



Notice is hereby given that an Ordinary meeting of Southland District Council will be held on:

Date: Wednesday, 23 June 2021
Time: 9am
Meeting room: Council Chamber
Venue: Level 2
20 Don Street
Invercargill

Council Agenda OPEN

MEMBERSHIP

Mayor	Mayor Gary Tong
Deputy Mayor	Ebel Kremer
Councillors	Don Byars
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

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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.

Health and safety – emergency procedures

Toilets – The toilets are located outside of the chamber, directly down the hall on the right.

Evacuation – Should there be an evacuation for any reason please exit down the stairwell to the assembly point, which is the entrance to the carpark on Spey Street. Please do not use the lift.

Earthquake – Drop, cover and hold applies in this situation and, if necessary, once the shaking has stopped we will evacuate down the stairwell without using the lift, meeting again in the carpark on Spey Street.

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Nil	

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

Councillors are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a councillor 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 by www.southlanddc.govt.nz or by phoning 0800 732 732.

5 Extraordinary/urgent items

To consider, and if thought fit, to pass a resolution to permit the Council 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

7.1 Meeting minutes of Council, 19 May 2021

Risk management - June 2021 quarterly update

Record No: R/21/4/15598

Author: Jane Edwards, Policy Analyst

Approved by: Trudie Hurst, Group Manager Customer Delivery

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to:
 - a) seek adoption of Council's revised top strategic risks with a proposed operational date of 1 July 2021
 - b) inform Council of the significant strategic and corporate risks for the June 2021 quarter.

Executive Summary

- 1 A risk management framework (RMF) was adopted by Council in February 2019. This framework supports risk thinking across Council so that risk can be understood, planned for and mitigated across all levels and activities.
- 2 As part of the RMF, Council's priority strategic risks were identified and endorsed in June 2020 and these form the basis of the quarterly risk report (including the risk register) which is monitored and managed by the executive leadership team (ELT) with oversight from the Finance and Assurance Committee (the committee).
- 3 ELT have reviewed the status of the current ten priority risks endorsed by Council and these were presented to the committee for the June 2021 quarterly risk management update.
- 4 Following consideration at its meeting on 15 June 2021, the committee stated it had confidence in the management of the current priority risks to Council for the June quarter. Any significant areas of issue are highlighted in this report for Council's information.
- 5 In order that the ongoing risk management process remains relevant and continues to support governance in its decision making, ELT is required by the RMF to undertake an annual review of its priority risks.
- 6 The review process took place over three workshops over the last quarter. The review identified 11 priority risk areas that may significantly impact Council's achievement of its current strategic objectives.
- 7 This report seeks adoption of the revised priority strategic risks with a proposed operational date of 1 July 2021.
- 8 The revised priority strategic risks are presented as Attachment A for the Council's consideration.
- 9 The draft committee risk register for June 2021, which serves as the basis for proposed risk management reporting going forwards, is included for Council's information as Attachment B.

- 10 The matrices used to assess the risks are included for information as Attachment C.

Recommendation

That the Council:

- a) **Receives the report titled “Risk management - June 2021 quarterly update ” dated 3 June 2021.**
- 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) Adopt the revised priority strategic risks as follows to become effective 1 July 2021:
 - i. Change and reform – the risk that Council has inadequate adaptability to respond to a continuously changing environment
 - ii. Climate change – the risk that Council fails to adapt to, or mitigate the effects of, climate change impacts
 - iii. Compliance and fraud – the risk that Council is unable to adapt to the impacts of fraud and increasing compliance standards on the organisation
 - iv. Cyber security – **the risk that Council’s systems are vulnerable to cyber-attack and/or error**
 - v. Data and systems – the risk of ineffective and inefficient use of information in **Council’s decision-making**
 - vi. Disaster event – the risk that Council is unable to respond to the consequences of a natural or human-induced event impacting the District
 - vii. Health, safety and wellbeing – the risk of health, safety and wellbeing harm to staff, contractors and community
 - viii. Public health – the risk that Council exposes the community to a public health emergency
 - ix. Relationships and reputation – the risk that Council fails to manage its local, regional and national relationships. The risk that Council suffers reputational damage because of service delivery failure
 - x. Resource and delivery – the risk of non-performance/delivery of committed outcomes and meeting expectations
 - xi. Strategy and direction – the risk of poor or ineffective decision-making due to lack of strategic integration and alignment
- e) Notes that the revised top strategic risk areas are no longer given weighted scores in the non-ranked risk register proposed.

Annual priority risk review

Background

- 11 ELT jointly owns the current ten priority risks for Council and is responsible for maintaining oversight of the risks, controls and treatments. In order that the ongoing risk management process remains relevant and continues to inform consistent and effective decision making, ELT is required by the RMF to undertake an annual review of its priority risks.
- 12 The risk review objectives were to:
 - evaluate Council's current risks against the internal and external landscape to identify the top strategic risks facing Council
 - develop a simpler and more integrated risk register by focusing on key strategic risk areas
 - improve the effectiveness of the risk management process by improving alignment with strategic objectives
 - assign responsibility for risks at executive level and begin the process of embedding risk management throughout the organisation.
- 13 The review process utilised a wide range of internal and external inputs including:
 - internal – including ELT, finance and assurance committee, and subject matter experts
 - external - environment scanning including other local governments in New Zealand and global risk reports
 - Council's chief executive's objectives
 - Long Term Plan 2021-2031
- 14 The revised priority strategic risk areas were considered and approved by the committee at its meeting 15 June 2021
- 15 Following consideration at its meeting on 15 June 2021, the committee recommended that Council adopts the revised top strategic risks with an operational date of 1 July 2021.

Issues

Risk priorities

- 16 A key outcome of the review process was the refocusing of the risk monitoring lens. The current priority strategic risks were felt to have a narrow focus and instead it was proposed to focus on key strategic risk areas. This has resulted in the broadening of scope to focus on an initial eleven risk areas. It is acknowledged that there are overlaps between the proposed risk areas and these may be adjusted in the future as Council's risk management process matures.

Priority weightings

- 17 The strategic risk register has been priority weighted since the inception of the RMF in 2018. Priority weighting was intended to allow an objective calculation of how and where Council's resource should be allocated.
- 18 An outcome of the review process was to propose that priority weighting be discontinued as, in practice, it was considered that ranking had not been of benefit in terms of resource allocation. The risk of unconscious bias towards to top ranked risks has the potential of narrowing focus towards those risks sitting highest on the register which could result in misleading or inappropriate resource allocation. The lack of flexibility was also seen as detrimental with rankings set only once a year and via a process reliant on the RMF which is overdue a review to ensure its continued relevance.
- 19 Instead, and to reflect the broadening of scope that has characterised the annual review, the proposed priority risk areas are considered of equal importance to Council and are outlined in a single tiered risk register. This will allow prioritisation to be fluid for the reporting year with resource allocated where appropriate across the top risks. Governance will continue to have a clear indication of management's risk priorities by the utilisation of the risk thresholds and status to indicate where focus and resource could be directed each quarter.

Risk thresholds

- 20 A priority of the review process was to consider the pre-mitigation risk thresholds. Council is willing to accept a low to medium level of risk in pursuit of its objectives. If a risk is assessed as high or very high, then action will need to be taken to reduce the likelihood or impact. Assessment of these thresholds form the basis of identifying which risks require further attention
- 21 Reporting to date has detailed pre-mitigation thresholds as a 'current snapshot in time' – where a risk sits today with the current mitigations in place; post mitigation thresholds have been assessed as a target residual threshold once the proposed mitigations are in place.
- 22 As part of the annual review, these assessments have been shifted to allow for a less subjective approach and the following definitions will be adhered to going forwards:
- pre-mitigation is assessed as the current risk threshold assuming that the risk is accepted with no mitigations in response
 - post-mitigation is assessed as the current risk threshold assuming that those mitigations that are currently authorised have been implemented.
- 23 The RMF matrices used to assess risk thresholds are included as attachment C.

Accountability

- 24 As part of developing Council's risk maturity and initiating consistent and effective risk management practice across the organisation, the review process has resulted in risk leads and action officers being assigned to each risk area.
- 25 While ELT continue to jointly own Council's priority risks, a risk lead for each area has been nominated at group manager level and will provide oversight and direction on behalf of ELT.

- 26 An action officer sits at activity manager level and will provide feedback on each risk at a departmental level which can be used to inform the assessment and management of the priority strategic risks.

Proposed strategic risks

Change and reform

- 27 This risk looks to understand and manage both the external and internal factors that could have significant negative impact on Council's resilience. If Council does not have the capacity to respond to increasing levels of change then adequate financial planning and exploiting potential opportunities may be missed. Factors that could affect Council's adaptability could include an external impact such as a significant activity being removed because of legislative change required by central government (e.g. Three Waters), or internal impacts such as the change or loss of key staff/elected members causing a loss of momentum and/or change of direction.
- 28 Mitigations proposed will look to ensure that Council is able to be agile and flexible as change evolves and is not adversely affected by new or unpredictable developments. Council will continue to actively monitor and engage on this issue with LGNZ and central government to keep pace with anticipated reform expectations. Work will also continue internally with workforce planning and succession planning.

Climate change

- 29 This risk relates to Council being unable to adapt to, or mitigate against, the effects of climate change because of inadequate planning for anticipated impacts. Climate change effects are currently and will continue to result in significant uncertainty and challenge for the District. Not only will infrastructure be vulnerable, but so too will economic development and growth, community health and safety and social support systems.
- 30 To tackle the short and long term threats of climate change, Council will need to identify effective climate change mitigation and adaptation strategies to ensure it can meet the current and future needs of the community. While it is acknowledged that the uncertainty of climate change modelling and lack of clear direction from central government has slowed the development of a climate change strategy, it is essential that Council begins to proactively build capacity at a District level.
- 31 At a local level, this risk is particularly relevant to district planning (e.g. allowing urban development in hazard zones and managing those that have previously got consent) and the infrastructure team (e.g. identifying areas where critical infrastructure is vulnerable to the effects of climate change and relocating if needed).
- 32 An in depth analysis into this risk is proposed to be held with the committee in September 2021 and staff will consult with all internal subject experts in preparation so that a full evaluation of the risk can be undertaken.

Compliance and fraud

- 33 This risk highlights the effects of increasing compliance standards on council's strategic direction. New legislation from central government such as the Privacy Act, new climate change legislation and the Three Waters reform all have the potential to raise challenges in terms of compliance with central government timeframes. Additionally, if Council breaches legislation because of non-compliance with key employment and/or health and safety legislation, there is the potential risk of prosecution and financial penalty.
- 34 Given that a key trigger for this risk is poor resource allocation or prioritisation, mitigations proposed include focusing on 'must do' work e.g. tasks required by legislation and council resolution. Also proposed is forward planning for resourcing the work programme and escalating resourcing issues to ELT as required.
- 35 Council has a range of system and management controls in place to detect and prevent fraud. These include financial controls around procurement practices and authorisation, and regular and thorough management reporting. A draft procurement manual is currently being developed and will be in place by 1 July 2021. Work will continue to ensure that the procurement process is well documented and in line with Council's procurement manual, and supported by the training of all staff involved in procurement. Council is also currently developing a Fraud Policy and associated handbook, has nominated fraud control officers, and fraud awareness training has been proposed for all staff.

