08

Stewart Island Waste Management Rate - Financial Summary and Rates Calculation

Stewart Island Waste Management Rate inc GST		Current Year			LTP Budget Financial Year							
Rate Description	Business Unit Description	2021	2122	2223	2324	2425	2526	2627	2728	2829	2930	3031
Stewart Island Waste Management	Rubbish Collection-Stewart Is	-\$ 137,564	-\$ 115,562	-\$ 118,913	-\$ 121,886	-\$ 124,933	-\$ 128,182	-\$ 131,386	-\$ 134,802	-\$ 138,443	-\$ 142,180	-\$ 145,876
		-\$ 137,564	-\$ 115,562	-\$ 118,913	-\$ 121,886	-\$ 124,933	-\$ 128,182	-\$ 131,386	-\$ 134,802	-\$ 138,443	-\$ 142,180	-\$ 145,876

Stewart Island Waste Management Rate inc GST		Current Year			LTP Budget Financial Year							
Rate Description	Count of Rating Units	2021	2122	2223	2324	2425	2526	2627	2728	2829	2930	3031
Stewart Island Waste Management	382	-\$ 360.12	-\$ 302.52	-\$ 311.29	-\$ 319.07	-\$ 327.05	-\$ 335.56	-\$ 343.94	-\$ 352.88	-\$ 362.42	-\$ 372.20	-\$ 381.88
		-\$ 360.12	-\$ 302.52	-\$ 311.29	-\$ 319.07	-\$ 327.05	-\$ 335.56	-\$ 343.94	-\$ 352.88	-\$ 362.42	-\$ 372.20	-\$ 381.88

Stewart Island/Rakiura Projects

Stewart Island		Cost	SQ Meters (Approx)	Funding Source	Year
Beautification - Stewart Is	Maintenance Project - Investigation Project Baker Park Tracks	\$ 10,000		Stewart Island General Reserve	2021/22
Beautification - Stewart Is	New walking track Horseshoe Bay Road - Part 2	\$ 53,740		Grant	2021/22
Street Works - Stewart Island	New Footpaths - LOS - Extension of Footpath on Dundee St to Golden Bay Road	\$ 70,000	350	Loan	2021/22
	Total for 2021/22	\$ 133,740			
Beautification - Stewart Is	Installation of a track network through Baker Park	\$ 20,600		Grant	2022/23
Beautification - Stewart Is	New walking track Horseshoe Bay Road - Part 3	\$ 56,642		Grant	2022/23
Street Works - Stewart Island	New Footpaths - LOS - Golden Bay Road Footpath	\$ 82,320		Grant	2022/23
	Total for 2022/23	\$ 159,562			
Beautification - Stewart Is	Installation of a track network through Baker Park	\$ 21,136		Grant	2023/24
Street Works - Stewart Island	New Footpaths - LOS - Golden Bay Road Footpath	\$ 84,378		Grant	2023/24
Street Works - Stewart Island	Footpaths - Renewal	\$ 8,281	83	Stewart Island General Reserve	2023/24
	Total for 2023/24	\$ 113,795			
Beautification - Stewart Is	Installation of a track network through Baker Park	\$ 21,685		Grant	2024/25
Moturau Gardens	Stewart Island Moturau Gardens - Replace roof shelter building	\$ 13,659		Stewart Island General Reserve	2024/25
Street Works - Stewart Island	New Footpaths - LOS - Golden Bay Road Footpath	\$ 86,487		Grant	2024/25
	Total for 2024/25	\$ 121,831			
Street Works - Stewart Island	Footpaths - Renewal	\$ 8,708	87	Stewart Island General Reserve	2025/26
	Total for 2025/26	\$ 8,708			
Playground - Waterfront	Stewart Island Foreshore Playground - Equipment Renewal (Replace Swings and Bouncy Dolphin)	\$ 58,724		Stewart Island General Reserve	2027/28
Street Works - Stewart Island	Footpaths - Renewal	\$ 9,158	92	Stewart Island General Reserve	2027/28
	Total for 2026/27	\$ 67,882			
Street Works - Stewart Island	Footpaths - Renewal	\$ 9,659	97	Stewart Island General Reserve	2029/30
	Total for 2029/30	\$ 9,659			
	Total for LTP	\$ 615,177			

Stewart Island/Rakiura Community Board

12 October 2020



Stewart Island Jetties		Cost	Funding Source	
Marine Asset Renewal	Golden Bay Wharf - Renewal Investigation	\$ 79,628	Stewart Island Jetties General Reserve	2021/22
		\$ 120,372	Loan	2021/22
	Total 2021/22	\$ 200,000		
Marine Asset Renewal	Golden Bay Wharf - Renewal	\$ 1,749,300	Loan	2022/23
Maintenance Projects	Little Glory Wharf	\$ 2,058	Rates	2022/23
Maintenance Projects	Freds Camp Wharf	\$ 14,406	Rates	2022/23
Maintenance Projects	Investigation Project Main Wharf Infill (requested LTP workshop 7/9/20)	\$ 102,900	Loan	2022/23
	Total 2022/23	\$ 1,868,664		
Maintenance Projects	Millers Beach Wharf replace decayed whalers and braces , install pile jackets or new piles per WSP assessment report 30/9/20	\$ 98,089	Loan	2023/24
	Total 2023/24	\$ 98,089		
Marine Asset Renewal	Ulva Island Wharf Causeway - Renewal	\$ 341,079	Loan	2026/27
Maintenance Projects	Freds Camp Wharf install pile jackets or new pile, replace corroded fasteners	\$ 55,710	Loan	2026/27
	Total 2026/27	\$ 396,789		
Marine Asset Renewal	Millers Beach Wharf Renewal	\$ 126,232	Loan	2030/31
	Total 2030/31	\$ 126,232		
	Total for LTP	\$ 2,689,774		
District				
Cemetery - Stewart Island	Maintenance Project - Halfmoon Bay Cemetery	\$ 15,000	Loan	2021/22
Cemetery - Stewart Island	(Installation of steps at the top of the track and gravelling the surface)			
Cemetery - Stewart Island	Maintenance Project - Cemetery Beams	\$ 5,405	Loan	2024/25
Stormwater Drain- Stewart Island	Stormwater Improvements for Oban	\$ 400,000	Loan	2021/22
		\$ 420,405		

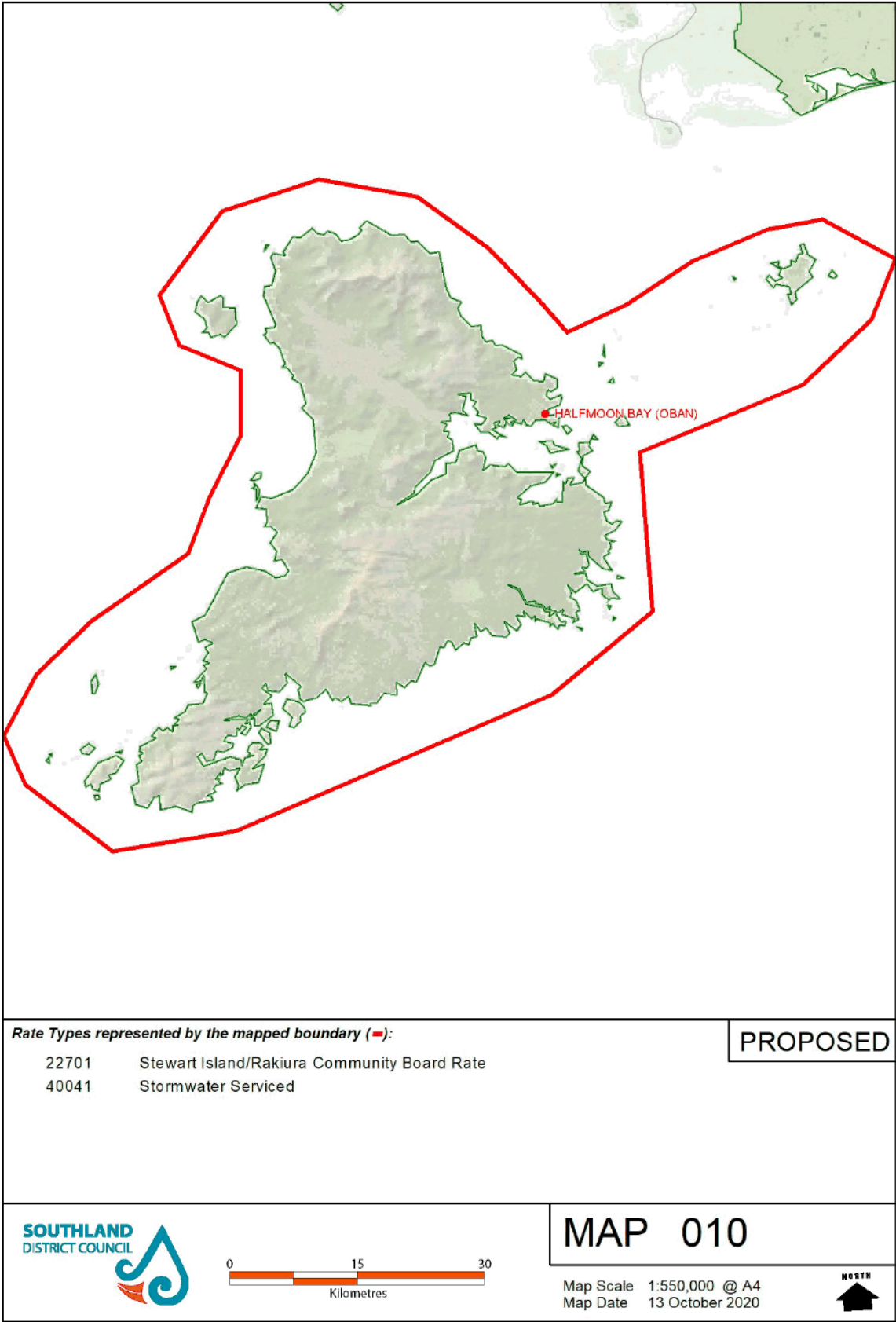
Stewart Island/Rakiura Reserves

	OPENING	ANNUAL PLAN	CARRYFORWARDS	PROJECTED	LTP	CLOSING
	BALANCE	MOVEMENT	FROM	BALANCE	MOVEMENT	BALANCE
	30 JUNE 2020	2020/21	2019/20	30 JUNE 2021	21-31	30 JUNE 2031
Stewart Island General Reserve	\$ 251,181	-\$ 57,636	-\$ 49,751	\$ 143,794	-\$ 118,189	\$ 25,605
Stewart Island Waste Management	\$ 34,364	\$ 846	\$ -	\$ 35,210	\$ -	\$ 35,210
Stewart Island Jetties - General	\$ 52,649	\$ 26,979	\$ -	\$ 79,628	-\$ 79,628	-\$ 0
Stewart Island Jetties - Golden Bay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stewart Island Jetties - Ulva Island	\$ 213,765	-\$ 160,000	-\$ 53,765	\$ 0	\$ -	\$ 0
TOTAL RESERVES	\$ 551,959	-\$ 189,811	-\$ 103,516	\$ 258,632	-\$ 197,817	\$ 60,815

Stewart Island/Rakiura Community Board Loans for 2021-2031 LTP

ASSUMING 2% PA INTEREST RATE

Township	Description	Business Unit	Activity	Actual/ Budget	Internal External	Loan balance @ start/drawn down	Term	Start Date	Interest Rate	Total interest 2021-2031	Total Principal 2021-2031	Loan Balance 2030/2031
Stewart Island	Stewart Island Stormwater	26613	Stormwater	Actual	Int	76,175	9	1/07/2021	2.00%	7,818	76,175	-
Stewart Island Jetties	Stewart Island Jetties	26700	Water Structures	Actual	Int	34,046	9	1/07/2021	2.00%	3,494	34,046	0
Stewart Island Jetties	Rebuild Ulva Island Jetty	26700	Water Structures	Budget	Int	44,708	25	1/07/2021	2.00%	7,616	15,284	29,424
Stewart Island	Extension of Footpath on Dundee St to Golden Bay Road	26607	Roading and Transport	Budget	Int	70,000	20	1/07/2022	2.00%	10,426	28,103	41,897
Stewart Island	Stewart island stormwater	26613	Stormwater	Budget	Int	400,000	30	1/07/2022	2.00%	64,559	96,180	303,820
Stewart Island	Installation of steps at the top of the track and gravelling the surface	26625	Cemeteries	Budget	Int	15,000	10	1/07/2022	2.00%	1,666	13,363	1,637
Stewart Island Jetties	Golden Bay Wharf Renewal Investigation	26700	Water Structures	Budget	Int	120,372	30	1/07/2022	2.00%	19,428	28,944	91,428
Stewart Island Jetties	Golden Bay Wharf Renewal	26700	Water Structures	Budget	Int	1,749,300	30	1/07/2022	2.00%	254,751	370,099	1,379,202
Stewart Island Jetties	Main Wharf Infill Investigation	26700	Water Structures	Budget	Int	102,900	30	1/07/2023	2.00%	14,985	21,771	81,129
Stewart Island Jetties	Millers Beach Wharf Renewal	26700	Water Structures	Budget	Int	98,089	30	1/07/2024	2.00%	12,682	17,975	80,114
Stewart Island	Cemetery Beams	26625	Cemeteries	Budget	Int	5,405	10	1/07/2025	2.00%	497	3,114	2,291
Stewart Island Jetties	Ulva Island Causeway	26700	Water Structures	Budget	Int	396,789	30	1/07/2027	2.00%	30,554	40,313	356,476
Stewart Island Jetties	Millers Beach Wharf Renewal	26700	Water Structures	Budget	Int	126,232	30	1/07/2031	2.00%	-	-	126,232
						3,239,016				428,477	745,365	2,493,651