Cyber security

- 36 Council continues to experience activity in the cyber-attack space. This risk outlines the mitigations both proposed and in place that seek to manage the organisation's external and internal vulnerabilities.
- 37 Council's IT systems are potentially exposed to greater security threats because of the move towards online and cloud services resulting in the potential for hacking and subsequent outages and/or privacy breaches.
- 38 In order to identify mitigations to both internal and external facing vulnerabilities, Council has engaged an external consultant to create a cyber security strategy. While it is acknowledged that it is impossible to eliminate all risks, this work will identify the areas that Council will not be able to control, and the areas that can be mitigated against. This will clarify the work needed e.g. which risk areas will have to be accepted, work needed with staff and councillors, and policies required.

Data and systems

- 39 This risk looks to illustrate the consequences of incomplete or inaccurate data or systems on Council's ability to effectively and optimally manage its infrastructure and community assets.
- 40 Impacts include Council's ability to identify the true costs of operating its assets (and whether the current level of investment in maintenance and renewals is appropriately matched to asset criticality and condition), the accuracy of asset valuations and insurance coverage, proposed maintenance scheduling and asset management planning.
- 41 Mitigations to this risk include increasing organisation-wide knowledge of systems, processes and equipment with emphasis placed on documented process and procedures, internal and external audit and effective integration and communication between teams.

Disaster event

- 42 This risk relates to a natural or human-induced disaster event that occurs with little or no warning. The risk details the consequences, in terms of Council services, of being unable to appropriately respond to or recover from an emergency because of Council's inadequate emergency response and business continuity planning arrangements.
- 43 Council's emergency management is supported by continued collaboration with local emergency services, National Emergency Management Agency, and Emergency Management Southland (EMS). Emergency response mitigations include continued collaboration with EMS to coordinate response, appropriate and ongoing training of staff and continued review of Council's emergency preparedness.
- 44 Mitigations to this risk also include those that address financial impacts such as having appropriate insurance in place, significant borrowing capacity and a strong balance sheet to reduce reliance on ratepayers to fund recovery. Further work to develop business continuity planning is proposed.
- 45 Further consideration will be given to how Council could best support community resilience in the face of a disaster event and the mitigations that could be put in place such as effective engagement strategies and increased collaboration with Council. Lessons learned from the Covid-19 pandemic highlighted the importance of having effective community networks in place prior to a disaster event unfolding.

Health, safety and wellbeing

- 46 This risk outlines the consequences of a member of the public, a council employee or a contractor working on Council's behalf, being exposed to a critical risk because of the action or inaction of Council.
- 47 Council has a legal obligation to ensure appropriate protection against critical risks including vehicle movements, public health, working at height and contractor management. This strategic risk also incorporates psychosocial risk within the organisation such as mental and social wellbeing which can result in high staff turnover, absenteeism and other performance issues.
- 48 Mitigations include the ongoing implementation of the health and safety framework with particular emphasis on building understanding of Council's PCBU (Person Conducting a Business or Undertaking) obligations; and assessing the culture, systems and employment processes that will help to embed and strengthen health and safety awareness across the organisation.

Public health

- 49 This risk is primarily focused on Council's drinking water supply being disrupted or compromised, but also includes the potential of damaging discharges to water, land or air resulting in poor health outcomes for individuals or groups in the District.
- 50 Council has in place a robust compliance monitoring system and continues to develop processes and controls to ensure compliance with appropriate national and regional plans.

Relationships and reputation

- 51 This risk explores the impacts of dysfunctional strategic relationships internally and externally and the factors that might result in reputational damage.
- 52 Externally, the delivery of Māori outcomes is a key area that Council must consider if its Tiriti o Waitangi obligations are to be met. The risk incorporates the impacts of an incohesive relationship between iwi and Council along with incorporating the risks of dysfunctional relationships with community boards and key stakeholders.
- 53 Internally, consideration is also given to the consequences of poor relationships and mistrust between elected members, management and staff and the potential for resultant reputational damage, undermining of management decisions and/or the appointment of a Crown Manager to replace Council.
- 54 Current and proposed mitigations include relationship management within the organisation, with community boards and stakeholders; and programmes to build understanding of tikaanga Māori and Council's Treaty obligations.

Resource and delivery

- 55 This risk focuses on the significant strain on resources locally, nationally and globally, and the impact this has on achieving Council's strategic objectives. Organisational performance, the delivery of Council's committed outcomes, and meeting community expectations are significantly impacted by difficulties obtaining skilled resources and materials.
- 56 Council continues to monitor and analyse changes that may affect the market capacity and access to supply chains. Recruiting and retaining skilled resources is an issue nationally. Council will continue to support local careers based events while also pushing at a national level for a coordinated approach to help attract appropriately skilled people into the sector. In the meantime, Council continues to work with other councils and agencies to coordinate and share resources. Internally, mitigations include building a culture that encourages people to stay and to recruit into.

Strategy and direction

- 57 This risk looks to understand and manage both the external and internal factors that could have significant negative impact on Council's direction. It also highlights the potential that a lack of consistent direction-setting could result in poorly aligned and uninformed decisions that impact the community.

Quarterly risk management update

- 58 This section of the report highlights key issues or changes to the current strategic risk register for the June 2021 quarter.
- 59 The draft committee risk register for June 2021, which serves as the basis for proposed risk management reporting going forwards, is included for Council's information as Attachment B.

Issues

Risk 4 – Inadequate, incomplete and lack of strategy/policy impacts the wellbeing of the District

Risk 8 – Difficulty retaining or recruiting staff affects service levels

Risk 12 – Absence of key people with organisational knowledge impacts business continuity

- 60 ELT have considered aspects of these risks within workshop discussions regarding the proposed strategic risk area of Change and Reform.
- 61 This risk area is considered as worsening over the current quarter.
- 62 Council's resilience and ability to adapt has been tested by the high level of uncertainty regarding reform and legislative change from central government and, to a lesser extent, as a result of internal changes at senior management level within the organisation.
- 63 Further work will be undertaken over the next quarter to identify effective controls to treat this risk however staff will continue to monitor changes from central government in order to be as proactive as possible in planning for any change in approach.

Risk 3 – Infrastructure not fit for purpose to withstand climate change

- 64 ELT have considered aspects of this risk within workshop discussions regarding the proposed strategic risk area of Climate Change.
- 65 The risk status of climate change has changed from static to worsening this quarter.
- 66 This is based on the urgency of actions required by central government, businesses and organisations to reduce emissions, and the impact the transition will have on the economy, society and environment. Action on climate change is progressing at a faster rate than previously seen and it is likely that this will continue for the foreseeable future.
- 67 The Ministry for the Environment has informed councils that they are developing a toolkit for climate change risk assessments that can be applied at a local scale. The toolkit, in conjunction with the information released in the first National Climate Change Risk Assessment will guide meaningful and quantifiable mitigations that can be utilised against this risk.
- 68 In the interim, climate change considerations have been incorporated in to the draft Long Term Plan 21/31, draft Infrastructure Strategy and activity management plans.
- 69 An in-depth analysis of this risk area will be undertaken at a discussion workshop with the committee at its next meeting and any changes will be presented to Council at its September meeting.

Risk 1 – Inaccurate data leads to bad decisions/asset failure

- 70 ELT have considered aspects of this risk within workshop discussions regarding the proposed strategic risk area of Data and Systems.
- 71 While the data governance gap analysis work continues to be delayed until there is capacity to undertake it, this risk area continues to be assessed as improving. This is due to the increased focus placed on it over the last months and effective mitigations put in place.

Risk 9 – Over-commitment leads to inability to deliver agreed work programme

- 72 ELT have considered aspects of this risk within workshop discussions regarding the proposed strategic risk area of Resource and Delivery.
- 73 This risk area is assessed as improving this quarter as a result of Council endorsing a full work programme through the Long Term Plan 21/31. The establishment of a Project Delivery team is underway and recruitment is in progress.
- 74 To note, is the potential impact on this risk area should further Covid-19 lockdown impacts cause continued resourcing delays.

Risk 11 – Cyber security

- 75 ELT have considered aspects of this risk within workshop discussions regarding the proposed strategic risk area of Cyber Security.
- 76 This risk has not previously been reported on as its priority weighting fell outside the current top ten priority risks.
- 77 This risk is being continually monitored and managed but has a pre-mitigation threshold assessed as very high due to the volatile environment of the internet and the rapid changes occurring in technology.
- 78 Council has recently approved an external cyber security firm to develop a cyber security strategy. While it is acknowledged that it is impossible to eliminate all risks, this work will identify the level that Council has to accept, and which areas mitigations can be put in place against.

Analysis

Options Considered

- 79 Staff have identified three practical options for Council to consider:

Option 1 – Council adopts the revised priority strategic risks to become operational on 1 July 2021

Option 2 – Council endorses maintaining the status quo of the current risk management process

Option 3 – Council proposes a different way forward

Analysis of Options

Option 1 – Council adopts the revised priority strategic risks to become operational on 1 July 2021

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> this ensures clarity and focus is given to those risks deemed as most important to Council governance will have a clear indication of management's risk priorities the risk register will continue to give clarity to the community of Council's risk priorities setting a non-ranked risk register means prioritisation can be fluid for the reporting year 	<ul style="list-style-type: none"> this may mean that risks that have to date been deemed high priority do not continue to have the same level of scrutiny placed upon them this approach is not consistent with the risk management reporting to date this approach is not consistent with the risk management framework requirements there may be confusion resulting from a new reporting process risk of non-objective assessment of thresholds/status may result in inappropriate resource allocation

Option 2 – Council endorses maintaining the status quo

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> this will ensure the continued high level of scrutiny on risks that are currently considered most important to Council management will have clear indication of Council's risk priorities this is in line with the RMF requirements this is consistent with the current reporting process 	<ul style="list-style-type: none"> continuing to utilise the current risk register may result in misleading or inappropriate resource allocation rankings are set by the RMF which is overdue a review to ensure its relevance unconscious bias to top risks means that risks with lower rankings may not be considered with regularity this approach is not consistent with management's risk priorities

Option 3 – Council proposes a different way forward

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> this will give clarity as to Council's preferred direction for risk management and reporting 	<ul style="list-style-type: none"> continuing to utilise the current risk register until further direction is given may result in misleading or inappropriate resource allocation this approach is not consistent with management's risk priorities

	<ul style="list-style-type: none">• changing the risk management reporting process may have implications for the clear focus on what Council's top strategic risks are• this approach would not be consistent with the risk management framework
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Recommended Option

- 80 Staff recommend option 1 – that Council adopts the revised priority strategic risks with an operational date of 1 July 2021

Next Steps

- 81 On 1 July 2021, staff will begin the review process for the upcoming quarter and an assessment of the priority strategic risks will be presented to a committee of Council at its meeting in September 2021.

Attachments

- A Proposed priority strategic risks - 2021 [↓](#)
B Draft risk register - Finance and Assurance committee - June 21 quarter [↓](#)
C Risk management framework - risk matrices [↓](#)



Proposed priority strategic risks – 2021

ELT annual risk review 2021

CHANGE AND REFORM	Risk that Council has inadequate planning adaptability to respond to a continuously changing environment
CLIMATE CHANGE	Risk that Council fails to adapt to, or mitigate the effects of, climate change impacts
COMPLIANCE AND FRAUD	Risk that Council is unable to adapt to the impacts of fraud and increasing compliance standards on the organisation
CYBER SECURITY	Risk that Council's systems are vulnerable to cyber-attack and/or error
DATA AND SYSTEMS	Risk of ineffective and inefficient use of information in Council's decision-making
DISASTER EVENT	Risk that Council is unable to respond to the consequences of a natural or human-induced event impacting the District
HEALTH, SAFETY AND WELLBEING	Risk of health, safety and wellbeing harm to staff, contractors and community
PUBLIC HEALTH	Risk that Council exposes the community to a public health emergency
RELATIONSHIPS & REPUTATION	Risk that Council fails to manage its local, regional and national relationships Risk that Council suffers reputational damage because of service delivery failure
RESOURCE AND DELIVERY	Risk of non-performance/delivery of committed outcomes and meeting expectations
STRATEGY AND DIRECTION	Risk of poor or ineffective decision-making due to lack of strategic integration and alignment

Finance and Assurance Committee – Quarterly risk update Jun 2021

STRATEGIC RISK SUMMARY TABLE – JUNE 2021 QUARTER										
Change and reform	Climate change	Compliance and fraud	Cyber-security	Data and systems	Disaster event	Health, safety and wellbeing	Public health	Relationships and reputation	Resource and delivery	Strategy and direction
PRE TREATMENT THRESHOLD										
High	Very high	High	Very High	High	Very high	Very high	Very high	Very high	Very high	High
POST TREATMENT THRESHOLD										
Medium	High	Medium	Medium	Medium	Very high	Very high	High	High	Medium	Medium
RISK STATUS FOR THE CURRENT QUARTER IS ASSESSED AS:										
Worsening	Worsening	Static	Static	Improving	Static	Static	Static	Static	Improving	Static
RISK LEAD										
Cameron McIntosh	Matt Russell	Anne Robson	Trudie Hurst	Trudie Hurst	Fran Mikilicic	Nick Hamlin	Matt Russell	Janet Ellis Fran Mikilicic	Nick Hamlin	Cameron McIntosh
ACTION OFFICER										
<i>New strategic adviser role</i>	Marcus Roy SALT	Shelley Dela Llana Marcus Roy Ian Evans	Jock Hale	ELT	Ian Evans Hartley Hare Louise Pagan Marcus Roy	Teri Black	Grant Isaacs Dave Inwood Michael Sarfati	ELT	<i>New PDT manager</i>	ELT



Strategic risk CHANGE AND REFORM			
DESCRIPTION	Risk that Council has inadequate adaptability to respond to a continuously changing environment		Status: Worsening
Risk management framework CATEGORY	Strategic	Risk register LINKS	Climate change Strategy and direction Compliance
RISK LEAD	Cameron McIntosh	ACTION OFFICER	New strategic advisor role
POTENTIAL RISK TRIGGERS	<p><u>External:</u></p> <ul style="list-style-type: none"> changes in central government political direction and/or decision-making changes in community/stakeholder service level expectations <p><u>Internal:</u></p> <ul style="list-style-type: none"> organisational lack of agility and resilience due to: <ul style="list-style-type: none"> inadequate capacity and capability complexity and effectiveness of organisational systems and processes siloed culture political personalities, trust and relationships loss of key staff/elected members inadequate contingency planning ineffective change communication lack of strategic direction 		
PRE TREATMENT THRESHOLD	Consequence: Moderate	Likelihood: Likely	High
CURRENT MITIGATIONS	<ul style="list-style-type: none"> monitoring of macro trends/broader environment <ul style="list-style-type: none"> taking an apolitical approach to continue momentum on projects 		

	<ul style="list-style-type: none"> ○ work to understand implications of climate changes to communities and how this will impact on service delivery ● improving organisational resilience <ul style="list-style-type: none"> ○ review and improve systems/procedures around data capture, management and storage ○ review of current internal structures and practices to ensure they are fit for purpose ○ review and identify process to increase adaptiveness and agility of governance/management/staff ● improving financial resilience <ul style="list-style-type: none"> ○ monitoring of macro trends/broader environment ○ ensuring the ability to urgently reprioritise capital spending and/or community levels of service spending ● maintain trust and confidence of our communities through effective communication and engagement <ul style="list-style-type: none"> ○ continued engagement/collaboration with neighbouring councils/central government / governance/management/ staff level relationships 		
POST TREATMENT THRESHOLD	Consequence:	Moderate	Likelihood: Possible
	Medium		
PROPOSED MITIGATIONS			
COMPLETED MITIGATIONS			



Strategic risk CLIMATE CHANGE				
DESCRIPTION	Risk that Council fails to adapt to, or mitigate the effects of, climate change impacts			Status: Worsening
Risk management framework CATEGORY	Health, safety and wellbeing Regulatory and compliance	Strategic Social, cultural and environmental	Risk register LINKS	Change and reform Disaster event
RISK LEAD	Matt Russell		ACTION OFFICER	Marcus Roy
POTENTIAL RISK TRIGGERS	<u>External:</u> <ul style="list-style-type: none"> ineffective clear advice to enable evidence-based quality decisions due to: <ul style="list-style-type: none"> variability and uncertainty in climate change modelling changes in political direction <u>Internal:</u> <ul style="list-style-type: none"> inadequate consideration of climate impacts in: <ul style="list-style-type: none"> strategic decision-making fit for purpose activity management 			
PRE TREATMENT THRESHOLD	Consequence:	Major	Likelihood:	Likely
CURRENT MITIGATIONS	Very high <ul style="list-style-type: none"> effective governance, strategies and plans <ul style="list-style-type: none"> infrastructure planning to have activity-based approach to zoning to address coastal zoning decisions climate change considerations included in draft Long Term Plan 21/31, draft infrastructure strategy, activity management plans build knowledge <ul style="list-style-type: none"> understand and identify implications of climate changes to communities and how this will impact service delivery research programme including stakeholders 			

	<ul style="list-style-type: none"> ○ continuing to engage with LGNZ and central government to monitor anticipated reform change ○ continuing to engage at regional level on information gathering and analysis relating to hazards ● build capacity <ul style="list-style-type: none"> ○ adequate borrowing capacity in place through the financial strategy to assist with recovery costs ○ Local Authority Protection Programme insurance in place ○ emergency resourcing in place and available 			
POST TREATMENT THRESHOLD	Consequence:	Major	Likelihood:	Possible
	High			
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> ● consider and develop climate change strategy outlining the actions being taken to build knowledge, deliver change and build capacity ● develop a draft climate change policy that sets out appropriate climate change scenarios to use, governance for climate change, capability and capacity requirements ● investigate Council's carbon footprint to better understand actions required to reduce Council's operational emissions 			
COMPLETED MITIGATIONS	<ul style="list-style-type: none"> ● regional climate change assessment complete (Dec 20) ● Deep South science challenge complete (Dec 20) 			



Strategic risk COMPLIANCE AND FRAUD			
DESCRIPTION	Risk that Council is unable to adapt to the impacts of fraud and increasing compliance standards on the organisation		Status: Static
Risk management framework CATEGORY	Financial Regulatory and compliance	Strategic Risk register LINKS	Public health Reputation Service delivery
RISK LEAD	Anne Robson	ACTION OFFICERS	Fraud – Shelley Dela Llana Compliance – Ian Evans / Marcus Roy
POTENTIAL RISK TRIGGERS	<u>External:</u> <ul style="list-style-type: none"> central government changes to the regulatory standards for compliance <ul style="list-style-type: none"> external attempts to perpetrate fraud <u>Internal:</u> <ul style="list-style-type: none"> community and stakeholder service-level expectations not being met breakdown in internal controls resulting in: <ul style="list-style-type: none"> continued or serious breaches leading to increased compliance requirements and regulation poor resource allocation/prioritisation complacency emotionally and financially stressed staff lack of training and awareness remote/flexible working 		
PRE TREATMENT THRESHOLD	Consequence: Catastrophic	Likelihood: Unlikely	
	High		
CURRENT MITIGATIONS	Fraud: <ul style="list-style-type: none"> effective governance, strategies and plans <ul style="list-style-type: none"> draft fraud policy currently under review – fraud awareness training proposed 		

	<ul style="list-style-type: none"> ○ external and internal audits, segregation of duties and well established documented approvals process ○ draft procurement manual currently under review <p>Compliance:</p> <ul style="list-style-type: none"> ● ensuring compliance with appropriate national and regional plans ● effective governance, strategies and plans <ul style="list-style-type: none"> ○ forward planning for resourcing works programme ○ documented process and procedures, internal and external audit, staff training, strengthened links between teams and quality assurance processes 		
POST TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood: Rare
	Medium		
PROPOSED MITIGATIONS			
COMPLETED MITIGATIONS			



Strategic risk							CYBER SECURITY	
DESCRIPTION	Risk that Council's systems are vulnerable to cyber-attack and/or error					Status: Static		
Risk management framework CATEGORY	Financial Operational	Regulatory and compliance	Risk register LINKS	Data and systems Disaster event	Reputation Service delivery			
RISK LEAD	Trudie Hurst		ACTION OFFICER	Jock Hale				
POTENTIAL RISK TRIGGERS	<u>External:</u> <ul style="list-style-type: none">external threat attemptscomplacency with regard to international trends and attacks <u>Internal:</u> <ul style="list-style-type: none">technical failure to protect IT systems<ul style="list-style-type: none">increasing digitisation without integration with processesinadequate cyber strategyunderinvestment/lack of maintenancebreakdown of internal controls<ul style="list-style-type: none">inadequate IT security awareness/culture/behaviours /competency potentially resulting in malicious or innocent employee activitiesremote/flexible working creating less secure connections							
PRE TREATMENT THRESHOLD	Consequence:	Catastrophic		Likelihood:	Possible			
	Very high							
CURRENT MITIGATIONS	<ul style="list-style-type: none">increased digital protection<ul style="list-style-type: none">E-delivery project, regular updating of IT equipment including enhanced mobilityeffective governance, strategies and plans<ul style="list-style-type: none">cyber security strategy, SAM for compliance, disaster recovery plan							