Traill Park Fees and Charges	
Description	As of 1 July 2020 (Including GST)
<i>Pavillion Hire</i>	\$ 50.00

Stewart Island Jetties Fees and Charges	
Description	As of 1 July 2020 (Including GST)
<i>Wharf and Jetty user annual fee</i>	\$ 1,350.00
<i>Boat Park fee</i>	\$ 287.50

Budget Estimate Report for 26700 Stewart Island Jetties

Start Year: 2021/2022

Stewart Island Jetties 26700 Stewart Island Jetties

Object	Description	Actuals 2019/2020	Current Budget	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Income													
11162	Grants General (Capital)	-	(400,000)	-	-	-	-	-	-	-	-	-	-
11171	Rates - Collected	-	-	(14,119)	(16,077)	(82,332)	(86,728)	(86,748)	(86,766)	(104,502)	(104,523)	(104,544)	(100,395)
11315	Licence Fee - Roadline	-	-	(12,550)	(12,914)	(13,237)	(13,568)	(13,920)	(14,268)	(14,639)	(15,035)	(15,441)	(15,842)
11316	Licence Fee - Boat Park	(12,913)	(18,000)	(12,914)	(12,914)	(12,914)	(12,914)	(12,914)	(12,914)	(12,914)	(12,914)	(12,914)	(12,914)
19114	Contribution - Township	-	(30,000)	-	-	-	-	-	-	-	-	-	-
19151	Internal - Interest on Reserve	(6,272)	(2,187)	-	-	-	-	-	-	-	-	-	-
19186	Internal - Grant Income	-	(30,000)	-	-	-	-	-	-	-	-	-	-
		(19,185)	(480,187)	(39,583)	(41,905)	(108,483)	(113,210)	(113,582)	(113,948)	(132,055)	(132,472)	(132,899)	(129,151)
Expenditure													
21311	Material Damage Insurance	2,053	1,532	2,222	2,286	2,344	2,402	2,465	2,526	2,592	2,662	2,734	2,805
31523	Legal Costs	4,761	-	-	-	-	-	-	-	-	-	-	-
31542	General Projects	(5,683)	-	-	102,900	-	-	-	-	-	-	-	-
31553	Monitoring	318	-	1,000	1,029	1,055	1,081	1,109	1,137	1,166	1,198	1,230	1,262
35214	Maint - General	-	45,667	29,900	10,290	10,547	10,811	11,092	11,369	11,665	11,980	12,303	12,623
35229	Maint - Project	3,378	-	-	16,464	98,089	-	-	55,710	-	-	-	-
41113	Depn - Marine As	11,332	49,292	49,292	49,292	49,292	49,292	49,292	49,292	49,292	49,292	49,292	49,292
43317	Internal -Interest on Loans	1,805	2,593	1,575	3,885	40,770	41,656	40,511	39,343	46,087	44,676	43,237	41,769
		17,964	99,084	83,989	186,146	202,097	105,242	104,469	159,377	110,802	109,808	108,796	107,751
Net Operating (Surplus)/Deficit		(1,222)	(381,103)	44,406	144,241	93,614	(7,968)	(9,113)	45,429	(21,253)	(22,664)	(24,103)	(21,400)
Capital Expenditure													
67313	Marine Assets - Renewal	-	560,000	200,000	1,749,300	-	-	-	341,079	-	-	-	126,232
67512	WIP - Improvemnts	1,527	-	-	-	-	-	-	-	-	-	-	-
		1,527	560,000	200,000	1,749,300	-	-	-	341,079	-	-	-	126,232
Capital Movements													
87892	To -STEW JETTIES General	24,555	26,979	-	-	-	-	-	-	-	-	-	-
87893	Ex-STEW JETTIES General	-	-	(79,628)	-	-	-	-	-	-	-	-	-

Budget Estimate Report for 26700 Stewart Island Jetties

Start Year: 2021/2022

26700 Stewart Island Jetties

Object	Description	Actuals 2019/2020	Current Budget	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Capital Movements													
87895	Ex- Wharf Replacmnt Golden Bay	(114,232)	-	-	-	-	-	-	-	-	-	-	-
87896	To Wharf replacmnt Ulva Island	97,857	-	-	-	-	-	-	-	-	-	-	-
87897	Ex-Wharf replacmnt Ulva Island	-	(160,000)	-	-	-	-	-	-	-	-	-	-
		8,180	(133,021)	(79,628)	-	-	-	-	-	-	-	-	-
Loans													
71532	Internal Loans - Princ	-	-	(120,372)	(1,852,200)	(98,089)	-	-	(396,789)	-	-	-	(126,232)
71533	Internal Loans - Repaid	2,846	3,416	4,886	7,951	53,767	57,260	58,405	59,573	70,545	71,956	73,395	70,692
		2,846	3,416	(115,486)	(1,844,249)	(44,322)	57,260	58,405	(337,216)	70,545	71,956	73,395	(55,540)
Non Cash Depreciation													
99511	Add Back Non Cash Depn	(11,332)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)
		(11,332)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)	(49,292)
		-	-	-	-	-	-	-	-	-	-	-	-

Long Term Plan 2031 - Direction Setting Report SIESA

Record No: R/20/11/64359

Author: Jason Domigan, Corporate Performance Lead

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 For the community board to allocate local budgets for 2021-2031 and to recommend to Council local rates for the year commencing 1 July 2021.

Executive Summary

- 2 This report provides an overview of the activities and services for the Stewart Island Electricity supply (SIESA) for 2021-2031 which are provided under the governance of the Stewart Island/Rakiura Community Board. The report details the costs of these activities over the 10 years as well as the draft electricity rates.
- 3 The draft budgets will be incorporated into Council's draft Long Term Plan 2031 (LTP) which, pending Council approval, will be released for consultation in March 2021. Once the plan is finalised (and subject to any changes resulting from submissions), the budgets shown for 2021/2022 will be used to set rates for the year beginning 1 July 2021 (referred to as LTP year one).
- 4 The information in this report and its attachments, has been sourced from previous discussions between the committee, the community partnership leader, services and assets, and finance staff along with activity management plans (AMPs) that officers have prepared.

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “Long Term Plan 2031 - Direction Setting Report SIESA” dated 4 November 2020.**
- 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) **That the finalised SIESA draft estimates for 2021-2031 be adopted for inclusion in the Council’s Long Term Plan.**
- e) **Recommend to Council to set a new boundary around the existing SIESA supply network**
- f) **As per recommendation in (e) above, recommends to Council that the following rates and charges (including GST) for the year commencing 1 July 2021 be included in the Long Term Plan 2031.**

<u>Rate</u>	<u>Rate GST inclusive</u>
Stewart Island Electricity Supply rate - connected	\$200 (per rating property)
Stewart Island Electricity Supply rate – not connected	\$100 (per rating property)

- g) **Recommends to Council the setting of the following SIESA electricity fees and charges (including GST) for the year commencing 1 July 2021, for inclusion Long Term Plan 2031 (subject to any amendments made at this meeting).**

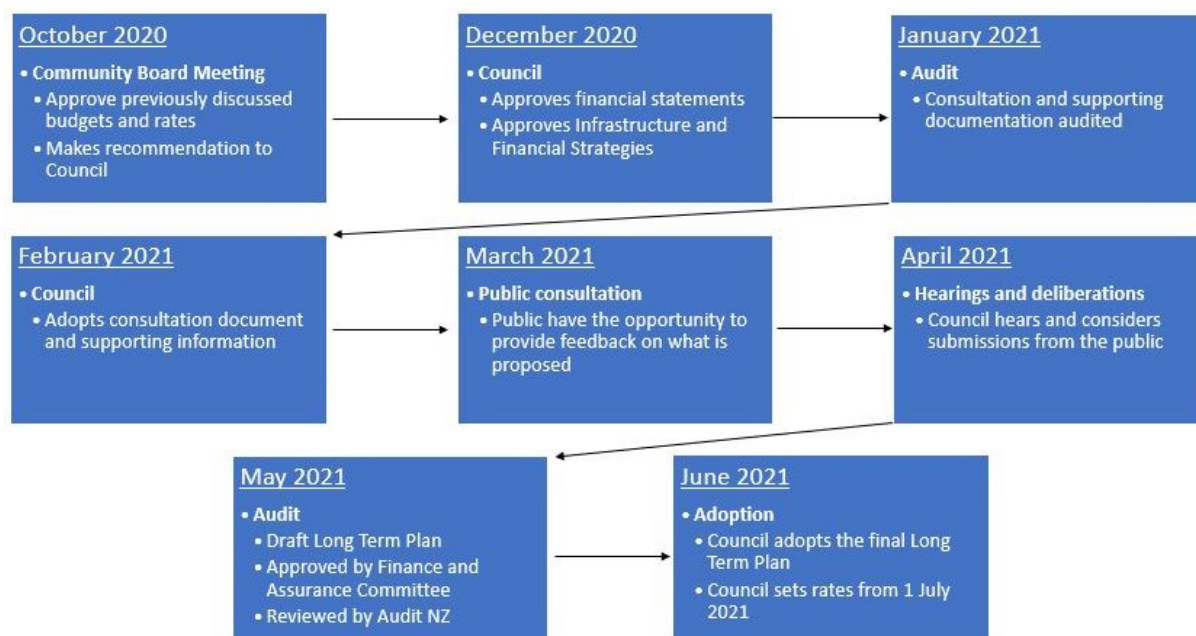
<u>SIESA Electricity Fee/Charge Description</u>	<u>Fee/Charge (GST Incl)</u>
<u>Residential Connections</u>	
Standard rate per unit	\$0.61
Night rate per unit	\$0.53
Fixed monthly charge	\$95.00
<i>New Connections</i>	
New consumer connection fee	\$293.83
Capital development charge	\$1,762.95

<i>Existing Connections</i>	
Water heating/night rate meter installation	\$293.83
Disconnection fee (no monthly charge after)	\$94.02
Reconnection fee (new consumer/applicant)	\$141.04
Connection bond (new consumer, if applicable)	\$150.00
<u>Commercial Connections</u>	
Standard unit rate	\$0.61
Night rate per unit	\$0.53
Fixed monthly charge	\$95.00
<i>New Connections</i>	
New consumer connection fee	\$293.83
Capital development charge	\$1,762.95
<i>Existing Connections</i>	
Disconnection fee (no monthly charge)	\$470.12
Reconnection fee (new consumer/applicant)	\$470.12
<u>Temporary Supply</u>	
Monthly fee (payable in advance)	\$244.46
Standard unit rate (as per residential rate)	\$0.6024
<u>Distributed Generation</u>	
Subject to its terms and conditions set out in Schedule 1 of the SIESA Domestic Contract, SIESA will buy the electricity generated by residents at the rate of \$0.20c per kilowatt per hour, inclusive of GST	\$0.20
<u>Other Chargeable Fees</u>	
Not metered and special connections	\$564.14
Meter testing	\$99.90
Temporary supply and caravan inspection	\$99.90
Dis/re-connection due to non-payment of account	\$99.90

Background

- 5 The LTP provides the community with information on the role, scope, service level and priority of Council activities for 10 years and is adopted every three years.
- 6 In preparing the LTP budgets and programmes, Council reviews its strategic direction, various policies and activity management plans (AMPs). Council also develops a series of assumptions about the environment that it expects to operate in during the 10 year period. Council summarises this information in a document for consultation with the community.
- 7 Following Council approval, the LTP consultation document will be released to the public in March 2021 and the community has an opportunity to provide feedback on the proposed plan. Council will decide on any changes to the draft plan before it is adopted in June 2021.
- 8 Year two and three of the LTP are used as the basis for the Annual Plan's for those years.

Overview of the process



- 9 The separate paper on the committee agenda outlines key policies that are being reviewed by Council. The following policies being reviewed help support and inform the LTP:
 - Significance and Engagement Policy
 - Policy on Development and Financial Contributions
 - Revenue and Financing Policy.
- 10 Council's Procurement Policy is also being reviewed alongside these policies and all were endorsed by Council at its 21 October meeting for public consultation between in 4 November and 4 December 2020.

Issues

District wide

- 11 There are a number of district-wide issues which Council has been considering as part of the 2021 LTP that local committees should also be aware of. The key issues that have been identified through this process are detailed below.

Climate Change

- 12 Climate change has the most potential to affect the general wellbeing of the district, particularly over the medium and long term. Short term effects include storm, flood and drought impacts on the economy and in some cases, human safety. Longer term, there will be effects to biosecurity, ecosystems and biodiversity, viability of certain agricultural crops, fire risk and coastal erosion.
- 13 Key points for the Southland region include:
- sea level rise progressively impacting low lying coastal areas, affecting ecology and settlements; it is known that areas of Colac Bay, Orepuki, Fortrose and Stewart Island/Rakiura are subject to coastal processes that are causing erosion resulting in loss of land and Council roading infrastructure
 - water availability in some areas becoming scarce; Northern Southland is projected to experience the largest increases in drought
 - extreme weather events are larger and more frequent; floods are expected to become larger across the district
 - stormwater and wastewater systems are particularly vulnerable to climate change and small changes in rainfall extremes (intensity or duration), can overwhelm the current design capacity of these systems
 - changes and associated impacts, such as risk based insurance will influence investment in built development (ie coastal and flood plain development) and types of farming
 - the occurrence of heat waves will double by 2040.

Roading network – bridges and rehabilitations

- 14 The average age of roads is increasing. This increase will continue as more value is extracted from roads beyond their original intended value-exchange, especially low use roads that are pushed further out before renewal is justified. It is critical to ensure that roading assets are not pushed beyond the efficiency threshold, which would mean maintaining the asset is more expensive than renewing it.
- 15 The remaining lifespan of a number of wooden bridges in the district is reducing to the extent that renewal or significant structural upgrading is needed soon. As indicated above, the strategy for managing the risk posed by sub-standard bridges is to impose weight and or speed restrictions so they are not subjected to unsustainable loads. A risk still remains from road users ignoring the restriction signs and driving overweight vehicles over the bridge which could cause catastrophic failure.

Community wellbeings

- 16 In May 2019 the Labour-led government reinstated the four well-beings into the Local Government Act. One of the act's main objectives is to restore the purpose of local government to be "to promote the social, economic, environmental, and cultural well-being of communities".
- 17 Southland District Council anticipated the reinstatement of this section of the act. It is consistent with our approach of supporting communities to nurture the development, health and resilience of their own places through a process of community-led development.

Covid-19

- 18 The Covid-19 pandemic has placed significant pressures and restrictions on all New Zealanders and has changed the lives of many individuals, whanau and communities in New Zealand. The initial phase saw New Zealand placing a particular focus on the health aspects and the second phase has seen a greater focus on the economic and social impacts of the pandemic on community and business recovery.
- 19 It has also been recognised that the recovery phase will require a different focus and approach to the response phase. Adding to the complexities of recovery is that there is still significant uncertainty as to how the pandemic will play out and the variances of the effects globally, nationally, regionally and locally. There is also the variance of the effects on different sectors of the economy and community.
- 20 What is important to recognise is that no one organisation is responsible for the recovery required to deal with the economic and social impacts as a result of Covid-19. Local authorities are however, well positioned to play a community leadership and co-ordination role given the responsibility that they have to represent and advocate for their communities.

Revenue and Financing Policy

- 21 The draft Revenue and Financing Policy sets out the ways Council intends to pay for the operating and capital expenditure of each activity that Council provides and why. The policy provides the framework for how Council will fund its activities and how it will set rates as part of the Long Term Plan 2031 (LTP).
- 22 The review of the draft policy and associated rating review is being carried out ahead of the LTP in order to provide an early opportunity for community input and, to allow Council to model the impact on rates as part of the budgeting process before the LTP consultation document is prepared. Any changes however won't come into effect until 1 July 2021.
- 23 The large proportion of changes stem from the process to review Council's approach to rating, originating from the change to Council's community board representation arrangements resulting from the 2018 representation review. As such the changes largely relate to rating approaches for selected activities for which community boards have responsibility for and reflect the discussions held by Council staff with community boards over the previous months.
- 24 These changes propose that one community board rate be set for Stewart Island set on a fixed amount per rating unit with a differential for those in the urban (1.0), semi urban (0.5) or rural (0.25) areas to reflect the varying benefit received. Additionally, it is proposed to remove the current ward rate (based on land value) and incorporate the costs previously collected by the ward into the new community board rate. It is also proposed to move local representation, cemetery and litter bin funding from the local rate to a district general rate and changing the basis for stormwater funding from a local targeted rate to a district targeted rate set on a fixed amount per rating unit for those in serviced (1.0) and unserved (0.25) areas to reflect the varying benefit received. These changes have been discussed with community boards over the past few months and is part of the suite of policies being consulted on in November.

- 25 This report has been prepared on the basis of the proposed rating changes. It is important to note that these are still subject to the consultation process and Council confirming its decision following this consultation. As such the final community board rate may be different to that proposed.

Future of local government

- 26 The local government sector is about to enter a period of transformation, particularly in light of the extensive changes that are likely to occur as a result of the three waters reform and resource management reform processes.
- 27 The reducing role of the local government sector in both the infrastructure provision and regulatory service areas are likely to have an impact on the number, shape and form of local authorities in the future. This is expected to include discussion about whether it remains relevant to have a distinction between regional and territorial local authorities.

Havelock North water enquiry and three waters reform

- 28 The government is reviewing the regulation and supply arrangements of drinking water, wastewater and stormwater (three waters) to better support New Zealand's prosperity, health, safety and environment. Most three waters assets and services, are owned and delivered by local councils, including Southland District Council. The review ran in parallel to the latter stages of the Havelock North Inquiry into drinking water safety following the campylobacter outbreak in 2016.
- 29 During 2019/2020 a new national water services regulatory body, Taumata Arowai, was established to administer and enforce a new drinking water regulatory system (including the management of risks to sources of drinking water); and to support improving the environmental performance of wastewater and stormwater networks. The three waters reform will continue to evolve over the next few years as councils work alongside Taumata Arowai to meet these higher standards.

Resource management reform

- 30 In 2019 the government appointed an independent review panel, led by the Hon Tony Randerson QC, to undertake a comprehensive review of the resource management system. The review had a dual focus on improving outcomes for the natural environment and improving urban and other development outcomes.
- 31 The report recommends the repeal of the Resource Management Act 1991 (RMA) and its replacement with two new pieces of legislation being a Natural and Built Environments Act (NBEA) and a Strategic Planning Act. The focus of the Natural and Built Environments Act would be on enhancing the quality of the environment and on achieving positive outcomes to support the wellbeing of present and future generations. The Strategic Planning Act would set long-term strategic goals and facilitate the integration of legislative functions across the resource management system.
- 32 The reform of the RMA and increased focus on better environmental outcomes will significantly impact environmental management and will challenge how local government currently operates with the independent review panel recommending local government reform as a necessary step to be successful in achieving these outcomes.

Local budget development

- 33 The draft budgets for the Stewart Island/Rakiura community for 2021-2031 have been prepared based on the development of activity management plans as well as discussions between the committee, community partnership leaders, services and assets, and finance staff over the past few months.
- 34 The aim of this has been to ensure that all projects and changes to expenditure have been discussed prior to the budget meetings so that the meetings are focussed primarily on the rates recommendation. This approach has been taken to enable greater opportunity for Boards to plan for the future needs of their communities, and as the LTP is audited, to enable the finalisation of budgets to meet required timeframes.
- 35 While significant planning has taken place to date, there are further opportunities through future years in Annual Plan processes to deal with any new projects that may arise outside of the LTP.
- 36 The objective of this direction setting report is to highlight issues, confirm priorities and plan expenditure and funding for the next 10 years for the Fiordland Community Board's consideration as part of Council's LTP.
- 37 If approved by Council via the LTP, the Stewart Island/Rakiura Community Board will be able to spend Council funds allocated in accordance with the budgeted expenditure. This occurs via Council staff approving purchase orders. If the board wishes to spend funds that are unbudgeted, including monies from reserves, the board has a delegation to approve up to \$20,000, otherwise the decision will need Council approval.
- 38 Included in Attachment B of this report is a summary of all planned projects for the Stewart Island/Rakiura community for the next 10 years.

Factors to Consider

Legal and Statutory Requirements

- 39 The draft budgets (including details of projects) will form part of the activity statements and financials in Council's Long Term Plan 2031. The LTP (and associated consultation document) is a requirement of the Local Government Act 2002.
- 40 There is a statutory requirement to adopt an LTP before rates can be set in accordance with the provisions of the Local Government (Rating) Act 2002.

Community Views

- 41 Any significant issues affecting local communities may be included in the official consultation document including summarised financial projections will be publicly available from 1 March to April 2021.
- 42 Community boards are also asked to advise staff of any local issues/projects that they would like to be highlighted in the consultation material where they are wanting to encourage feedback from the local community or let the community know of any significant projects.
- 43 Any submissions received from the public on local issues will be forwarded to the relevant community partnership leader (and chairperson and board/committee if required) for comment. As a result of the submission process, amendments may be made prior to Council formally adopting the finalised LTP by 30 June 2021.

Costs and Funding

- 44 The financial considerations are set out in Attachment's A-B as follows:

Attachment A	Stewart Island/Rakiura projects
Attachment B	Stewart Island/Rakiura reserve balances

Capital Expenditure:

- 45 Capital expenditure included in the Long Term Plan includes work on the transmission and generation.
- 46 The transmission programme annual cost is estimated at \$100thousand per annum, based on the replacement cost of transmission components across the entire transmission network and their estimated useful life's. With the inclusion of asset management strategy, planning and annual works programming in Powernet's service agreement scope, specific works projects within the programme will be developed and agreed to on an annual basis.
- 47 The generation programme annual cost is based on the replacement cost of generation components at the powerhouse site and their estimated useful life's. This amounts to a further \$20thousand per annum plus replacement of diesel generator sets approx. (\$80thousand). The current strategy to replace generators was based on assuming complete replacement of the unit after 25,000 hours which is equivalent to a replacement approximately every three years as it was considered uneconomic to overhaul the Scania units at this stage. Based on previous figures, an allowance of \$220thousand has been made for these three yearly replacements but work is being undertaken as part of the asset management strategy to explore options to reduce "whole of life costs". This may include contracted service plans and an approach to overhaul rather than replace where it is shown to be more economic over the long term.

Funding

- 48 Currently the funding of the SIESA electricity operations is from a monthly fixed charge and a standard and night rate per kilowatt of power used.
- 49 The Community Board and Council have been concerned about the ongoing sustainability of SIESA operations on the island, as such they asked staff to provide some options around funding mechanisms going forward.
- 50 As a result of these discussions, incorporated into these estimates is the inclusion of funding from the creation of a new local rate for Stewart Island property owners. This is proposed to be a differential targeted rate based on whether the consumer is connected (\$200) or has the ability to connect to the network (\$100). This new rate reflects that there is a cost to providing infrastructure on the island and having electricity lines that properties can connect to.
- 51 Additionally it is proposed to increase the fees and charges. The standard rate is proposed to change from 59 cents per Kwh to 61 cents, no change to the night rate and an increase in the fixed monthly charge from \$87.55 to \$95.

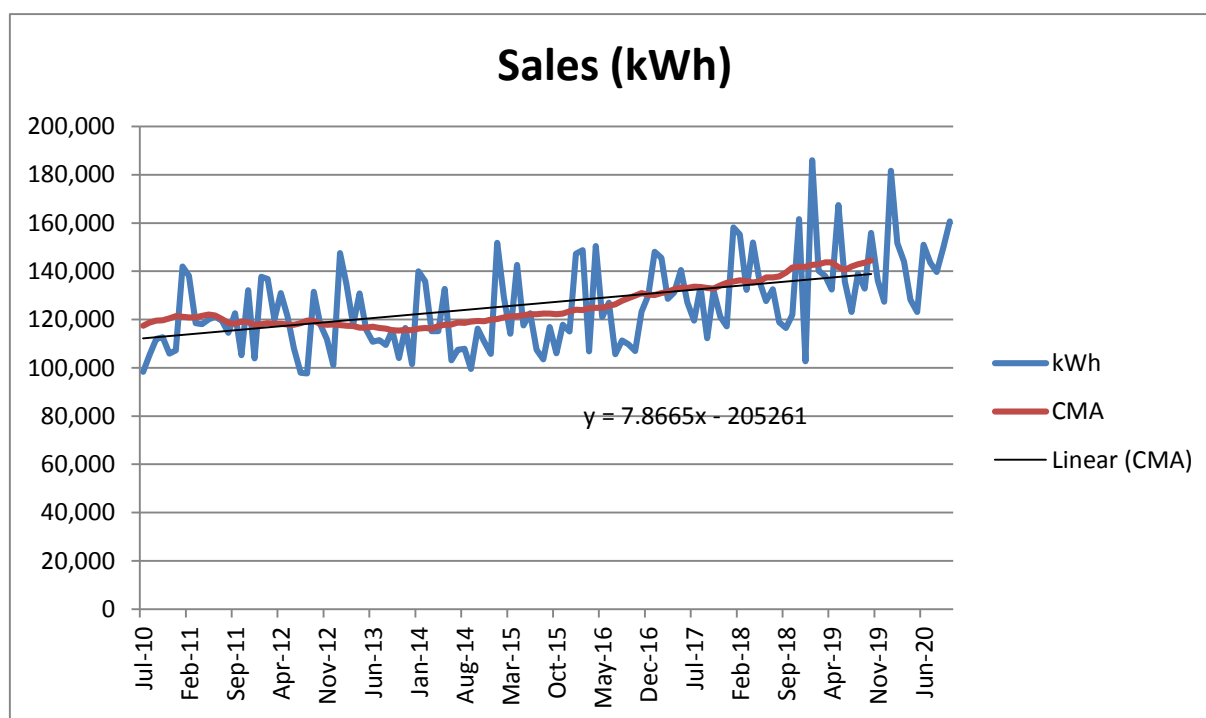
Financial Impact

- 52 As a result of the discussion above, the transfer to reserves each year increases from \$230,000 to \$370,000 over the ten years. This transfer reflects the annual depreciation charge for additional funding as a result of the charging methodology. In the 2021/22 financial year the transfer is \$228,439 of which \$104,977 relates to depreciation.