	<ul style="list-style-type: none"> improve internal controls <ul style="list-style-type: none"> phone systems, systems back up, role based controls in place 		
POST TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood: Rare
	Medium		
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> improve internal controls: <ul style="list-style-type: none"> Mobile Device management (MDM) role for Cyber Security engineer to be established in July 2021 		
COMPLETED MITIGATIONS			



Strategic risk DATA AND SYSTEMS			
DESCRIPTION	Risk of ineffective and inefficient use of information in Council's decision-making		
	Status: Improving		
Risk management framework CATEGORY	Financial Strategic Operational	Risk register LINKS	Cyber security
RISK LEAD	Trudie Hurst	ACTION OFFICER	Executive leadership team
POTENTIAL RISK TRIGGERS	<p><u>Internal:</u></p> <ul style="list-style-type: none"> inability to maximise effectiveness of information systems and tools due to: <ul style="list-style-type: none"> complexity of organisational systems lack of integration/alignment across information systems lack of analytics capability/capacity insufficient data governance poor resource allocation/prioritisation cyber security <ul style="list-style-type: none"> inefficient systems which are vulnerable to attack and/or error 		
PRE TREATMENT THRESHOLD	Consequence: Moderate	Likelihood: Likely	
	High		
CURRENT MITIGATIONS	<ul style="list-style-type: none"> review and improve systems/procedures around data capture, management and storage <ul style="list-style-type: none"> implementation of asset management tool (IPS) contract alignment staff training and reporting options implementation of metadata standards established infrastructure design standards effective communication 		

	<ul style="list-style-type: none"> ○ part of BAU with operational reporting to community boards • effective resourcing ○ recruitment has been completed and currently being utilised to resolve the backlog of Three Waters data 		
POST TREATMENT THRESHOLD	Consequence:	Moderate	Likelihood: Possible
	Medium		
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> • review and prioritisation of data analytics 		
COMPLETED MITIGATIONS	<ul style="list-style-type: none"> • recruitment of data/GIS temporary resources to resolve backlog of 3-Waters data (Jun 21) • IPS/GIS resource improved. Created process for data capture and plan to resolve historic gaps (Dec 20) • Master Data Specifications for Council. Completed for community facilities and water & waste (Dec 20) • improved internal cost estimation process. Review and reconciliation process completed so that costs are double checked before being signed off. Embedment ongoing (Dec 20) 		



Strategic risk							DISASTER EVENT	
DESCRIPTION		Risk that Council is unable to respond to the consequences of a natural or human-induced event impacting the District					Status: Static	
Risk management framework CATEGORY		Financial	Social, cultural and environmental	Risk register LINKS	Climate change Cyber security	Public health Relationships		
RISK LEAD		Fran Mikilicic		ACTION OFFICERS	Hartley Hare Ian Evans	Louise Pagan Marcus Roy		
POTENTIAL RISK TRIGGERS		<u>External:</u> <ul style="list-style-type: none">• biosecurity outbreak• severe weather event• disaster caused by failure of man-made structure• natural disaster event without warning or build up• global financial crisis <u>Internal:</u> <ul style="list-style-type: none">• critical asset failure that impacts safety as a result of poor resource allocation/prioritisation• insufficient organisational agility and resilience• ineffective clear advice to enable evidence-based quality decisions due to variability and uncertainty• inadequate or ineffective engagement, communication, governance• ineffective or lack of collaboration /partnership• relationship mismanagement• inadequate contingency planning						
PRE TREATMENT THRESHOLD		Consequence: Catastrophic		Likelihood: Possible				
		Very high						

CURRENT MITIGATIONS	<ul style="list-style-type: none"> • emergency management <ul style="list-style-type: none"> ○ collaboration on emergency management response approach across agencies and the region ○ emergency response and pandemic plans ○ community emergency response plans ○ ensuring warning systems and protocols are in place e.g. flood monitoring system, tsunami alerts • infrastructure resilience <ul style="list-style-type: none"> ○ identify strategic sites at risk and develop plan for their maintenance and return to normal ○ criticality assessment and asset identification ratings ○ availability of technical expertise to manage, monitor, operate and maintain critical infrastructure ○ infrastructure strategy 		
POST TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood: Possible
	Very high		
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> • business continuity planning 		
COMPLETED MITIGATIONS			



Strategic risk HEALTH, SAFETY AND WELLBEING			
DESCRIPTION	Risk of health, safety and wellbeing harm to staff, contractors and community		Status: Static
Risk management framework CATEGORY	Health, safety and wellbeing	Operational	Risk register LINKS Public health Reputation
RISK LEAD	Nick Hamlin	ACTION OFFICER	Teri Black
POTENTIAL RISK TRIGGERS	<p><u>External:</u></p> <ul style="list-style-type: none"> • complacency leading to greater risks being taken by the community of public safety issues <p><u>Internal:</u></p> <ul style="list-style-type: none"> • poor health and safety culture and/or behaviours across the organisation leading to: <ul style="list-style-type: none"> ○ stressed disengaged staff ○ increased staff workloads ○ limited capability and capacity ○ inadequate governance understanding of role/accountability • competing priorities: <ul style="list-style-type: none"> ○ deferred maintenance / under resourcing ○ time pressures and/or complacency leading to acceptance of high levels of risk • failure to engage with and listen to the community • failure to act on lessons learned from near misses and incidents (including lessons from other industry experiences) • BCP and Pandemic Plans not adhered to 		
PRE TREATMENT THRESHOLD	Consequence: Catastrophic	Likelihood: Highly likely	Very high
CURRENT MITIGATIONS	<ul style="list-style-type: none"> • effective governance, strategies and plans <ul style="list-style-type: none"> ○ health and safety wellbeing policy and framework 		

	<ul style="list-style-type: none">○ health and safety strategic road map 21-23○ health and safety gap analysis – development of a prioritisation programme to address gap analysis recommendations● organisational culture<ul style="list-style-type: none">○ wellbeing programme○ ongoing education process with staff about the controls in place along with continued monitoring of their effectiveness● comprehensive audit framework● collaboration with other agencies	
POST TREATMENT THRESHOLD	Consequence: Catastrophic	Likelihood: Possible
	Very high	
PROPOSED MITIGATIONS	<ul style="list-style-type: none">● training for governance and management on roles and responsibilities● health and safety risk management framework developed and implemented across organisation● competency register developed across the organisation● additional administration resource in place to allow Risk Project to commence● revised health, safety & wellbeing dash board reporting prepared for ELT and governance reporting providing hot spots data	
COMPLETED MITIGATIONS	<ul style="list-style-type: none">● core improvement in standardisation of contract administration process (Mar 21)● health and safety plan with associated action plan approved (Dec 20)● establishment of the project Delivery Team means greater focus on ensuring appropriate documentation and workflows to support robust health and safety project management (Dec 20)● review of pre-qualification process for contractors completed (Dec 20)● introduction of fatigue guidelines and drug and alcohol policy (Dec 20)	


Strategic risk PUBLIC HEALTH

DESCRIPTION	Risk that Council exposes the community to a public health emergency					Status: Static
Risk management framework CATEGORY	Financial Health, safety and wellbeing Operational	Regulatory and compliance Social, cultural and environmental	Risk register LINKS	Compliance and fraud Disaster event	Health, safety and wellbeing	
RISK LEAD	Matt Russell		ACTION OFFICERS	Grant Isaacs Dave Inwood Michael Sarfati		
POTENTIAL RISK TRIGGERS	<u>External:</u> <ul style="list-style-type: none">• severe weather, natural disaster, a fire, chemical spill• complacency leading to greater risks being taken by the community of public safety issues e.g. potential for unknown residential connection to stock water supplies resulting in contamination event <u>Internal:</u> <ul style="list-style-type: none">• failures in asset maintenance<ul style="list-style-type: none">○ ineffective clear advice to enable evidence-based quality decisions results in poor understanding of the health and safety risks within Council’s facilities and services provided○ competing priorities lead to deferred maintenance across portfolio and/or under resourcing• time pressures and/or complacency leading to acceptance of high levels of risk• human error / inappropriate behaviours / criminal behaviours or damage at Council assets• failure to engage with and listen to the community• failure to act on lessons learned from near misses and incidents (including lessons from other industry experiences)• BCP and Pandemic Plans not adhered to					

PRE TREATMENT THRESHOLD	Consequence: Catastrophic	Likelihood: Highly likely
	Very High	
CURRENT MITIGATIONS	<ul style="list-style-type: none"> • ensure compliance with appropriate national and regional plans <ul style="list-style-type: none"> ○ robust compliance monitoring system ○ condition assessments for assets ○ review of public access to operational sites 	
POST TREATMENT THRESHOLD	Consequence: Catastrophic	Likelihood: Unlikely
	High	
PROPOSED MITIGATIONS		
COMPLETED MITIGATIONS		



Strategic risk		RELATIONSHIPS AND REPUTATION			
DESCRIPTION	Risk that Council fails to manage its local, regional and national relationships Risk that Council suffers reputational damage because of service delivery failure				Status: Static
Risk management framework CATEGORY	Social and cultural	Strategic	Risk register LINKS	Change and reform Compliance and fraud Cyber security Disaster event	Health, safety and wellbeing Public health Resource and delivery Strategy and direction
RISK LEAD	Janet Ellis / Fran Mikilicic		ACTION OFFICER	Executive leadership team	
POTENTIAL RISK TRIGGERS	<u>External</u> <ul style="list-style-type: none">political EQ <u>Internal:</u> <ul style="list-style-type: none">inadequate or ineffective engagement, communication, governance<ul style="list-style-type: none">narrow, short term/misaligned strategic focusineffective or lack of collaboration/partnership with stakeholders/communitydysfunctional internal relationship between governance and staffdysfunctional organisational culture - job uncertainty/restructures/staff burnout/remote workinglack of awareness regarding Treaty obligations and iwi protocol				
PRE TREATMENT THRESHOLD	Consequence:	Major		Likelihood:	Likely
CURRENT MITIGATIONS	Very high <ul style="list-style-type: none">establish strong networks with other agencies and external stakeholders to share knowledge, learnings and culture<ul style="list-style-type: none">regular engagement with stakeholders at political and executive level – shared responsibility to manage key relationships				

	<ul style="list-style-type: none"> ○ collaborative governance group meetings to progress alignment of strategic direction – Mayoral forum, TAMI board sessions, Te Roopu Taiao meetings, CEG civil defence forums, neighbouring councils • understanding Council's Treaty obligations ○ identify and address gaps in organisational cultural and diversity awareness 		
POST TREATMENT THRESHOLD	Consequence:	Major	Likelihood: Possible
	High		
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> • induction and training of management in terms of Treaty obligations • establish internal mentoring and knowledge sharing workshops by senior management • proactive steps taken at the start of each local government triennium to re-establish trust and relationships with community and stakeholders • relationship management between: CE/Mayor, ELT/key staff, Mayor/elected members 		
COMPLETED MITIGATIONS			