- 53 No loans are proposed to be need over the ten years of the plan based on the current estimates. This is however still subject to the review of the capital renewal programme, currently being undertaken.
- 54 Attachment A outlines the total rates needed to fund the costs for the current 2020/21 year and the ten years of the Long Term Plan. It also indicates the rate per rating unit or separately used and inhabited part based on the current units charged for each of the ten years of the plan. The actual increase in the nine years following the 2021/22 rating year will still be subject to review as part of that years Annual Plan or Long Term Plan process.

Assumptions

- 55 In preparing the 10 year forecasts, Council has used a number of assumptions as follows:
Estimates are built from the levels of service desired by the community.
- interest has not yet been included in the projected reserve balances for the 10 years of the plan. Once the budgets have been finalised, interest will be calculated and transferred directly to the relevant reserves
 - the estimates include an allowance for price level changes (inflation) which is a financial reporting requirement. For the plan, overall inflation has been assumed at 2.5-3.7% per annum. The individual inflation components used to develop the budgets are assumed at 1.5-3.5%per annum.
 - internal electricity charges are SDC owned properties on the island, charged per actual readings. The estimates included in the LTP is based on the average of the prior three year actuals.
 - Electricity unit sales have been projected based on a linear trend of historic actual sales from 2010. The share of day rate and night rate sales of 93% and 7% respectively is based on the actual figures from financial year 2019/2020.



- The cost of management fees have been based on the latest contract with Powernet Ltd, commencing October 2020. The contract has a provision for cost fluctuation adjustment in line with the construction labour cost index published by Statistics New Zealand.
- Fuel prices have been assumed to increase at no more than the rate of inflation, based on records of real diesel prices published by MBIE. The base for the diesel budget price has been the 2018/19 diesel rates, due to the exceptional circumstances due to Covid-19 in the 2019/20 year.
- Fuel consumption has been assumed to increase in line with our forecast trend in electricity demand at a conversion rate of 4.2 kWh per litre, which is slightly conservative based on current generator configuration and consumption.
- no allowance has been made in the estimates for any possible increases in contract rates for contracts being re-tendered
- reserves have been used to fund project/capital.
- The full cost of the MBIE Wind power development project has not been included in the LTP because of the uncertainty around the final location of the project and the fact that the full cost of the project cannot be ascertained at this stage. Budgets will be amended as part of future Annual Plan/LTP processes as more information is known.
-

Policy Implications

- 56 There are no specific policy implications in this direction setting report. If the board identifies an additional funding source that is not identified in the Revenue and Financing Policy, this would require an update to the policy to allow for that mechanism to be used as a funding source.

Analysis

Options Considered

- 57 There are two options identified for the community board to consider.
- option 1 – recommend that Council adopt the proposed budgets outlined in this report
 - option 2 – make amendments to the proposed budgets outlined in this report.

Analysis of Options

Option 1 – Recommend that Council adopt the proposed budgets outlined in this report, including any amendments agreed at this meeting

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• enables the draft Long Term Plan to be progressed within the legislative timeframe	<ul style="list-style-type: none">• no further changes can be recommended by the community board outside of future Annual Plan processes unless a submission

<ul style="list-style-type: none"> local rates recommendation to Council is finalised budgets and projects can be updated or reviewed annually as part of the Annual Plan budgeting process (or approved via unbudgeted expenditure process). 	is made through the formal consultation process.
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Option 2 – Make amendments to the proposed budgets outlined in this report

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> the proposed budgets and projects accurately reflect the wishes of the community board. 	<ul style="list-style-type: none"> rates requirements may need to be recalculated may impact the delivery of the Long Term Plan within the legislative timeframe.

Assessment of Significance

- 58 The decision to be made by the community board is not a significant decision on its own under Council's Significance and Engagement Policy. However, the Long Term Plan (into which the committee's budgets are incorporated) is considered significant and will be consulted on in March 2021.

Recommended Option

- 59 Staff recommend the community board endorse option 1 - Recommend that Council adopt the proposed budgets outlined in this report, including any amendments agreed at this meeting.

Next Steps

- 60 Recommendations made through this direction setting process from all community boards will be considered by Council at the meeting on 16 December 2020. Following that, the LTP consultation document is developed and subject to Council endorsement, will be made available for public consultation in March 2021.

Attachments

- A SIESA Projects Community Board Meeting 9.11.20 - LTP 2021-31 [↓](#)
 B SIESA Reserve Balances Community Board Meeting 9.11.20 - LTP 2021-31 [↓](#)

SIESA Projects

		Cost	Funding Source	Year
SIESA Operations	MBIE pre-development phase of Wind Power Development	\$ 830,000	MBIE Government Grant	2021/22
SIESA Operations	Tanker Truck Renewal	\$ 41,779	SIESA Operations Reserve	2021/22
SIESA Operations	Wind Power Predevelopment	\$ 80,000	SIESA Operations Reserve	2021/22
SIESA Operations	Transmission Renewal Programme	\$ 120,000	SIESA Operations Reserve	2021/22
SIESA Operations	Generation Renewal Programme	\$ 86,000	SIESA Operations Reserve	2021/22
	Total for 2021/22	\$ 1,157,779		
SIESA Operations	Transmission Renewal Programme	\$ 123,480	SIESA Operations Reserve	2022/23
SIESA Operations	Generation Renewal Programme	\$ 88,494	SIESA Operations Reserve	2022/23
	Total for 2022/23	\$ 211,974		
SIESA Operations	Transmission Renewal Programme	\$ 126,567	SIESA Operations Reserve	2023/24
SIESA Operations	Generation Renewal Programme	\$ 90,706	SIESA Operations Reserve	2023/24
	Total for 2023/24	\$ 217,273		
SIESA Operations	Transmission Renewal Programme	\$ 129,731	SIESA Operations Reserve	2024/25
SIESA Operations	Generation Renewal Programme	\$ 92,974	SIESA Operations Reserve	2024/25
SIESA Kerbside	Replacement Collection Vehicle	\$ 54,055	SIESA Operations Reserve	2024/25
	Total for 2024/25	\$ 276,760		
SIESA Operations	Transmission Renewal Programme	\$ 133,104	SIESA Operations Reserve	2025/26
SIESA Operations	Generation Renewal Programme	\$ 95,391	SIESA Operations Reserve	2025/26
	Total for 2025/26	\$ 228,495		
SIESA Operations	Transmission Renewal Programme	\$ 136,432	SIESA Operations Reserve	2026/27
SIESA Operations	Generation Renewal Programme	\$ 97,776	SIESA Operations Reserve	2026/27
	Total for 2026/27	\$ 234,208		
SIESA Operations	Transmission Renewal Programme	\$ 139,979	SIESA Operations Reserve	2027/28
SIESA Operations	Generation Renewal Programme	\$ 100,318	SIESA Operations Reserve	2027/28
	Total for 2027/28	\$ 240,297		
SIESA Operations	Transmission Renewal Programme	\$ 143,758	SIESA Operations Reserve	2028/29
SIESA Operations	Generation Renewal Programme	\$ 103,027	SIESA Operations Reserve	2028/29
	Total for 2028/29	\$ 246,785		
SIESA Operations	Transmission Renewal Programme	\$ 147,640	SIESA Operations Reserve	2029/30
SIESA Operations	Generation Renewal Programme	\$ 105,809	SIESA Operations Reserve	2029/30
	Total for 2029/30	\$ 253,449		
SIESA Operations	Transmission Renewal Programme	\$ 151,479	SIESA Operations Reserve	2030/31
SIESA Operations	Generation Renewal Programme	\$ 108,560	SIESA Operations Reserve	2030/31
	Total for 2030/31	\$ 260,039		
	Total for LTP	\$ 3,327,059		

SIESA Reserves

		OPENING	ANNUAL PLAN	CARRYFORWARDS	PROJECTED	LTP	CLOSING
		BALANCE	MOVEMENT	FROM	BALANCE	MOVEMENT	BALANCE
		30 JUNE 2020	2020/21	2019/20	30 JUNE 2021	21-31	30 JUNE 2031
SIESA Operations		\$ 484,511	-\$ 282,692	-\$ 26,914	\$ 174,906	\$ 1,115,713	\$ 1,290,619
TOTAL RESERVES		\$ 484,511	-\$ 282,692	-\$ 26,914	\$ 174,906	\$ 1,115,713	\$ 1,290,619

Financial Report for the year ended 30 June 2020

Record No: R/20/10/61318
Author: Sheree Marrah, Financial Accountant
Approved by: Anne Robson, Chief Financial Officer

☐ Decision

☐ Recommendation

☒ Information

Summary

- 1 The purpose of this report is to present the final financial results and supporting information for the Stewart Island/Rakiura Community Board area for the year ended 30 June 2020. The financial reports are contained within attachment A, B and C of this report.
- 2 These financial results are subject to review by Audit NZ in October/November, and therefore are subject to change.

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) **Receives the report titled “Financial Report for the year ended 30 June 2020” dated 2 November 2020.**

Attachments

- A Financial report for the year ended 30 June 2020 - Stewart Island/Rakiura and SIESA [↓](#)
- B Reserves as at 30 June 2020 - Stewart Island/Rakiura [↓](#)
- C Detailed individual business units for the year ended 30 June 2020 [↓](#)
- D SIESA detailed individual business units for the year ended 30 June 2020 [↓](#)



Stewart Island/Rakiura Community Board - Financial performance for the year ended 30 June 2020

The preliminary financial results for the year to 30 June 2020 were provided to you in the June operational report, however these financial results will have changed due to year end processes, including expenditure accruals, interest on reserves, funding of activities and projects etc.

The summary tables overleaf show the final financial results for the communities within your area for the year ended 30 June 2020. Please note these financial results are being audited in October/November and therefore may be subject to further change.

The results show for each of the income, expenditure, and capital expenditure categories:

- what actually happened ("Actual"),
- what was expected to occur by year end ("Forecasted Budget"), and
- what the original budget was ("Annual Plan Budget")

The "Forecasted Budget" includes the original Annual Plan budgeted adjusted for the effect of expenditure carried forward from 2018/2019, unbudgeted expenditure, projects that have been put on hold or are to be completed in 2020/2021 and/or anticipated changes to income and operating expenditure over the year.

Operational reports provided to you throughout the year compared the actual year-to-date ("YTD") results against forecasted YTD totals. This report however, will discuss significant variances between the "Actual" results and the "Annual Plan Budget".

A detailed breakdown of the individual business units is included in Attachment C of this report for your information.



Stewart Island - Business Units for the year ended 30 June 2020									
	Income			Expenses			Capital		
Business Unit	Actual	Forecasted Budget	Annual Plan Budget	Actual	Forecasted Budget	Annual Plan Budget	Actual	Forecasted Budget	Annual Plan Budget
Administration - Stewart Is	\$16,117	\$16,064	\$16,064	\$12,886	\$11,919	\$11,919			
Operating Costs - Stewart Is	\$8,685	\$7,300	\$7,300	\$1,868	\$4,598	\$4,598			
Street Works - Stewart Island	-\$3,792	\$110,444	\$129,527	\$4,297	\$3,404	\$3,404	\$8,332	\$175,823	\$127,323
Refuse Collection - Stewart Is	\$118,435	\$117,865	\$117,865	\$114,474	\$117,245	\$117,245			
Stormwater Drain - Stewart Is	\$20,274	\$20,233	\$20,233	\$10,215	\$13,865	\$13,865			
Cemetery - Stewart Island	\$11,334	\$12,684	\$12,684	\$7,943	\$12,684	\$12,684			
Beautification - Stewart Is	\$29,495	\$29,435	\$29,435	\$37,790	\$35,204	\$35,204			
Moturau Gardens	\$7,195	\$4,688	\$4,688	\$4,948	\$12,188	\$4,688			
Traill Park	\$6,327	\$6,314	\$6,314	\$8,019	\$7,749	\$7,749			
Playground - Waterfront	\$1,616	\$1,613	\$1,613	\$3,523	\$3,865	\$3,865			
Stewart Island Jetties	\$19,185	\$74,118	\$473,358	\$17,964	\$77,931	\$59,946	\$1,527	\$100,000	\$493,812
Total	\$234,871	\$400,758	\$819,081	\$223,925	\$300,652	\$275,167	\$9,859	\$275,823	\$621,135

SIESA - Business Units for the year ended 30 June 2020									
	Income			Expenses			Capital		
Business Unit	Actual	Forecasted Budget	Annual Plan Budget	Actual	Forecasted Budget	Annual Plan Budget	Actual	Forecasted Budget	Annual Plan Budget
SIESA - Operations	\$1,291,836	\$1,226,031	\$1,226,031	\$1,327,761	\$1,537,403	\$1,174,525	\$17,649	\$67,000	\$464,633
SIESA - Staff House		\$5,200	\$5,200	\$11,232	\$5,474	\$5,474			
SIESA - Kerbside	\$104,593	\$106,942	\$106,942	\$54,170	\$57,816	\$57,816			
SIESA - Waste Recovery	\$245,038	\$252,344	\$252,344	\$271,206	\$246,447	\$246,447			
Total	\$1,641,467	\$1,590,517	\$1,590,517	\$1,664,369	\$1,847,140	\$1,484,263	\$17,649	\$67,000	\$464,633



Significant variances to the 2019/2020 Annual Plan budget

Stewart Island

Overall income was \$234,871 which was \$584,210 under budget. Operating costs were \$1,385 over budget due to additional licence fees received. Streetworks had negative income due to \$6,000 of grants from the Stewart Island/Rakiura visitor levy being incorrectly included in the streetworks business unit in the 2018/2019 financial year. This grant funding related to the foreshore power point, and work at the Moturau gardens, which have been moved to the SIESA and Moturau gardens business units. Grants for capital works of \$127,323 relating to footpaths at Horseshoe Bay and the wharf extension were budgeted for, however no funds were received for either of these projects. Stewart Island cemetery was \$1,350 under budget due lower cemetery interments income. Moturau Gardens was \$2,506 over budget due to a grant received from the Stewart Island/Rakiura visitor levy in 2018/2019 into the streetworks business unit (see above). Stewart Island jetties income was under budget by \$454,173, due to anticipated funds from MoBIE and the Stewart Island/Rakiura visitor levy to fund the Ulva Island wharf rebuild project which were not received. \$100,000 has been approved from the visitor levy to fund this project, however it has conditions attached and until these conditions are met the funds will not be paid. These conditions had not been met by 30 June 2020.

Total expenditure was \$223,925 which was \$51,242 under budget. Operating costs were \$2,730 under budget primarily due to minimal general project spend (\$2,819). Refuse collection operating costs were \$2,771 under budget as a result of lower waste/kerbside costs (\$2,366). Stormwater was \$3,650 under budget due to lower general maintenance undertaken (\$3,352). Cemetery expenditure was \$4,741 under budget due to less mowing (\$2,000), maintenance (\$1,021) and interment costs (\$1,720). Beautification was \$2,586 over budget due to depreciation being higher than budgeted (\$3,995). This was offset by an under spend in track maintenance (\$1,517). Stewart Island Jetties operating expenditure is under budget by \$41,982 due to lower general maintenance and projects (\$31,233) and depreciation (\$19,760). This was offset by unbudgeted legal costs, primarily in relation to Ulva Island (\$8,139).

Capital expenditure was \$9,859, which was \$611,276 under budget. Streetworks capital expenditure was \$8,332, which was \$118,991 under budget. This was due to the walking track at horseshoe bay and a new footpath (Rankin Street to the end of Fushia walkway) not being undertaken in the current financial year. The Horseshoe bay project is being carried forward to 2020/2021 (see below). The new footpath from Rankin Street to the end of Fushia walkway was planned to be included as part of the Golden Bay TIF application, which has been put on hold. Stewart Island Jetties were \$492,285 under budget due to the Ulva Island wharf project being deferred to 2020/2021.

Stewart Island Electrical Supply Authority (SIESA)

SIESA – Operations

Total income for SIESA Operations business unit was \$1,291,835, which was \$65,804 over budget. The increase was due to increased electricity consumption (39,628 units, \$92,413) and grant income received (\$19,851). These increases have been off-set by lower than budgeted internal electricity income (\$18,847) and assets disposals (\$29,368).

Total operating expenditure for the year was \$1,327,761, which was \$153,236 over budget due:



- Support service costs were over budget due to contract re-negotiation for management fees (\$223,894).
- Administration and management costs were \$4,800 under budget due to actual costs being lower than budget for bad debts, training and accommodation, GIS data, legal costs, postage, telephone and vehicle costs.
- Operating costs were \$44,026 under budget due less maintenance being required.
- Fuel costs were \$12,741 under budget. Overall fuel prices have decreased during the year. June 2019 diesel price was 97c per litre compared to 66c per litre in June 2020.
- Depreciation costs were \$64,312 under budget as a result of less capital work being completed in prior years that the depreciation was budgeted for.

Capital expenditure for the year was \$17,649, compared to the budget of \$67,000. The costs incurred relate to network poles (\$8,159) and the emergency replacement of the unit 5 alternator which failed during the Covid-19 lock down (\$23,700). This expenditure was offset by the costs associated with the Ringaringa Road power cable replacement. These costs were recognised as work in progress at 30 June 2020 and the balance carried forward to 2020/2021.

SIESA – Staff house/Kerbside/Waste recovery

SIESA staff house, kerbside and waste recovery total income was \$14,855 under budget. No rent was received for the staff house for the year (\$5,200) and internal waste income was less than anticipated (\$7,306).

Overall SIESA staff house, kerbside and waste recovery total expenditure was \$26,872 over budget. This is due to unbudgeted electricity charges for the staff house (\$3,812), costs for waste recovery materials (\$3,620) and waste recovery staff costs (\$21,390) being over budget.

Expenditure carried forward

The following projects and expenditure were budgeted to be undertaken in the 2019/2020 year, however they have been requested to be carried forward to 2020/2021.

Town	Project Name	Funded From	Total 19/20 Budget	19/20 Actual Costs	Request for Carry forward to 20/21
Stewart Island	Construct new access on Ringa Ringa Road	Rates & NZTA	200,000	67,126	132,874
Stewart Island	Install power point on foreshore, Stewart Island	Grants	5,000	-	5,000
Stewart Island	New walking track horseshoe Bay Road part 1	Grants	52,583	-	52,583
Stewart Island	Improving footpath and carparking at Argyle Street, Stewart Island	Reserve	20,000	-	20,000
Stewart Island	Install new streetlights on the waterfront in Oban, Stewart Island	Reserve	10,000	8,315	1,686
Stewart Island	Moturau gardens maintenance	Grants			7,500
Stewart Island Jetties	Rebuild Ulva Island Jetty	Reserves, grants & contributions	100,000	1,527	98,472
SIESA	Wind power - pre development	Government grants		19,851	- 19,851
SIESA	Fuel tanks (2x20,000L) replacement	Reserve	32,000	5,086	26,914



Additional Financial Information

Development and Financial Contributions

Contributions are collected to fund community growth projects. The use of these funds are considered by Council staff when projects are in the planning stage. Certain policy and legislative requirements must be met before these contributions can be applied to projects.

Various contributions across the district that were due to expire in 2020 have been used to acquire a piece of reserve land in Curio Bay in June 2020.

The total balance of Parks and Reserve Development and Financial contributions for your community was \$29,414 as at 30 June 2020. These relate to Stewart Island and SIESA and are due to expire in 2021 and 2022.

Reserves

A detailed listing of the various reserve balances for your community at 30 June 2020 are included in Attachment B of this report.

Interest was allocated to reserves at 30 June 2020 based on the average reserve balance for the year 1 July to 30 June at a rate of 2.42%.



Stewart Island/Rakiura Community Board – Reserves as at 30 June 2020

Stewart Island/Rakiura Schedule Of Reserve Balance

		Actual June - 019	Transfers To/(From)	Actual June -020
Local				
	<i>Reserve Account</i>			
	Stewart Isl General - RES	87879	245,126.68	6,054.75
	Stewart Isl Waste Mgt - OPR	87867	30,203.41	4,160.16
			<u>10,214.91</u>	<u>285,545.00</u>
		<u>275,330.09</u>		
Local Total		<u>275,330.09</u>	<u>10,214.91</u>	<u>285,545.00</u>
Total Stewart Island/Rakiura Reserves		<u>275,330.09</u>	<u>10,214.91</u>	<u>285,545.00</u>

Stewart Island Jetties Schedule Of Reserve Balance

		Actual June - 019	Transfers To/(From)	Actual June -020
Local				
	<i>Reserve Account</i>			
	Stewart Island Jetties-General	87893	28,093.81	24,554.86
	Wharf Replacement Golden Bay	87895	114,232.34	(114,232.34)
	Wharf Replacement Ulva Island	87897	115,907.93	97,857.31
			<u>8,179.83</u>	<u>266,413.91</u>
		<u>258,234.08</u>		
Local Total		<u>258,234.08</u>	<u>8,179.83</u>	<u>266,413.91</u>
Total Stewart Island Jetties Reserves		<u>258,234.08</u>	<u>8,179.83</u>	<u>266,413.91</u>

ATTACHMENT C

Detailed Individual Business Units for the year ending 30 June 2020

		Actual	Forecasted Budget	Annual Plan Budget
Stewart Island/Rakiura				
Administration - Stewart Is				
Income	Rates - Collected	(\$7,404)	(\$7,419)	(\$7,419)
	Rates - Adjustments	\$0	\$0	\$0
	Licence Fee - Boat Park	(\$4,250)	(\$4,500)	(\$4,500)
	Internal - Interest on Reserve	(\$5,934)	(\$4,145)	(\$4,145)
	Internal Rates Income	(\$30)	(\$17)	(\$17)
	Internal Rates offset	\$0	\$17	\$17
	Internal - Grant Income	\$1,500	\$0	\$0
Income Total		(\$16,117)	(\$16,064)	(\$16,064)
Operational Expenditure	Councillor & Board Mem - Sal	\$11,938	\$9,806	\$9,806
	Miscellaneous Grant	\$0	\$500	\$500
	Course and Seminar Fees	\$0	\$1,000	\$1,000
	Operating Costs	\$947	\$613	\$613
Operational Expenditure Total		\$12,886	\$11,919	\$11,919
Net Operating (Surplus)/Deficit		(\$3,232)	(\$4,145)	(\$4,145)
Funding Sources	To-STEW General - RE	\$5,934	\$4,145	\$4,145
	Ex-STEW General - RE	(\$2,702)	\$0	\$0
Funding Sources Total		\$3,232	\$4,145	\$4,145
Administration - Stewart Is Total		(\$0)	(\$0)	(\$0)
Beautification - Stewart Is				
Income	Rates - Collected	(\$29,376)	(\$29,435)	(\$29,435)
	Rates - Adjustments	\$0	\$0	\$0
	Internal Rates Income	(\$119)	(\$86)	(\$86)
	Internal Rates offset	\$0	\$86	\$86
	Internal - Grant Income	\$0	\$0	\$0
Income Total		(\$29,495)	(\$29,435)	(\$29,435)
Operational Expenditure	Mowing	\$17,804	\$17,735	\$17,735
	Maint - Gardening	\$1,739	\$1,700	\$1,700
	Maint - Tracks	\$8,483	\$10,000	\$10,000
	Depn - Improvement	\$9,764	\$5,769	\$5,769
	Internal - Work scheme service	\$0	\$0	\$0
Operational Expenditure Total		\$37,790	\$35,204	\$35,204
Net Operating (Surplus)/Deficit		\$8,295	\$5,769	\$5,769
Funding Sources	To-STEW General - RE	\$1,469	\$0	\$0
	Ex-STEW General - RE	\$0	\$0	\$0
	Add Back Non Cash Depn	(\$9,764)	(\$5,769)	(\$5,769)
Funding Sources Total		(\$8,295)	(\$5,769)	(\$5,769)
Beautification - Stewart Is Total		(\$0)	(\$0)	(\$0)

		Actual	Forecasted Budget	Annual Plan Budget
Cemetery - Stewart Island				
Income	Rates - Collected	(\$10,942)	(\$10,964)	(\$10,964)
	Rates - Adjustments	\$0	\$0	\$0
	Cemetery Interment Fees	(\$348)	(\$1,720)	(\$1,720)
	Internal Rates Income	(\$44)	(\$37)	(\$37)
	Internal Rates offset	\$0	\$37	\$37
Income Total		(\$11,334)	(\$12,684)	(\$12,684)
Operational Expenditure	Mowing	\$6,276	\$8,276	\$8,276
	Maint - General	\$1,667	\$2,688	\$2,688
	Cemetery Beams	\$0	\$0	\$0
	Interments	\$0	\$1,720	\$1,720
Operational Expenditure Total		\$7,943	\$12,684	\$12,684
Net Operating (Surplus)/Deficit		(\$3,391)	(\$0)	(\$0)
Funding Sources	To-STEW General - RE	\$3,391	\$0	\$0
	Ex-STEW General - RE	\$0	\$0	\$0
Funding Sources Total		\$3,391	\$0	\$0
Cemetery - Stewart Island Total		(\$0)	(\$0)	(\$0)
Moturau Gardens				
Income	Rates - Collected	(\$3,182)	(\$3,188)	(\$3,188)
	Rates - Adjustments	\$0	\$0	\$0
	General Recoveries	(\$1,500)	(\$1,500)	(\$1,500)
	Internal Rates Income	(\$13)	(\$9)	(\$9)
	Internal Rates offset	\$0	\$9	\$9
	Internal - Grant Income	(\$2,500)	\$0	\$0
Income Total		(\$7,195)	(\$4,688)	(\$4,688)
Operational Expenditure	Material Damage Insurance	\$1,369	\$191	\$191
	Maint - General	\$2,556	\$11,000	\$3,500
	Internal Rates expense	\$1,022	\$997	\$997
	internal - Insurance Valuation	\$0	\$0	\$0
Operational Expenditure Total		\$4,948	\$12,188	\$4,688
Net Operating (Surplus)/Deficit		(\$2,247)	\$7,500	\$0
Funding Sources	To-STEW General - RE	\$2,247	(\$7,500)	\$0
	Ex-STEW General - RE	\$0	\$0	\$0
Funding Sources Total		\$2,247	(\$7,500)	\$0
Moturau Gardens Total		(\$0)	(\$0)	\$0