Strategic risk RESOURCE AND DELIVERY				
DESCRIPTION	Risk of non-performance/delivery of committed outcomes and meeting expectations			Status: Improving
Risk management framework CATEGORY	Operational	Regulatory and compliance	Risk register LINKS	Reputation
RISK LEAD	Nick Hamlin		ACTION OFFICER	New PDT manager
POTENTIAL RISK TRIGGERS	<p><u>External:</u></p> <ul style="list-style-type: none"> • market capacity • inadequate response to macro factors affecting price and accessibility e.g. climate change, Covid alert level impacts, international political instability • change in community/ stakeholder service level expectations <p><u>Internal:</u></p> <ul style="list-style-type: none"> • ineffective clear advice to enable evidence-based quality decisions • inadequate measures including accountability, capability, transparent and proactive self-monitoring • complexity of organisational systems • competing priorities resulting in deferred maintenance across portfolio • siloed organisational culture • inadequate or failed cooperation and collaboration with neighbouring councils • difficulty attracting and maintaining skilled resources • strategic objectives: <ul style="list-style-type: none"> ○ narrow strategic approach - not looking at 'big picture' ○ unclear and incomplete understanding of objectives 			
PRE TREATMENT	Consequence:	Major	Likelihood:	Highly likely

THRESHOLD	Very high		
CURRENT MITIGATIONS	<ul style="list-style-type: none"> • effective governance, strategies and plans <ul style="list-style-type: none"> ○ development of a well-informed capital works programme based on known condition and performance of assets ○ allocation of appropriate funding and resources to deliver the prioritised work plan ○ Three Waters works programme ○ internal and external audit ○ effective communication between teams and other agencies • recruiting and retaining skilled resources <ul style="list-style-type: none"> ○ monitoring organisational climate ○ work closely with industry providers and training institutions ○ consider flexible working arrangements ○ resource sharing ○ develop potential for secondments, internships and developing a cadet system • organisational culture <ul style="list-style-type: none"> ○ look after staff by building a culture that encourages staff to stay and to recruit into ○ outsourcing and using external mechanisms at key pressure points to mitigate stress 		
POST TREATMENT THRESHOLD	Consequence:	Major	Likelihood: Unlikely
	Medium		
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> • procurement plan prepared for the entire 2021-22 year • project scoping document developed and signed off by Community boards • works programme being inputted into Global Forecast Programme and baseline tracking set up • project delivery team in place and adequately resourced 		
COMPLETED MITIGATIONS	<ul style="list-style-type: none"> • development of established minimum LoS for community facilities. Review was progressed through AMP update process with community board consultation occurring in relation to community facilities assets (Dec 20) 		



Strategic risk STRATEGY AND DIRECTION				
DESCRIPTION	Risk of poor or ineffective decision-making due to lack of strategic integration and alignment			Status: Static
Risk management framework CATEGORY	Financial	Strategic	Risk register LINKS	Change and reform
RISK LEAD	Cameron McIntosh		ACTION OFFICER	Executive leadership team
POTENTIAL RISK TRIGGERS	<ul style="list-style-type: none"> • inadequate discussion of strategic direction • unclear and incomplete understanding of strategic objectives • near-sighted decision making • competing priorities • complex decision-making processes and requirements • ineffective clear advice to enable evidence-based quality decisions 			
PRE TREATMENT THRESHOLD	Consequence:	Moderate	Likelihood:	Likely
	High			
CURRENT MITIGATIONS	<ul style="list-style-type: none"> • effective governance, strategies and plans <ul style="list-style-type: none"> ○ strategy development workplan currently being developed 			
POST TREATMENT THRESHOLD	Consequence:	Moderate	Likelihood:	Possible
	Medium			
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> • long term formal commitment to collaboration between Council and key agencies • deliver strategic vision to the community effectively 			
COMPLETED MITIGATIONS				



**KEY:****CONSEQUENCE****LIKELIHOOD****THRESHOLD****STATUS**

INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
RARE	UNLIKELY	POSSIBLE	LIKELY	HIGHLY LIKELY
	LOW	MEDIUM	HIGH	VERY HIGH
	IMPROVING	STATIC	WORSENING	



Risk management framework – risk matrices

CONSEQUENCE	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
STRATEGIC	No significant adverse public comment No impact on achievement of LTP objectives Key stakeholder relationships unaffected	Adverse comment in local or social media Letter to CEO, complaints to Councillors May slow achievement of LTP objectives Minor impact on key stakeholder relationships	National media coverage Will impact achievement of one or more LTP objectives Negative impact on key stakeholder relationships	National media coverage 2-3 days Will significantly impact the achievement of multiple LTP objectives Significant impact on multiple key stakeholder relationships	Coverage in national media 3+ days Commission of Inquiry/Parliamentary questions Stakeholder relations irreparably damaged Cannot deliver on most LTP objectives
OPERATIONAL	No loss of operational capability Minimal changes to service level Minimal loss of internal capacity	Loss of operational capability in some areas Some disruption to service levels Internal capacity lost for up to 1 week	Serious loss of operational capability for over 6 weeks and/or Disruption to service levels for 4-6 weeks Loss of internal capacity 1-3 weeks	Serious loss of operational of capability for over 8 weeks and major disruption to service levels and/or Loss of internal capacity 4-6 weeks	Serious loss of operational capability for 3-4 months and serious disruption to service levels and Loss of internal capacity for more than 6 weeks
FINANCIAL	No impact on financial targets	Up to 1% impact on financial targets	Up to 5% impact on financial targets	Up to 10% impact on financial targets	More than 10% impact on financial targets
HEALTH, SAFETY AND WELLBEING	No Medical treatment required Issue noted, no action required	Minimal personal injury and/or sickness AND Less than 2 weeks incapacitation H&S issue noted by Worksafe	Personal injury and/or sickness with up to 3mths incapacitation OR H&S issue to court	Significant public health impact OR Personal injury and/or sickness with 3+ months incapacitation or long term disability OR	Permanent severe disability or loss of life OR H&S issue taken to court resulting in imprisonment OR



CONSEQUENCE	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
				H&S issue to court and fine imposed	Widespread community sickness
SOCIAL, CULTURAL, ENVIRONMENTAL	No significant community Impact	Single community affected	Multiple communities affected	Many communities affected	Most or all communities OR
	Localised short-term reversible environmental, economic or social impact	Localised short-term reversible environmental, economic or social damage	Localised medium term (1 month +) reversible damage or disruption (environmental, economic, social or cultural)	Localised or widespread long term (3-6m) reversible damage or disruption (environmental, economic, social or cultural)	Extensive or irreversible damage or disruption (environmental, economic, social or cultural)
REGULATORY AND COMPLIANCE	Fine/ liability less than \$10K	Fine/ liability \$10 - \$100K	Fine/ liability \$100 - \$250K	Fine/ liability \$250K - \$1M	Fine/ liability \$1M+



LIKELIHOOD	
HIGHLY LIKELY	Risk event is expected to occur in most circumstances; or 90% chance within the next 12 months; or 18 out of every 20 years
LIKELY	Risk event will probably occur in most circumstances; or 55% chance within the next 12 months; or 11 out of every 20 years
POSSIBLE	Risk event should occur at some time; or 25% chance within the next 12 months; or 5 out of every 20 years
UNLIKELY	Risk event could occur at some time; or 10% chance within next 12 months; or 1 out of every 10 years
RARE	Risk event may occur only in exceptional circumstances Up to 4% chance within next 12 months Once in 25 years

LIKELIHOOD	CONSEQUENCE				
	Insignificant	Minor	Moderate	Major	Catastrophic
HIGHLY LIKELY	Low	Medium	High	Very High	Very High
LIKELY	Low	Medium	High	Very High	Very High
POSSIBLE	Low	Medium	Medium	High	Very High
UNLIKELY	Low	Low	Medium	Medium	High
RARE	Low	Low	Low	Medium	Medium

Fraud Policy

Record No: R/21/6/34749
Author: Shru Shrivastava, Policy analyst
Approved by: Trudie Hurst, Group manager customer delivery

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to present the draft Fraud Policy (the draft policy) to Council for adoption.

Executive summary

- 2 The current Fraud Policy is dated 2017 (attachment A) and states that it will be reviewed three-yearly. It was due to be reviewed in 2020 and therefore is overdue for review.
- 3 The draft policy (attachment A) and draft Fraud Response Plan (attachment B) incorporate suggestions from the shared service business process review of 2016, audit management reports (2017-2020), gap analysis and fraud and corruption risk assessment of 2018. The draft policy and draft response plan have also been reviewed by Copeland and Ashcroft Lawyers. Staff have incorporated suggested changes.
- 4 The Fraud Response Plan is an operational plan beneath the draft policy. The plan provides guidelines and processes for reporting suspected fraud and how Council will carry out fraud enquiries and/or investigations.
- 5 The main focus of the draft policy is to promote awareness and encourage staff to report any suspected fraud. Employees reporting suspected fraud are protected by the Protected Disclosure Act 2000.
- 6 On 1 July 2021, the Protected Disclosure Act 2000 will be repealed and replaced by the Protected Disclosures (Protection of Whistleblowers) Act 2021 which is at the second reading of the bill at the time writing this report. The new act may require changes to the policy in the future.
- 7 The draft policy and draft Fraud Response Plan (the draft plan) were presented to the Finance and Assurance Committee on 15 June 2021. They recommended Council adopt the draft policy.

Recommendation

That Council:

- a) **Receives the report titled “Fraud Policy” dated 17 June 2021.**
- 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) Adopt the draft Fraud Policy.

Background

- 8 The current Fraud Policy (Attachment C) was adopted in 2017 and incorporates feedback from the shared service business process review undertaken in 2016. A Fraud Response Plan was also developed at that time. The Fraud Response Plan is an internal document outlining Council’s process and guidelines for dealing with suspected fraud and will complement the draft policy.
- 9 Council identified that it wanted to take a proactive approach in addressing fraud and corruption risks, with the intention to strengthen the risk management framework. With this purpose, Deloitte was engaged to undertake a gap analysis – a fraud and corruption risk assessment in early 2018. Deloitte conducted an engagement programme and presented their findings.
- 10 These recommendations have been incorporated into the draft policy.
- 11 The draft policy was circulated to staff for feedback/comment between 18 May and 1 June 2021. Five responses were received. These submissions were reviewed by the executive leadership team and minor amendments were made to the draft policy as a result.

Issues

- 12 Based on the shared service business process review 2016, audit management reports (2017-2020), gap analysis and fraud and corruption risk assessment 2018, the draft policy incorporates the following changes:

Purpose of the policy

- 13 It was reported that staff did not always know the contents of the Fraud Policy or how to locate it. Staff were not familiar with Council’s fraud reporting mechanisms. Hence, the purpose of the policy has been updated to promote awareness about fraud and how to detect and report it.
- 14 The purpose of the draft policy also outlines that Council will protect employees who report suspected fraud. This creates a safe environment and promotes reporting of suspected fraud.