		Actual	Forecasted Budget	Annual Plan Budget
Operating Costs - Stewart Is				
Income	Rentals	\$0	\$0	\$0
	Licence Fee - Roadline	(\$8,685)	(\$7,300)	(\$7,300)
Income Total		(\$8,685)	(\$7,300)	(\$7,300)
Operational Expenditure	Doubtful Debts	\$0	\$0	\$0
	General Projects	\$181	\$3,000	\$3,000
	Depn - Marine As	\$269	\$269	\$269
	Internal - Other	\$266	\$0	\$0
	SIESA Electricity Internal Expe	\$1,153	\$1,329	\$1,329
Operational Expenditure Total		\$1,868	\$4,598	\$4,598
Net Operating (Surplus)/Deficit		(\$6,816)	(\$2,702)	(\$2,702)
Funding Sources	To-STEW General - RE	\$7,085	\$2,971	\$2,971
	Ex-STEW General - RE	\$0	\$0	\$0
	Add Back Non Cash Depn	(\$269)	(\$269)	(\$269)
Funding Sources Total		\$6,816	\$2,702	\$2,702
Operating Costs - Stewart Is Total		(\$0)	\$0	\$0
Playground - Waterfront				
Income	Rates - Collected	(\$1,610)	(\$1,613)	(\$1,613)
	Rates - Adjustments	\$0	\$0	\$0
	Internal Rates Income	(\$7)	(\$5)	(\$5)
	Internal Rates offset	\$0	\$5	\$5
Income Total		(\$1,616)	(\$1,613)	(\$1,613)
Operational Expenditure	Maint - General	\$1,270	\$1,613	\$1,613
	Depn - Improvement	\$2,252	\$2,252	\$2,252
Operational Expenditure Total		\$3,523	\$3,865	\$3,865
Net Operating (Surplus)/Deficit		\$1,906	\$2,252	\$2,252
Funding Sources	To-STEW General - RE	\$346	\$0	\$0
	Ex-STEW General - RE	\$0	\$0	\$0
	Add Back Non Cash Depn	(\$2,252)	(\$2,252)	(\$2,252)
Funding Sources Total		(\$1,906)	(\$2,252)	(\$2,252)
Playground - Waterfront Total		(\$0)	\$0	\$0
Refuse Collection - Stewart Is				
Income	Rates - Collected	(\$117,663)	(\$117,046)	(\$117,046)
	Rates - Adjustments	\$0	\$0	\$0
	Internal - Interest on Reserve	(\$772)	(\$819)	(\$819)
Income Total		(\$118,435)	(\$117,865)	(\$117,865)
Operational Expenditure	Refuse Collect - General	\$1,175	\$645	\$645
	Refuse Bags	\$5,584	\$6,449	\$6,449
	Depn - Improvement	\$199	\$199	\$199
	Internal-Tfr Stn Refuse fees	\$2,939	\$3,010	\$3,010
	Internal - Waste/Kerbside	\$104,576	\$106,942	\$106,942
Operational Expenditure Total		\$114,474	\$117,245	\$117,245
Net Operating (Surplus)/Deficit		(\$3,961)	(\$620)	(\$620)
Funding Sources	To-STEW Waste Mgt	\$4,160	\$819	\$819
	Ex-STEW Waste Mgt	\$0	\$0	\$0
	Add Back Non Cash Depn	(\$199)	(\$199)	(\$199)
Funding Sources Total		\$3,961	\$620	\$620
Refuse Collection - Stewart Is Total		\$0	\$0	\$0

		Actual	Forecasted Budget	Annual Plan Budget
Stormwater Drain - Stewart Is				
Income	Rates - Collected	(\$20,192)	(\$20,233)	(\$20,233)
	Rates - Adjustments	\$0	\$0	\$0
	Internal Rates Income	(\$82)	(\$58)	(\$58)
	Internal Rates offset	\$0	\$58	\$58
Income Total		(\$20,274)	(\$20,233)	(\$20,233)
Operational Expenditure	Material Damage Insurance	\$402	\$590	\$590
	Rates	\$0	\$149	\$149
	Maint - General	\$2,022	\$5,374	\$5,374
	Internal - Interest on Loans	\$4,038	\$4,038	\$4,038
	Internal - WWS Management Fee	\$1,352	\$1,352	\$1,352
	Internal Rates expense	\$544	\$505	\$505
	Internal WWS Stormwater Invest	\$1,857	\$1,857	\$1,857
Operational Expenditure Total		\$10,215	\$13,865	\$13,865
Net Operating (Surplus)/Deficit		(\$10,059)	(\$6,368)	(\$6,368)
Funding Sources	To-STEW General - RE	\$3,691	\$0	\$0
	Ex-STEW General - RE	\$0	\$0	\$0
Funding Sources Total		\$10,059	\$6,368	\$6,368
Stormwater Drain - Stewart Is Total		\$0	\$0	\$0
Street Works - Stewart Island				
Income	Grants General (Capital)	\$0	(\$108,240)	(\$127,323)
	Rates - Collected	(\$2,200)	(\$2,204)	(\$2,204)
	Rates - Adjustments	\$0	\$0	\$0
	Parks Contributions	\$0	\$0	\$0
	Internal Rates Income	(\$9)	(\$6)	(\$6)
	Internal Rates offset	\$0	\$6	\$6
	Internal - Grant Income	\$6,000	\$0	\$0
Income Total		\$3,792	(\$110,444)	(\$129,527)
Operational Expenditure	Material Damage Insurance	\$74	\$55	\$55
	General Projects	\$1	\$0	\$0
	Maint - General	\$831	\$2,149	\$2,149
	Depn - Improvement	\$1,271	\$1,200	\$1,200
	Internal Footpath Maintenance	\$2,120	\$0	\$0
Operational Expenditure Total		\$4,297	\$3,404	\$3,404
Net Operating (Surplus)/Deficit		\$8,089	(\$107,040)	(\$126,123)
Capital Expenditure	Footpaths - Acquisition LOS	\$13,460	\$160,823	\$127,323
	Footpaths - Renewal	\$0	\$0	\$0
	Sealed Roads - Acq LOS	\$18	\$0	\$0
	Street Lighting - Acquis LOS	\$8,314	\$15,000	\$0
	WIP - Other	(\$13,460)	\$0	\$0
Capital Expenditure Total		\$8,332	\$175,823	\$127,323
Funding Sources	To-STEW General - RE	\$0	\$0	\$0
	Ex-STEW General - RE	(\$15,149)	(\$67,583)	\$0
	Add Back Non Cash Depn	(\$1,271)	(\$1,200)	(\$1,200)
Funding Sources Total		(\$16,420)	(\$68,783)	(\$1,200)
Street Works - Stewart Island Total		(\$0)	(\$0)	(\$0)

		Actual	Forecasted Budget	Annual Plan Budget
Trail Park				
Income	Rates - Collected	(\$6,301)	(\$6,314)	(\$6,314)
	Rates - Adjustments	\$0	\$0	\$0
	Internal Rates Income	(\$25)	(\$18)	(\$18)
	Internal Rates offset	\$0	\$18	\$18
Income Total		(\$6,327)	(\$6,314)	(\$6,314)
Operational Expenditure	Material Damage Insurance	\$953	\$704	\$704
	Mowing	\$3,320	\$2,149	\$2,149
	Maint - General	\$0	\$1,000	\$1,000
	Depn - Improvement	\$1,435	\$1,435	\$1,435
	SIESA Electricity Internal Expe	\$968	\$1,226	\$1,226
	Internal Rates expense	\$1,193	\$1,235	\$1,235
	internal - Insurance Valuation	\$150	\$0	\$0
Operational Expenditure Total		\$8,019	\$7,749	\$7,749
Net Operating (Surplus)/Deficit		\$1,692	\$1,435	\$1,435
Funding Sources	To-STEW General - RE	\$0	\$0	\$0
	Ex-STEW General - RE	(\$257)	\$0	\$0
	Add Back Non Cash Depn	(\$1,435)	(\$1,435)	(\$1,435)
Funding Sources Total		(\$1,692)	(\$1,435)	(\$1,435)
Trail Park Total		\$0	(\$0)	(\$0)

		Actual	Forecasted Budget	Annual Plan Budget
Stewart Island Jetties				
Stewart Island Jetties				
Income	Grants General (Capital)	\$0	(\$57,985)	(\$433,812)
	Licence Fee - Boat Park	(\$12,913)	(\$14,087)	(\$37,500)
	Internal - Interest on Reserve	(\$6,272)	(\$2,046)	(\$2,046)
	Internal - Grant Income	\$0	\$0	\$0
Income Total		(\$19,185)	(\$74,118)	(\$473,358)
Operational Expenditure	Material Damage Insurance	\$2,053	\$1,499	\$1,499
	Legal Costs	\$4,761	\$0	\$0
	General Projects	(\$5,683)	\$17,985	\$0
	Monitoring	\$318	\$0	\$0
	Maint - General	\$0	\$25,550	\$25,550
	Maint - Project	\$3,378	\$0	\$0
	Depn - Marine As	\$11,332	\$31,092	\$31,092
	Internal - Interest on Loans	\$1,805	\$1,805	\$1,805
Operational Expenditure Total		\$17,964	\$77,931	\$59,946
Net Operating (Surplus)/Deficit		(\$1,222)	\$3,813	(\$413,412)
Capital Expenditure	Marine Assets - Acquis LOS	\$0	\$0	\$0
	Marine Assets - Renewal	\$0	\$100,000	\$493,812
	WIP - Improvements	\$1,527	\$0	\$0
Capital Expenditure Total		\$1,527	\$100,000	\$493,812
Funding Sources	Internal Loans - Princ	\$0	(\$20,000)	(\$20,000)
	Internal Loans - Repaid	\$2,846	\$2,846	\$2,846
	To -STEW JETTIES General	\$24,555	(\$32,046)	(\$32,046)
	Ex-STEW JETTIES General	\$0	(\$23,521)	(\$108)
	To Wharf replacment Golden Bay	\$0	\$0	\$0
	Ex- Wharf Replacmnt Golden Bay	(\$114,232)	\$0	\$0
	To Wharf replacmnt Ulva Island	\$97,857	\$0	\$0
	Ex - District Operations Reser	\$0	\$0	\$0
	Add Back Non Cash Depn	(\$11,332)	(\$31,092)	(\$31,092)
Funding Sources Total		(\$306)	(\$103,813)	(\$80,400)
Stewart Island Jetties Total		(\$0)	\$0	\$0

ATTACHMENT D

Detailed Individual Business Units for the year ending 30 June 2020

	Actual	Forecasted Budget	Annual Plan Budget
SIESA			
SIESA - Operations			
Income			
Leases	(\$6,000)	(\$6,000)	(\$6,000)
Connection Fees	(\$7,500)	(\$3,000)	(\$3,000)
Grants - Government (operating	(\$14,851)	\$0	\$0
General Recoveries	(\$6)	\$0	\$0
Proceed on Sale of Asset	\$0	\$0	\$0
NBV of Assets Disposed	\$29,369	\$0	\$0
SIESA - Electricity Charges	(\$1,143,337)	(\$1,055,424)	(\$1,055,424)
Interest - Operating Investmen	(\$48,936)	(\$47,730)	(\$47,730)
Interest - Other	\$91	\$0	\$0
Internal - Land & Building Rent	(\$634)	\$0	\$0
SIESA Electricity Internal	(\$95,031)	(\$113,877)	(\$113,877)
Internal - Grant Income	(\$5,000)	\$0	\$0
Income Total	(\$1,291,836)	(\$1,226,031)	(\$1,226,031)
Operational Expenditure			
Telephone - Rentals	\$0	\$664	\$664
Bad Debts	(\$1,388)	\$3,000	\$3,000
Bank Charges	\$3,131	\$3,475	\$3,475
Cash Security Services	\$3,072	\$2,000	\$2,000
Debt Collection Costs	(\$59)	\$0	\$0
Eftpos Charges	\$0	\$161	\$161
Material Damage Insurance	\$8,312	\$5,316	\$5,316
Public Liability Insurance	\$1,211	\$596	\$596
Other Insurance	\$487	\$511	\$511
Vehicle Insurance	\$192	\$256	\$256
Advertising - Other	\$0	\$235	\$235
Postage	\$0	\$1,533	\$1,533
Stationery	\$0	\$511	\$511
Accommodation and Meals	\$91	\$93	\$93
Travel	\$0	\$822	\$822
GIS Data Subscription	\$0	\$920	\$920
SIESA - Stock Adjustment	\$2,890	\$0	\$0
Consultants	\$56,417	\$57,925	\$6,290
Legal Costs	\$0	\$1,257	\$1,257
Rates	\$2,477	\$3,002	\$3,002
Management Fee	\$624,076	\$649,039	\$400,182
Generation - Maintenance	\$37,654	\$69,114	\$69,114
Distribution - Maintenance	\$9,763	\$21,266	\$21,266
Fuel	\$417,900	\$493,027	\$430,641
Registration	\$295	\$0	\$0
Vehicle Repairs & Maintenance	\$697	\$1,613	\$1,613
Depn - Buildings	\$11,679	\$9,254	\$9,254
Depn - Vehicles	\$1,328	\$1,328	\$1,328
Depn - Other Equipment	(\$0)	\$433	\$433
Depn - Other Plant	\$69,783	\$136,086	\$136,086
Internal - Vehicle Hire	\$34	\$0	\$0
Internal - Financial Services	\$59,731	\$54,350	\$54,350
Internal - Area Eng Services	\$16,163	\$16,163	\$16,163