Policy scope

- 15 Volunteers are now included in the scope of draft policy.

Conflict of interest

- 16 It is important that elected members and management identify pecuniary interest of themselves, family members and close associates. Failure to disclose this information may result in fraud.

Prevention

- 17 Council intends to prevent fraud through:
- **promotion:** promoting the draft policy and Council's fraud response plan, also promoting and encouraging people to report suspected fraud
 - **training:** training includes induction processes for new staff, regular fraud awareness training for all staff and training staff on the purchase order system. The people and capability team are currently working on the 2021/2022 learning and development plan that will include regular training of staff
 - **monitoring:** Council will actively monitor conflicts of interest, timesheets and leave requests
 - **vigilant practice:** vigilant practice will incorporate standard recruitment processes, maintaining a centralised contract register, a fraud risk register and robust monthly financial reporting.

Fraud control officers

- 18 All instances of suspected fraud are to be reported to a fraud control officer. Council's fraud control officers are the people and capability manager and the chief financial officer. In the event a fraud control officer is implicated in any way, the employee should contact the chief executive. Should the chief executive be implicated, the employee should report the suspected fraud to the mayor, the chair of the Finance and Assurance Committee or the independent member of the Finance and Assurance Committee (if they are different individuals).

Responsibilities

- 19 The draft policy places responsibilities on:
- staff to report suspected fraud. It is mandatory for an employee to report any suspected fraud
 - management is responsible for the day to day prevention and detection of fraud, misappropriation and other inappropriate conduct
 - elected members:
 - each elected member is responsible for operating within the code of conduct, policies, procedures, the delegations manual and standing orders
 - strictly adhering to all system security measures, segregation of duties and delegations
 - being scrupulously fair and honest in their dealings with contractors, suppliers or customers
 - taking reasonable steps to safeguard Council funds and assets against fraud, theft, unauthorised use and misappropriation
 - reporting suspected fraud immediately, in accordance with the Fraud Response Plan

- maintaining a climate of risk awareness by providing firm and visible support for fraud and corruption control management.
- fraud control officers are responsible for the development, maintenance and implementation of this policy. They are also responsible for initiating and overseeing fraud investigations.
- the chief executive is responsible for the overall ownership and administration of this policy and recovering lost money or property, wherever practical and appropriate.

Factors to consider

Legal and statutory requirements

- 20 The draft policy supports Council's strategic framework. A desired outcome in the strategic framework is being an effective Council by being prudent and innovative. The draft policy is prudent as it focuses on the definition of fraud, outlines prevention mechanisms, sets out responsibilities for the detection of fraud and protects the person who reports suspected fraud. In a case of suspected fraud, the Fraud Response Plan sets out the process, responsibilities and protection for the person reporting fraud to Council.
- 21 This policy also aligns with the following associated documents:
- Local Authorities (Members' Interests) Act 1968
 - Secret Commissions Act 1910
 - Crimes Act 1961
 - Protected Disclosures Act 2000
 - Delegations Manual
 - Staff Handbook
 - Policy on Electronic Communications (including the internet)
 - Code of Conduct
 - Sensitive Expenditure Policy
 - Conflict of Interest Policy
 - Employment Relations Act 2000
 - Privacy Act 2020
 - Vehicle Policy
 - Fraud Response Plan

Costs and funding

- 22 There will be costs associated with fraud training for the fraud control officers, as well as fraud awareness training for all staff, however it is not expected to be significant. This cost will be covered within existing budgets.

Policy Implications

- 23 The draft policy will have the following implications:
- it will encourage reporting suspected fraud
 - it will create awareness relating to fraud and fraud reporting mechanisms
 - it will foster a safe and fair work environment
 - it will support Council in avoiding high risk areas like theft and corruption.

Analysis

Options considered

- 24 There are two options for consideration in this report:
- option 1 – that Council adopt the draft Fraud Policy
 - option 2 – propose a different way forward.

Analysis of Options

Option 1 – Council adopt the draft Fraud Policy

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• create a more robust policy and system for the detection and reporting of suspected fraudulent activities• addresses recommendations from the Deloitte shared service business process review, audit management reports (2017-2020) and gap analysis – fraud and corruption risk assessment	<ul style="list-style-type: none">• councillors may not agree with all of the changes proposed.

Option 2 – propose a different way forward

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• would give further clarity on councillors' views regarding the policy.	<ul style="list-style-type: none">• may mean that review of the policy is not completed so that changes can be implemented for the new financial year• may mean that the Fraud Policy and response plan is not as strong as it needs to be should any fraudulent activities occur.

Assessment of significance

- 25 This decision is not deemed as significant in terms of Council's Significance and Engagement Policy and the Local Government Act 2002.

Recommended option

- 26 It is recommended that Council adopt the draft Fraud Policy.

Next steps

- 27 Once Council have adopted the draft policy, the policy along with the fraud response plan will be circulated to all staff and elected members. Final Fraud Policy and fraud response Plan will be implemented from 1 July 2021.

Attachments

- A Draft Fraud Policy [↓](#)
- B Draft Fraud Response Plan [↓](#)
- C Final Southland District Council Fraud Policy adopted September 2017 [↓](#)

Fraud Policy

Group responsible: Finance and People and Capability

Date adopted: 27 September 2017

Date reviewed: XX 2021

Next review date: XX 2024

File no: XX

Introduction

Purpose

The purpose of this policy is to:

- define fraud
- promote awareness about fraud
- outline that Southland District Council (Council) has ‘zero tolerance’ towards fraud
- outline fraud prevention mechanisms
- provide clarity about what to do if you suspect fraud
- set out responsibilities in relation to preventing and reporting fraud
- outline how people who report suspected fraud will be protected
- set out the action that will be taken if a fraud is discovered.

Overview

Council is committed to protecting its revenue, property, information, and other assets from any attempt to gain financial or other benefits from it by deceit.

This policy outlines Council’s position on fraud. The policy also provides information on preventing, reporting and investigating fraud.

Scope

This policy applies to all Council employees. For the purpose of this policy Council employees are:

- Council staff
- elected members
- contractors
- volunteers working for Council.

Associated documents

This policy is associated with the following documents:

- Local Authorities (Members' Interests) Act 1968
- The Secret Commissions Act 1910
- Crimes Act 1961
- Protected Disclosures Act 2000
- Delegation Manual
- Staff Handbook
- Policy on Electronic Communications (including the internet)
- Code of Conduct
- Sensitive Expenditure Policy
- Conflict of Interest Policy
- Employment Relations Act 2000
- Privacy Act 2020
- Vehicle Policy
- Fraud Response Plan.

Definitions

In this policy, 'fraud' includes all acts of deception, corruption, misrepresentation or omission committed with the intention of gaining an unjust or illegal financial advantage or to cause an unjust or illegal loss or disadvantage.

Fraudulent behaviour includes, but is not limited to:

- forgery or alteration of documents or accounts belonging to Council
- unauthorised possession of Council property
- failing to record leave taken, or any other employee theft of time

- disclosing confidential or proprietary information to third parties
- misappropriation or improper disposal of funds, securities, supplies or any other asset
- any irregularities of funds, securities, supplies or any other asset
- any irregularity in handling or reporting of money transactions
- misappropriation of furniture, fixtures and equipment
- accepting or seeking anything of material value from contractors or persons (whether before, during or after any procurement process)
- bribery, corruption or abuse of office
- unauthorised or inappropriate use of Council property, vehicles, equipment, materials, furniture, fixtures, or records, such as for personal gain
- any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes – including the misappropriation of Council-owned software
- manipulating reporting to obscure impropriety
- obtaining funds or any other benefit through misleading claims, representations or by false pretences
- causing a loss, or avoiding or creating a liability by deception
- any claim for reimbursement of expenses that were not made for the exclusive benefit of Council
- profiteering or gain (whether it is personal gain or to gain an advantage for another person or entity) as a result of insider knowledge of Council's activities
- unapproved destruction or removal of records
- unauthorised or unapproved use of a Council credit card
- inappropriate payments to third parties
- presenting false credentials, qualifications or identity
- supporting others in, or in any way being party to, fraud or not reporting fraud when it is suspected
- any of the above for personal gratification and/or edification, whether or not there is pecuniary gain
- theft

In this policy, 'act' refers to the Protected Disclosures Act 2000.

Policy statement

Council has 'zero tolerance' towards fraud

Council regards fraud as totally unacceptable, and will apply a 'zero tolerance' approach to fraudulent behaviour.

All employees are required to act honestly and with integrity and to safeguard the public resources Council is responsible for.

Prevention

Council will take all reasonable steps to prevent fraud by having clear procedures, processes and expectations of behaviour. There will also be robust internal controls to protect assets, procurement processes, payroll, treasury and cash management. Council's activities to prevent fraud include, but are not limited to:

ACTIVITY	ACTIONS
PROMOTION	<ul style="list-style-type: none"> • promoting this policy and Council's fraud response plan • encouraging people to report suspected fraud
TRAINING	<ul style="list-style-type: none"> • running induction processes for new employee that include fraud awareness and code of conduct training • providing regular fraud awareness training for all employee • training employee on the purchase order system when necessary
MONITORING	<ul style="list-style-type: none"> • actively monitoring conflicts of interest • monitoring timesheets and leave requests • having external parties conduct regular fraud risk assessments • completing regular suspicious transaction analysis
VIGILANT PRACTICE	<ul style="list-style-type: none"> • having standard recruitment processes • undertaking pre-employment screening that includes checking for criminal convictions for appropriate employee • ensuring all employees are appropriately trained with regard to their role on the obligations with regard to fraud prevention and the protection of Council assets • segregating duties in accordance with best practice • having appropriate protection measures in place for cash handling, procurement, purchase orders, asset management, fuel card usage, expense reimbursement, data security, leave applications, payroll and accounting • having appropriate processes in place for recording new suppliers, changing supplier details, bank account checking and weekly reporting • maintaining a centralised contract register • producing robust monthly financial reporting that provides information about results against budget, benchmarks and expected key performance indicators • having a fraud risk register • restricting access to information and systems as is appropriate • completing an internal audit plan and a programme of work carried out by external parties
CLEAR EXPECTATIONS	<ul style="list-style-type: none"> • having a code of conduct that sets out expectations for employee behavior

	<ul style="list-style-type: none"> • having clear parameters set in the procurement policy/manual and the delegations manual
RESPONDING	<ul style="list-style-type: none"> • having safe, documented and accessible processes for employees to report suspected fraud • ensuring allegations of suspected fraud are responded to and actioned in a timely, effective and appropriate way • ensuring sanctions are in place for parties who commit fraud • recovering lost money or property wherever practical and appropriate.

Reporting

Obligation to report suspected fraud

All instances of suspected fraud must be reported. An employee can report fraud in person, phone, or by email to council's fraud control officers or directly to Serious Fraud Office. Council has a documented process for responding to suspected fraud called a 'fraud response plan'. This plan can be accessed at R/21/1/2859. The plan requires people to report instances of suspected fraud to fraud control officer, or, if this is not appropriate, to:

- the chief executive
- the chair of the Finance and Assurance Committee/the independent member of the Finance and Assurance committee
- the mayor

Council's fraud control officers are the people and capability manager and the chief financial officer.

Employee who report suspected fraud are protected by the whistle blower protection section of this policy.

Contact email:

Fraud control officer fraudofficer@southlanddc.govt.nz

Serious Fraud Office enquiries@sfo.govt.nz

Reporting on fraud investigations

In accordance with the fraud response plan, fraud investigations will be reported on to the chief executive and the Finance and Assurance Committee.

Whistle blower protection responsibilities

Council is committed to protecting individuals who report suspected fraud.

The responsibility for ensuring confidentiality and overall protection of the individual(s) making disclosures rests with the chief executive.

Protection is provided under the act. Section 19 of the act outlines every receiver of a protected disclosure must use their best endeavours to keep confidential information that might identify the

discloser. A person's identity can only be disclosed if consent has been given, or there is another essential reason for disclosing someone's identity (as outlined under the act).

Section 7 of the act specifies procedure to be followed for disclosing serious wrongdoing. According to section 11 all public sector organisations must have an internal procedure to respond to serious wrongdoing.

How Council will respond to fraud

Council will respond to suspected fraud in accordance with the fraud response plan.

Concerns regarding fraud will be addresses with Council's disciplinary procedures. Fraud will generally constitute serious misconduct.

Fraud is a criminal offence. As appropriate, instances of fraud will be reported to the NZ Police/ Ngā Pirihimana o Aotearoa and/or Serious Fraud Office/ Te Tari Hara Taware.

Recovery of lost money or other property will be pursued wherever practical and appropriate.

Where possible, Council will also make system and process improvements if fraud occurs, to try and prevent future fraud.

Council will comply with principles of Natural Justice when responding to suspected fraud.

Responsibilities

Responsibilities set by Council

This policy establishes the following responsibilities.

ROLE	RESPONSIBILITIES
Management	<p>The day to day responsibility for the prevention and detection of fraud, misappropriation and other inappropriate conduct rests with managers.</p> <p>Managers are responsible for:</p> <ul style="list-style-type: none"> • demonstrating the highest standards of ethical behaviour • identifying risks to systems, operations and procedures • developing and maintaining effective internal controls to ensure effective stewardship of funds and to prevent and detect fraud • ensuring internal controls are being complied with • strictly adhering to delegations of authority • ensuring compliance with policies, procedures and guidelines • an awareness and sense of responsibility for the types of impropriety that may occur within their respective areas, and being alert to any indication of irregularity

ROLE	RESPONSIBILITIES
	<ul style="list-style-type: none"> ensuring appropriate fraud prevention and detection training is provided to staff responding to fraudulent activity by making any appropriate changes to systems and processes.
Employees	<p>All employees, including managers, are responsible for:</p> <ul style="list-style-type: none"> ensuring internal controls are being complied with operating within policies, procedures and guidelines strictly adhering to all system security measures, segregation of duties and delegations being scrupulously fair and honest in their dealings with contractors, suppliers or customers taking reasonable steps to safeguard Council funds and assets against fraud, theft, unauthorised use and misappropriation reporting suspected fraud immediately, in accordance with the fraud response plan.
Elected members	<p>Each elected member is responsible for:</p> <ul style="list-style-type: none"> operating within the code of conduct, policies, procedures, the Delegations Manual, standing order and relevant guidelines strictly adhering to all system security measures, segregation of duties and delegations being scrupulously fair and honest in their dealings with contractors, suppliers or customers taking reasonable steps to safeguard Council funds and assets against fraud, theft, unauthorised use and misappropriation reporting suspected fraud immediately, in accordance with the fraud response plan maintaining a climate of risk awareness by providing firm and visible support for fraud and corruption control management.
Fraud control officers	<ul style="list-style-type: none"> development, maintenance and implementation of this policy initiating and overseeing fraud investigations, fraud reporting on changes required in response to fraud developing and maintaining the governance and strategy aspects of this policy.
Chief Executive/Executive Leadership Team	<ul style="list-style-type: none"> the overall ownership and administration of this policy

ROLE	RESPONSIBILITIES
	<ul style="list-style-type: none"> enhancing fraud awareness (including fraud identification, prevention and reporting processes, and providing staff with reminders on fraud processes and examples) developing an effective anti-fraud culture ensuring that Council fulfils its obligations under the act recovering lost money or property, wherever practical and appropriate.

Other responsibilities

In addition to this policy, some Council employees belong to professional bodies (such as legal, accountancy and engineering institutes) that bind members to individual codes of ethics, and require professional behaviour.

Monitoring, evaluation and policy review

Informal feedback on the effectiveness and appropriateness of this policy can be provided at any time to the fraud control officer(s).

A formal review of this policy and the fraud response plan will be undertaken within three years of it being implemented/reviewed.

Revision record

DATE	VERSION	REVISION DESCRIPTION
26 September 2017		2017 version of policy approved by Council
XX July 2021	2	Amendments to improve readability and style. Amendments to incorporate feedback from Deloitte reports and audit management reports.

Fraud Response Plan

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Document revision

Date	Amendment	Amended by	Approved by	Approval date
6/9/2017				2021

Purpose

This response plan is to:

- provide information on how to report suspected fraud
- outline how a fraud enquiry and detailed investigation should be carried out
- outline the steps that should be taken to prevent further loss
- provide information on securing evidence
- outline the reporting that will take place
- provide information on communication responsibilities
- provide information on when to involve law enforcement agencies
- give guidance on any follow-up action that should be completed.

Reporting a suspected fraud

A person who discovers or suspects fraudulent activity should report the suspected fraud immediately using one of the avenues described below. Notification can be written or verbal. If verbal notifications are made then the person receiving the notification shall record the notification in writing. The person can report the fraud by contacting fraud control officers.

Council's fraud control officers are the people and capability manager and the chief financial officer. Staff can report fraud to these officers in person, by phone, or by e-mail. The contact details of the fraud control officers are:

- e-mail: fraudofficer@southlanddc.govt.nz
- phone: 032119385 or 032112512

In the event that fraud control officer(s) is implicated in any way, the employee should contact the chief executive. Should the chief executive be implicated, the employee should report the suspected fraud to the Mayor or the chair or independent member of the Finance and Assurance Committee.

When reporting suspected fraud, the complainant may elect to remain anonymous. In accordance with the whistle blower provisions in the Fraud Policy, all efforts will be made to protect the identity of the person who reported the suspected fraud.

The fraud control officer(s) (or if implicated one of the other persons) shall maintain a log of all notifications and investigations.

The complainant also has the option to report suspected fraud to the serious fraud office/Te Tari Hara Taware, who will relay information on the suspected fraud to Council's fraud control officers, without including the personal details of the complainant. The contact details for serious fraud office/Te Tari Hara Taware are:

- e-mail: enquiries@sfo.govt.nz
- phone: 0800 109 800
- postal address: PO Box 7124, Victoria Street West, Auckland 1141, New Zealand

Enquiry and investigation process

The fraud control officers are responsible for initiating and overseeing all fraud investigations and for subsequent follow up work. Following consultation with other members of senior management (if appropriate), they will decide:

- who the appropriate person is to undertake an initial enquiry to ascertain the facts
- what physical evidence will be protected from the risk of destruction, and safely secured (see securing evidence below)
- if there are any system loopholes that need closing off immediately
- if the suspicion is sufficiently serious or there are other circumstances that justify it, contacting the NZ Police/ Ngā Pirihimana o Aotearoa and/or Serious Fraud Office/ Te Tari Hara Taware. (see the section on ‘involving law enforcement agencies’ below)
- if the matter needs to be reported to third parties, such as contractors
- if there is any need to consider civil action, such as an injunction
- ensuring there is an appropriate communication plan prepared to cater for enquiries from third parties, such as the media.

If a fraud control officer is implicated in the suspected fraud, the enquiry and investigation would be the responsibility of the chief executive.

Any necessary investigative activity will be conducted without regard to the person’s role within Council, or their length of service.

Care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

All discoverable written material relating to the investigation must be disclosed to the defence in the event of formal proceedings and so it is important to carefully consider what information needs to be recorded. Particular care must be taken with words such as ‘discrepancy’ and ‘irregularity’ when what is really meant is fraud or theft.

Staff must not do any of the following during the enquiry and investigation process:

- contact the suspected individual in an effort to determine facts or demand restitution
- attempt to personally conduct any enquiries, investigations or interviews, or question anyone, unless asked to do so by those carrying out the enquiry
- deliberately make false or malicious allegations.

Initial inquiry

The initial inquiry should be carried out as soon as possible, after suspected fraud is reported. Prompt action is essential. The fraud control officers may undertake the initial inquiry, or instruct someone to do so.

The purpose of the initial inquiry is to establish whether further investigation is warranted and to identify evidence that will need to be secured by suitably trained personnel. It may also identify any measures that need to be taken to prevent future fraud.

The factors that gave rise to the suspicion should be determined and examined to clarify whether a genuine mistake has been made or an irregularity has occurred. An irregularity may include any incident or action that is not part of the normal operation of the system or the expected course of events. Initial inquiries may involve discrete enquiries of staff, the review of documents or the interrogation of computer systems. It is important for staff to be clear that any irregularity of this type, however apparently innocent, will be analysed.

Where the initial inquiry reveal that there are reasonable grounds for suspicion of fraud having occurred the initial process followed will include:

- informing, in writing, the person(s) who is the subject of the allegation of theft or fraud of the allegation and all information gathered thus far regarding the allegation and requesting a meeting with them and, if they wish, their representative or representatives
- meeting with the person and their representatives to explain the complaint against them
- obtaining a verbal or preferably written response to the allegations (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present)
- advising the person(s) in writing of the expected processes, including whether any disciplinary processes will ensue
- an allegation of fraud may result in an employee being suspended for the all or part of the duration of the investigation
- where fraud is found to have occurred it may amount to serious misconduct and may result in appropriate disciplinary action (up to and including dismissal)
- the investigating officer will ensure that all advice (or where appropriate, legal advice) is sought to ensure that appropriate employment process is observed throughout the investigation.

In cases of significant fraud, the services of appropriately experienced and qualified third parties will be utilised to assist or carry out the investigation.

The investigating officer will be responsible for comprehensive recording and reporting of all aspects of the investigation.

The people conducting the initial inquiry should have regard to the matters dealt with below under the heading 'further action'.

Following the initial inquiry, the fraud control officers must be informed of the outcome.

Further action

Following the initial inquiry, the fraud control officers, in consultation with the chief executive (or mayor) and other senior staff members as appropriate, will decide whether further action is required.

If the initial inquiry tends to support the suspicion that there has been fraud, the fraud control officers should take steps to ensure that all original documentation, other physical evidence and electronic evidence is preserved in a safe place for further examination (see section on 'securing evidence').