		Actual	Forecasted Budget	Annual Plan Budget
	Internal - Postage	\$0	\$511	\$511
	Internal-Tfr Stn Refuse fees	\$0	\$287	\$287
	SIESA Electricity Internal Expe	\$1,827	\$2,655	\$2,655
Operational Expenditure Total		\$1,327,761	\$1,537,403	\$1,174,525
Net Operating (Surplus)/Deficit		\$35,926	\$311,372	(\$51,506)
Capital Expenditure				
	Other Plant - Renewal	\$31,859	\$67,000	\$464,633
	WIP - Improvements	\$57,417	\$0	\$0
	WIP - Other	(\$71,627)	\$0	\$0
Capital Expenditure Total		\$17,649	\$67,000	\$464,633
Funding Sources				
	To-SIESA - Operations - OP	\$95,668	\$145,974	\$145,974
	Ex-SIESA - Operations - OP	(\$38,038)	(\$377,245)	(\$412,000)
	To NFS Siesa	(\$79,604)	(\$147,101)	(\$147,101)
	Add Back Non Cash Depn	(\$29,369)	\$0	\$0
Funding Sources Total		(\$51,342)	(\$378,372)	(\$413,127)
Balance Sheet Movement				
	Stores	(\$2,890)	\$0	\$0
	Expenses Accrual	\$658	\$0	\$0
Balance Sheet Movement Total		(\$2,232)	\$0	\$0
SIESA - Operations Total		\$0	(\$0)	\$0
SIESA - Kerbside				
Income				
	General Recoveries	(\$17)	\$0	\$0
	Proceed on Sale of Asset	\$0	\$0	\$0
	NBV of Assets Disposed	\$0	\$0	\$0
	Internal - Waste/Kerbside	(\$104,576)	(\$106,942)	(\$106,942)
Income Total		(\$104,593)	(\$106,942)	(\$106,942)
Operational Expenditure				
	Recycling Freight 1	\$10,091	\$10,748	\$10,748
	Fuel	\$3,319	\$2,774	\$2,774
	Misc Plant Charges	\$132	\$4,000	\$4,000
	Depn - Vehicles	\$0	\$265	\$265
	Depn - Other Plant	\$135	\$135	\$135
	Internal - Financial Services	\$4,252	\$3,653	\$3,653
	Internal - Area Eng Services	\$2,571	\$2,571	\$2,571
	Internal Wages Oncost	\$33,670	\$33,670	\$33,670
Operational Expenditure Total		\$54,170	\$57,816	\$57,816
Net Operating (Surplus)/Deficit		(\$50,423)	(\$49,126)	(\$49,126)
Funding Sources				
	To-SIESA - Operations - OP	\$50,558	\$49,526	\$49,526
	Ex-SIESA - Operations - OP	\$0	\$0	\$0
	To NFS Siesa	(\$135)	(\$400)	(\$400)
Funding Sources Total		\$50,423	\$49,126	\$49,126
SIESA - Kerbside Total		\$0	\$0	\$0

		Actual	Forecasted Budget	Annual Plan Budget
SIESA - Staff House				
Income	Rentals	\$0	(\$5,200)	(\$5,200)
Income Total		\$0	(\$5,200)	(\$5,200)
Operational Expenditure	Material Damage Insurance	\$1,225	\$981	\$981
	Rates	\$1,913	\$1,850	\$1,850
	Depn - Buildings	\$1,695	\$1,695	\$1,695
	Depn - Improvement	\$2,437	\$948	\$948
	SIESA Electricity Internal Expe	\$3,812	\$0	\$0
	internal - Insurance Valuation	\$150	\$0	\$0
Operational Expenditure Total		\$11,232	\$5,474	\$5,474
Net Operating (Surplus)/Deficit		\$11,232	\$274	\$274
Funding Sources	To-SIESA - Operations - OP	\$4,132	\$2,369	\$2,369
	Ex-SIESA - Operations - OP	(\$11,232)	\$0	\$0
	To NFS Siesa	(\$4,132)	(\$2,643)	(\$2,643)
Funding Sources Total		(\$11,232)	(\$274)	(\$274)
SIESA - Staff House Total		\$0	\$0	\$0

		Actual	Forecasted Budget	Annual Plan Budget
SIESA - Waste Recovery				
Income	Sales External	(\$6,787)	(\$6,500)	(\$6,500)
	Internal - Waste/Kerbside	(\$204,581)	(\$212,174)	(\$212,174)
	Internal - Wages Oncharged	(\$33,670)	(\$33,670)	(\$33,670)
Income Total		(\$245,038)	(\$252,344)	(\$252,344)
Operational Expenditure	Cell Phone Charges	\$1,004	\$0	\$0
	Telephone - Rentals	\$1,133	\$1,533	\$1,533
	Vehicle Insurance	\$552	\$1,047	\$1,047
	Freight	\$21	\$0	\$0
	Sea Freight	\$0	\$400	\$400
	Road Freight	\$63,038	\$45,990	\$45,990
	Waste Disposal Freight	\$0	\$10,220	\$10,220
	Recycling Freight 1	\$0	\$2,472	\$2,472
	Office Consumables	\$883	\$750	\$750
	Ordinary Time	\$146,707	\$137,859	\$137,859
	Allowance - Taxable	\$5,849	\$3,521	\$3,521
	Accident Compensation	\$2,742	\$1,689	\$1,689
	Protective Clothing	\$0	\$1,000	\$1,000
	Training	\$0	\$1,056	\$1,056
	Travel	\$6,861	\$0	\$0
	Training - Travel	\$0	\$1,000	\$1,000
	Training - Accom & Meals	\$0	\$500	\$500
	Medical Supplies	\$0	\$200	\$200
	Flu Injections	\$0	\$0	\$0
	Materials	\$4,158	\$538	\$538
	Consultants	\$159	\$0	\$0
	Contractor - Temporary	\$10,215	\$0	\$0
	Road User Charges	\$0	\$280	\$280
	Registration	\$326	\$1,264	\$1,264
	Misc Plant Charges	\$2,983	\$5,000	\$5,000
	Vehicle Repairs & Maintenance	\$14	\$6,449	\$6,449
	Depn - Vehicles	\$4,005	\$3,899	\$3,899
	Depn - Other Plant	\$538	\$755	\$755
	Internal - Computer Hire	\$8,947	\$8,947	\$8,947
	Internal - Financial Services	\$4,252	\$3,653	\$3,653
	Internal - Area Eng Services	\$2,571	\$2,571	\$2,571
	SIESA Electricity Internal Expe	\$4,250	\$3,854	\$3,854
	internal - Insurance Valuation	\$0	\$0	\$0
Operational Expenditure Total		\$271,206	\$246,447	\$246,447
Net Operating (Surplus)/Deficit		\$26,168	(\$5,897)	(\$5,897)
Funding Sources	To-SIESA - Operations - OP	\$19,585	\$10,551	\$10,551
	Ex-SIESA - Operations - OP	(\$41,210)	\$0	\$0
	To NFS Siesa	(\$4,543)	(\$4,654)	(\$4,654)
Funding Sources Total		(\$26,168)	\$5,897	\$5,897
SIESA - Waste Recovery Total		\$0	\$0	\$0

Council Policies Under Review - Consultation

Record No: R/20/10/62019

Author: Carrie Adams, Intermediate Policy Analyst

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to provide information about four policies that are currently being reviewed by Council.
- 2 It is recommended that the community board make a submission on the draft policies, during the formal consultation period.

Executive Summary

- 3 The following policies are currently being reviewed by Council:
 - Significance and Engagement Policy
 - Policy on Development and Financial Contributions
 - Procurement Policy
 - Revenue and Finance Policy.
- 4 At its meeting on 21 October 2020, Council endorsed the draft policies and released them for public consultation. Consultation will run concurrently for each of these policies from 4 November to 4 December 2020.
- 5 In the new year, staff will present any submissions received on the draft policies to Council, and Council will progress the policies through to the adoption stage.
- 6 This report provides a summary of each draft policy, and recommends that the community board make a formal submission on each policy, during the consultation period.

Recommendation

That the Stewart Island/Rakiura Community Board:

- a) Receives the report titled “Council Policies Under Review - Consultation” dated 28 October 2020.**
- 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) Determines that it will make a formal submission on the following draft policies:**
 - Significance and Engagement Policy**
 - Policy on Development or Financial Contributions**
 - Procurement Policy**
 - Revenue and Financing Policy.**
- e) Notes that the consultation period is from 8am, 4 November to 5pm, 4 December 2020.**

Background

- 7 A number of policies are being reviewed by Council. This report provides a brief summary about each of these policies, to inform the community board. The full text of each policy will be available during the public consultation period on Council's online consultation platform. This is also where people are encouraged to make a submission through the online survey. The online survey can be accessed through Council's site at <https://www.southlanddc.govt.nz/> and selecting 'have your say' on the home page. Hard copies will also be available on request at Council's offices and libraries across the District.

Issues

- 8 Below is a summary of each of the four policies being reviewed. This information will also be available on Council's site during the consultation period, to inform submitters.

Significance and Engagement Policy

- 9 The Significance and Engagement Policy outlines Council's general approach to determining the significance of proposals and decisions. This policy includes criteria Council will use in assessing which issues, proposals, decisions and other matters are significant. It also lists assets Council considers to be strategic assets.
- 10 The policy also highlights when something is significant, and how Council will engage with the community in these instances. This will be in line with Council's commitment to applying best practice consultation methods.
- 11 This policy exists to inform you about what you can expect from Southland District Council regarding consultation and ways to influence and participate in the decision-making of Council.
- 12 All councils are required to have a Significance and Engagement Policy and review it every three years. Only minor changes have been made to this policy since it was last reviewed, in order to provide clarifications and updates.

Policy on Development and Financial Contributions

- 13 The Policy on Development and Financial Contributions records how and when Council proposes to use development and financial contributions, what they fund and why.
- 14 Development contributions (DCs) are a payment made to Council that pay for the impact that new developments have on services and infrastructure, such as water supply, wastewater and community facilities. DCs may not be charged unless the proposed development creates a demand for new assets, or an increased capacity of assets; they may not be charged for the replacement or upkeep of assets.
- 15 DCs have not been charged to developers since 2015. Council's current position is that they are a disincentive to development. Council wants to encourage development and economic growth, so proposes to fund the capital expenditure cost of new developments from other sources.
- 16 The draft policy puts DCs in remission, but outlines how they would be charged if Council chose to take DCs out of remission and charge for them.
- 17 Financial contributions (FCs) are a capital charge for works undertaken to mitigate the environmental effects of an activity.

- 18 How Council charges for FCs is set out in the District Plan. FCs are currently being charged to offset adverse effects of a subdivision, land use or development on Council's roading or reserve infrastructure.
- 19 Only minor changes have been made to the draft policy to update the population growth projections, financial figures, dates and changes to legislation.
- 20 All councils are required by law to have either a development contributions policy or a financial contributions policy, and review it every three years. Southland and several other city and district councils have chosen to not have development contributions.

Procurement Policy

- 21 The draft Procurement Policy contains high level objectives and policy statements that will guide procurement decisions for Council and provide potential suppliers information about Council's procurement practices. Procurement is the process of purchasing and delivering goods, services and works. The policy statements included in the draft policy are:
- procurement will be in accordance with legal process/legislation
 - procurement will be consistent across Council
 - Council will foster relationships with suppliers
 - Council will make procurement decisions based on achieving public value
 - there will be a sound business approach to procurement
 - risk will be managed appropriately
 - procurement decisions will be made in accordance with delegated authority.
- 22 The draft policy differs from the current policy as it only contains high level policy information, not the practical steps that staff must take to procure. Changes have also been made so the draft policy aligns to the Government Procurement Rules that came into effect in 2019.
- 23 To sit alongside the policy, staff are developing a procurement manual that will outline the practical steps that staff will have to go through to procure.
- 24 The Office of the Auditor General and the Government Procurement Rules outline that councils should have their own procurement policy and processes in place.

Revenue and Finance Policy and Rating Review

- 25 The draft Revenue and Financing Policy sets out the ways Council intends to pay for the operating and capital expenditure of each activity that Council provides, and why.
- 26 This policy is set at a relatively high level and provides the framework for how Council will fund its activities and how it will set rates and fees as part of the 2021 Long Term Plan (effective from 1 July 2021).
- 27 The budgets that each community board sets for their activities as part of the LTP will be grouped into the various Council activities and associated funding sources included in the draft policy.
- 28 From a content point of view, a number of changes have been made to the structure of the policy to strengthen the relationship between the policy decisions and the related legislative

considerations which inform the policy (such as the assessment of benefit, rationale for funding and modifications of the benefit assessment affecting the funding choices). An assessment of private/public funding splits for each activity has also been included.

- 29 From a policy perspective, over the past nine months staff have held various workshops with community boards and the Council to discuss what changes might be needed to the policy and subsequently Council's rating policies. This included discussing who benefits from the local activities that boards provide, who should pay for these activities and how Council might rate for them.
- 30 As part of the consultation, the public is also able to comment on any part of the draft policy, not just on the changes proposed.
- 31 Board members will be aware of the majority of the proposals given their involvement to date. However some proposed changes relate to specific boards or District activities that have subsequently been agreed by Council. As such, Council is seeking board feedback on these proposals as part of the consultation process as well as the policy more generally.
- 32 The key changes proposed, either as part of the draft policy or proposed approach to rating, using the current 2020/2021 budgets include the following.

How local activities are funded

- **local representation** costs for all community boards (as part of the representation and advocacy activity) to be funded across all properties in the District through the general rate rather than as part of a local rate targeted to individual community board areas. Using the current budgets this would equate to \$17 per property compared to retaining the current rating approach where properties would pay between \$11-\$53, depending on their rating area. This change is being proposed because local community board representation now covers all people/properties in the District and therefore provides benefits for all properties within the District.
- **cemeteries** costs to be funded across all properties in the District through the general rate rather than as part of a local rate over the community board area. Using the current budgets this would equate to \$5 per property compared to retaining the current rating approach where properties would pay between \$0-\$96, depending on their rating area. This change is being proposed given that Council owned cemeteries and cemetery records are available to entire District and there is little variation between the operations and maintenance of different cemeteries.
- **litter bins** (as part of the open spaces activity) to be funded across all properties in the District through the general rate rather than as part of a local rate over the community board. Using the current budgets this would equate to \$17 per property compared to retaining the current rating approach where properties would pay between \$0-\$121 depending on their rating area. The change is being proposed given that litter bins are primarily for visitors/tourists travelling through areas rather than local residents.
- **stormwater** to be funded through a separate targeted set District-wide rate with a differential for "serviced" areas (that pay a full charge) and "unserved" areas (that pay a quarter charge) to reflect that those areas that have a stormwater network have a higher benefit. The serviced and unserved areas are defined by mapped rating boundaries (these will be available online as part of the consultation material). Using the current budgets this would equate to \$46 per property in serviced areas and \$12 per property in rural areas compared to retaining the current rating approach where properties would pay between \$0-\$108 depending on their

rating area. The change is being proposed given that the nature of the benefit provided by stormwater is similar across the district and individual communities have less discretion about how this activity can be operated or to what level with increasing environmental and compliance standards being set.

- establishment of **new targeted community board** rates to fund the remaining activities that the board provides including footpaths and a portion of the open spaces activity related to local parks, playgrounds, and streetscapes and water facilities.

The new community board rates would also replace the existing targeted ward rates and are proposed to align with the representation boundaries. All properties within these boundaries will pay the rate. A differential would be used to reflect different levels of benefit/use as follows:

- “urban” properties within the defined rating area would pay a full charge
- “semi-urban” properties within the defined rating area would pay a half charge
- “rural” areas outside the urban and semi-urban areas would pay a quarter charge.

The approach proposed reflects that more urban properties have easier access and therefore a higher benefit. The urban, semi-urban and rural areas would be defined by mapped boundaries. Urban areas would consist of townships with all or a majority of community board activities that are provided at scale and with larger populations. Semi-urban would consist of townships with most of the activities provided but at a small scale with smaller populations and rural areas would consist of areas with very few local infrastructure/services, if any.

Table in the Attachment A shows these changes for each community board area.

The amount that properties in each community board area pays would differ depending on the facilities and infrastructure in the area and levels of service to be provided. Using the current budgets this would result in the following rates for each community board:

- Ardlussa (urban: \$116; semi-urban N/A; rural \$29)
- Fiordland (urban: \$206; semi-urban N/A; rural \$52)
- Northern (urban: \$224; semi-urban \$112; rural \$56)
- Oraka Aparima (urban: \$215; semi-urban \$107; rural \$54)
- Oreti (urban: \$145; semi-urban \$72; rural \$36)
- Stewart Island/Rakiura (\$146)
- Tuatapere Te Waewae (urban: \$196; semi-urban \$98; rural \$49)
- Waihopai Toetoe (urban: \$196; semi-urban \$98; rural \$49)
- Wallace Takitimu (urban: \$217; semi-urban \$109; rural \$54)

The change is being proposed to address differences in who is paying for the same types of activities in different parts of the district and, inconsistencies in how (and where) differentials are applied to these rates, where:

- some targeted rates for these activities are in township areas only

- some targeted rates cover large rural areas
- some targeted rates use commercial, urban and rural differentials (based on rating landuse categories) to charge some groups more or less than others, and
- some township areas receive funding for selected activities from the ward rate and others do not.

Council believes there is a need to address these inconsistencies in how the same activity is being funded across the District, particularly given that based on the assessment of benefits undertaken by Council and community boards, there is very little difference that would justify such a variable rating approach

33 This approach addresses the outcomes Council is seeking to:

- address inconsistencies in how activities are funded across the District where possible
- simplify the approach to rating and funding
- reflect Council's new representation structures
- reflect legislative requirements and Council's vision.

Stewart Island/Rakiura Sustainability Review – funding of jetties and electricity supply

34 As part of the Stewart Island/Rakiura Service Sustainability Study presented to Council in February 2020, Council resolved to give specific consideration to the issues and options that might exist in relation to the delivery of services to the Stewart Island/Rakiura community as it progresses its review of the Revenue and Financing Policy for the 2021 LTP and give specific consideration to options for funding of the jetties activity as part of the policy.

35 The report identified that Council faces a number of service sustainability challenges in providing and funding the delivery of services, particularly local activities, to the Stewart Island/Rakiura community. The report identified that as part of the review of the policy Council should have regard the options available for the funding of each of its activities, including considering the relative merits of a mix of District and local funding for each activity including jetties and SIESA.

36 The report suggested that the review of the policy should specifically consider the distribution of benefits for locally funded activities and the extent to which activities such as jetties might have a broader public good through, for example, the provision of access.

37 More detail on this is detailed in Attachment B.

38 As a result of this, Council is proposing a revised funding mix based on the assessment of benefit and public good (noting that the activity is currently fully funded by fees). The table outlines the broad funding bands that will apply to the activity, with the specific contributions to be determined as part of the LTP 2021-2031 once expenditure has been confirmed.

Proposed funding source	Current funding	Proposed funding	Applied to
Local targeted rate	0%	0-10%	Stewart Island/Rakiura Community Board ratepayers
Fees and charges	100%	60%-70%	Commercial wharf/jetty users
Grants and subsidies	None fixed	0-20%	Visitor levy (subject to discussions) or from other sources
General rate	0%	0-30%	Ratepayers in Southland District

- 39 In addition, Council is also considering amending the funding approach for Stewart Island Electricity Supply (SIESA) which provides electricity on the island. The majority of the funding for this activity currently comes from charges to consumers.
- 40 Council is considering introducing a separate targeted rate with differentials on properties in the electricity supply distribution area to collect a portion of the cost (in addition to fixed and variable consumption charges billed to consumers). Council would set the rate on a differential basis depending on whether the rating unit is either connected (full charge) or able to be connected and not connected to the electricity supply network (half charge).
- 41 While staff are satisfied that the proposed electricity availability charge is able to be levied under the Local Government Rating Act, at the time of writing staff are carrying out further investigations as to whether there are any constraints in relevant electricity legislation and regulations that may prevent a rate from being applied. Staff will present any pertinent findings to Council when this report is presented.

Waste management rate

- 42 Council currently collects a separate District-wide targeted rate for waste management. This rate is used to fund part of the Solid Waste activity which relates to the operation of transfer stations, greenwaste sites and recycling drop-off centres. It also involves dealing with litter and illegal dumping as well as the waste minimisation activities. Council is proposing to remove the waste management targeted rate, with funding to be taken from the general rate. This is because Council does not believe that there is a need for separate funding, particularly given the public good element of the activity and the similar way that the rate is set in line with the general rate. The change will also help to reduce ratepayer confusion with the rubbish and recycling wheelie bin rates.

Te Anau Airport rate

- 43 Staff have received a request from the Fiordland Community Board requesting that Council consider providing general rate funding for capital expenditure and possibly operating expenditure related to the Te Anau Manapouri Airport activity. This request suggests not including the current loan for the airport development which they propose would continue to be paid solely by those in the Fiordland area. As an outcome of Council's discussion at its meeting on 21 October 2020, this proposal will be included in the policy for consultation.

Wastewater – changes considered but not progressed

- 44 As part of the workshops held to discuss the funding for the activities, the Council considered way it funds District wastewater activities in preparation for the 2021-31 LTP. Council's current funding approach for wastewater is as follows:
- i) A full charge per Separately Used or inhabited Part of a Rating Unit (SUIP) for any residence that is connected or able to be connected but not connected,
 - ii) A half charge for any non-contiguous vacant land within the boundary which are able to be connected but are not connected, and
 - iii) A full charge per pan/urinal for all other property that is connected or able to be connected but not connected
- 45 Council looked at various options to change the approach including:
- changing the full charge per pan/urinal (iii) to reduce the impact on properties that have multiple pans (by using a half charge or sliding scale of charges depending on the number of pans)

- increasing the charge on vacant land from a half charge to a three quarter charge.

46 However, after considering the relevant legislative funding considerations and the assessment of benefit/use of the network, Council is proposing to retain the current approach.

Factors to Consider

Legal and Statutory Requirements

47 Council is legally required to adopt and undertake regular reviews of a:

- Significance and Engagement Policy
- Policy on Development or Financial Contributions
- Revenue and Financing Policy.

48 It is considered best practice to have a procurement policy and to undertake regular reviews of the policy.

Community Views

49 Council has endorsed a consultation process on the draft policies in accordance with s.82 of the LGA.

50 Council will make the draft policies and relevant information publicly available (in accordance with s.82A of the LGA), and encouraged people to give feedback on Council's 'make it stick' platform, by:

- placing an advertisement in the Ensign and Southland Express
- promoting the consultation on Council's Facebook page
- having the draft policy accessible on Council's website and at all of its offices.

51 The consultation process will allow Council to capture and consider community views regarding these policies.

Costs and Funding

52 There will only be minor costs associated with progressing the draft policy through the consultation process, including the costs associated with staff time and advertising. These costs will be met within current budgets.

Policy Implications

53 Policy implications vary for each policy as outlined below:

Significance and Engagement Policy

If adopted, it is likely that Council will reach similar conclusions on the level of significance of particular matters, and that community engagement will occur with similar frequency and in similar form, to what is done currently.

Policy on Development and Financial Contributions

54 If adopted, this policy would continue to have DCs in remission. This means that DCs will not be assessed when development takes place.

- 55 Continuing to have the DC part of the policy in remission would mean that the costs associated with demand are borne by ratepayers (and by those who have paid previous DCs). However, Council has taken an approach that encourages development in Southland District, recognising that this will benefit the community as a whole.

Procurement Policy

- 56 The draft Procurement Policy differs from the current policy, as the draft just includes high-level policy information. On this basis, the current and draft policies will be used quite differently.
- 57 The draft Procurement Policy places more emphasis than the current policy on undertaking appropriate procurement planning, keeping records of procurement activities, and having good relationships with suppliers. The draft policy also places more emphasis on identifying and managing risk appropriately, through the procurement process.

Revenue and Finance Policy

- 58 If adopted, this policy and the related approach to rating would be the basis on which the draft Long Term Plan (LTP) would be prepared. As such, depending on the expenditure proposed in the LTP, there may be a need to further review the policy and proposed rating approach if there are significant expenditure changes that would impact the proposed funding methods. This will be considered early in 2021.
- 59 As outlined earlier in the report, the draft policy as prepared proposes changes to the funding of selected activities to better reflect the assessment of benefit and need for separate funding following feedback provided by community boards and Council. However, these changes are a relatively minor part of the policy with the majority of the draft policy in line with the current policy.

Analysis

Options Considered

- 60 There are three options for consideration in this report:
- option 1 – that the community board make a submission on each of the four draft policies discussed in the report
 - option 2 - that the community board make a submission on some, but not all, of the four draft policies
 - option 3 – that the community board do not make a submission on any of the four draft policies.

Analysis of Options

Option 1 – that the community board make a submission on each of the four draft policies

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• ensures that the community board is providing input to important Council policies.	<ul style="list-style-type: none">• is a time commitment.

Option 2 – that the community board make a submission on some, but not all, of the four draft policies

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">community board is providing input to some Council draft policies.	<ul style="list-style-type: none">is a time commitmentsome policies will not receive feedback from the community board.

Option 3 – that the community board do not make a submission on any of the four draft policies

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">no known advantages.	<ul style="list-style-type: none">the community board will be missing an opportunity to provide input into several important Council policies.

Assessment of Significance

- 61 It has been identified that this matter is of lower significance in relation to the current Significance and Engagement Policy.

Recommended Option

- 62 It is recommended that the community board proceed with option 1 and make a formal submission on each of the four policies discussed in this report.

Next Steps

- 63 As discussed above, Council endorsed the policies for consultation, and staff will undertake a consultation process in accordance with s.82 of the LGA from 4 November to 4 December 2020. It is intended that the written submissions received will be presented to Council in early 2021.
- 64 If, after undertaking consultation, Council endorses the proposed changes in the draft policies, Council would then adopt the policies, to come into effect after adoption, in 2021.

Attachments

There are no attachments for this report.

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

C8.1 Stewart Island/Rakiura Community Board Area Approval of unbudgeted expenditure for mowing and gardening

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Stewart Island/Rakiura Community Board Area Approval of unbudgeted expenditure for mowing and gardening	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.