It is likely that any member of staff suspected of being a party to the alleged fraud will be suspended, pending further investigation. Suspicion itself does not imply guilt. It is sensible to suspend people as a

precaution while an investigation is ongoing, and to safeguard and prevent the removal or destruction of evidence.

The decision may be made for a detailed investigation to be undertaken by internal auditors or a senior manager (possibly one without direct line of responsibility), or alternatively the decision may be made to have a qualified third party/forensic investigator conduct the investigation. If a more detailed investigation is required, it is important for objectives and terms of reference to be set, so that all those involved in the investigation are clear as to what is required and expected of them.

When undertaking a detailed investigation, the following actions, if not part of the initial inquiry, should be considered:

- the involvement of the NZ Police/ Ngā Pirihimana o Aotearoa and/or Serious Fraud Office/ Te Tari Hara Taware or any other relevant bodies, including where appropriate, the chairs of the Council Committees (see section on ‘involvement of law enforcement agencies’ below)
- the involvement of third-party forensic investigation experts
- briefing the Communications team so they can prepare for media enquiries
- reporting the matter to third parties, such as contractors
- any civil actions that may be required e.g. civil remedies, such as injunctions
- notification of potential insurance claims.

Any detailed investigation should be carried out with discretion and sensitivity. Those carrying out the investigation will confine themselves to investigating only those matters that are the subject of, or relevant to, the suspected fraud.

Employee interview requirements

If the individual suspected of fraud is to be interviewed, this should be done by the person conducting the investigation, always in the presence of another member of the executive leadership team and people and capability team. The following requirements must be observed:

- a fraud control officer will seek employment law advice to ensure Council’s obligations are met, and will inform the chief executive of that advice
- the interview is conducted in a manner that will be admissible in civil or criminal proceedings in terms of approach, questioning and overall fairness to the employee
- the purpose of questioning, which is to establish facts only, must be clearly explained at the outset
- the member of staff under investigation has the right to be accompanied by a lawyer, union representative or a support person
- every effort should be made to make a verbatim recording of the interview
- the interview must be documented and form part of the investigation report.

If the matter is referred to a law enforcement agency, (most likely the NZ Police/ Ngā Pirihimana o Aotearoa and/or Serious Fraud Office/ Te Tari Hara Taware), it is unlikely Council will interview the individual suspected of fraud.

Third party interviews

The obligations that apply to Council around employee interviews do not apply to similar interactions with third parties such as suppliers, and members of the public. A high level of care still needs to be taken as the conduct of the interviewer and the degree of fairness that exists in capturing their version of events, will be scrutinised at a subsequent time.

Enquiries from the person who is suspected of fraud

All enquiries from the individual who may have committed fraud, his or her counsel or representative, or any other inquirer, should be directed to the chief executive (or should the chief executive be implicated, to the Mayor or the chair or independent member of the Finance and Assurance Committee). No information concerning the status of an investigation will be provided.

Prevention of further loss

Where the initial investigation provides reasonable grounds for suspecting a member or members of staff are implicated in a fraud, the fraud control officers (with input if necessary) will determine the most appropriate measures to prevent further loss. This may require the suspension, with or without pay, of the employee(s) at the centre of the allegation, or to cease trading with any external third parties who may be involved.

It may be necessary to plan the timing of the suspension of employees to prevent the individuals concerned from destroying or removing evidence that may be needed to support disciplinary or criminal action. In these circumstances, the individual(s) should be approached unannounced. They should be supervised at all times before leaving Council premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to Council (such as documents, a computer or phone).

Council has the right to prevent a person suspected of fraud from accessing Council premises, Council emails and Council computer systems. Any security passes and keys to premises, offices and furniture should be returned. The business solutions manager should be involved to help ensure access is prevented.

The fraud control officer(s) should consider whether or not it is necessary to investigate systems other than those that have given rise to suspicion, if the individual concerned may have had opportunities to misappropriate Council's assets.

Securing evidence

If the initial inquiry indicates there may have been fraud, then to prevent the loss of evidence that may be essential for disciplinary action or prosecution, the fraud control officers should:

- take steps to ensure that all original evidence is captured secured as soon as possible (it may be necessary to liaise with the business solutions manager to capture electronic evidence)
- ensure that electronic evidence is appropriately handled by certified specialists
- be able to account for the security of the evidence at all times after it has been secured, including keeping a record of its movement and signatures of all persons to whom the evidence has been transferred (all items of evidence should be individually numbered and descriptively labelled)

- not alter or amend the evidence in any way
- keep a note of when investigators come into possession of the evidence - this will be useful later if proceedings take place.

All tangible and intangible evidence in possession of Council will be secured in safe custody.

Reporting

Written report to chief executive

At the conclusion of the detailed investigation, a written report will be prepared for the chief executive (unless the chief executive is implicated, then the report will be provided to the Mayor or the chair or independent member of the Finance and Assurance Committee).

The report should:

- outline the facts discovered by the investigation
- reference any supporting evidence
- have copies of the supporting evidence attached
- advise of any actions – legal and disciplinary – taken against any proven perpetrator of fraud
- make recommendations to minimise the opportunity for fraud through improvements in controls and processes and the plan for implementing these
- advise of actions and outcomes in the recovery of losses through restitution and insurance
- set out recommendations of the police, external auditors, and any other third party involved in the investigation

The report should not:

- make speculations (only include statements that can be supported by fact)
- make any judgement on the guilt or innocence of the individual being investigated
- state what action should be taken against the individual being investigated
- prejudge the outcome of any possible disciplinary hearing, civil recovery action or criminal prosecution.

The fraud control officers will consider the report, and in consultation with the chief executive and other members of senior management as appropriate, will decide what further action, if any, is to be taken. This could include reporting the matter to law enforcement agencies and/or disciplinary proceedings.

Investigation results will not be disclosed to or discussed with anyone other than those who have a legitimate reason to know.

Written report to the Finance and Assurance Committee

On completion of the detailed investigation, a summary report shall also be submitted to the Finance and Assurance Committee containing:

- a description of the incident
- what action was taken in response to the incident
- the measures taken to prevent a recurrence
- any action needed to strengthen future responses to fraud.

Other reporting

If no fraud is found, the person who originally reported the suspected fraud or irregularity will also be informed that no wrongdoing was found.

Communication responsibilities

The chief executive has overall responsibility for leading and coordinating all communication internally and externally on fraud and corruption matters. If the chief executive is implicated, then the responsibility will sit with the Mayor or the chair or independent member of the Finance and Assurance Committee.

All efforts should be made to protect the identity of the person who reported the suspected fraud.

Information about the matter should also be kept confidential where possible. Staff should not discuss the facts, suspicions, or allegations with anyone within or outside of Council (including the media) unless specifically asked to do so by the chief executive, the Mayor or the chair or independent member of the Finance and Assurance Committee.

Any direct communications from either internal or external sources (such as the media), should be directed to the chief executive.

If Council's internal or external auditors are contacted by the media regarding the alleged fraud or audit investigation, they will consult with the chief executive (or the Mayor if the chief executive is implicated) before responding to any media requests for information or interview.

When an investigation is undertaken and fraud is not detected, it is important to try and not damage the reputation of the person who was suspected of fraud. This will protect Council from potential liability.

Involving law enforcement agencies

If, as a result of the detailed investigation, fraud is confirmed, Council will advise the appropriate law enforcement agency as soon as possible, to ensure Council's plans align with the requirements of the agency.

Council will support any additional investigation steps the NZ Police/ Ngā Pirihimana o Aotearoa and/or Serious Fraud Office/ Te Tari Hara Taware need to take, and any subsequent criminal prosecution.

To ensure communications are managed effectively, fraud control officer(s) will request the Police/Serious Fraud Office to give Council warning in advance that an individual is going to be arrested and/or charged (if this is possible).

The timing of the decision to involve the Police will be dependent on facts emerging that justify this course of action. In some cases, this will be after any disciplinary hearing is completed, in others it will be when the fraud is discovered, particularly in cases of external involvement.

Once original documents are handed to the Police they will not be returned, therefore a copy should be kept of everything that is handed to the Police.

Follow up action

There are lessons to be learnt from any identified incident of fraud. After the investigation and reporting of fraud has been completed, relevant senior staff will meet to examine the circumstances and conditions that allowed the fraud to occur, with a view to completing a report that details improvements to systems and procedures.

Administration

The fraud control officers will be responsible for the administration, revision, interpretation and application of this fraud response plan. The plan will be reviewed every three years, when the Fraud Policy is reviewed revised as needed.

Southland District Council Fraud Policy

DOCUMENT CONTROL

Policy owner: Financial Services	TRIM reference number: r/17/8/18483	Effective date: 6 September 2017
Approved by: Council	Date approved: 27 September 2017	Next review date: September 2020

1. INTRODUCTION

1.1 Policy Objectives

The purpose of this policy is to define fraud, outline prevention mechanisms, set out responsibilities for the detection of fraud, provide clarity about what to do if you suspect fraud and set out the action that will be taken if a fraud is discovered.

1.2 Guiding Principles

- The Southland District Council (SDC) regards fraud as totally unacceptable, and will apply a 'Zero Tolerance' approach to fraudulent behaviour with intent to prosecute.
- All employees are required to act honestly and with integrity and to safeguard the public resources for which the SDC is responsible at all times. Employees who suspect fraud must report fraud in accordance with Council's documented process for responding to suspected fraud (Fraud Response Plan).
- All suspected fraud will be investigated and a summary of findings will be reported to Finance and Audit Committee. Dependent on the outcome of the investigation, employees may be subject to the SDC disciplinary procedures.
- Fraud is a criminal offence and will generally constitute serious misconduct.
- Incidences of significant suspected fraud will be reported by the Fraud Control Officer or such other alternate as is appropriate, to the NZ Police, the Chair of the Finance and Audit Committee and the Mayor as set out in Council's documented process (Fraud Response Plan).
- Fraud is a dishonest act that involves deception to obtain an advantage. A significant fraud will usually involve the theft or misuse of Council assets or be of a nature that has the potential to impact on the reputation of the SDC.

1.3 Scope

This policy applies to Elected Members, appointed Committee Members, employees and contractors of the SDC.

1.4 Strategic Alignment

This policy supports Council's Strategic Framework, which has a vision of having thriving, healthy, Southland communities. A desired outcome in the strategic framework is being an effective Council by being prudent and innovative. This policy is prudent as it focuses on the definition of fraud, outlines prevention mechanisms, sets out responsibilities for the detection of fraud, provides clarity about what to do if you suspect fraud and sets out the actions that will be taken if a fraud is discovered.

This policy also aligns with the following associated documents:

- Local Authorities (Members' Interests) Act 1968.
- The Secret Commissions Act 1910.
- Sections 99, 105, 105A of the Crimes Act 1961.
- Protected Disclosures Act 2000.
- Delegation Manual.
- Staff Handbook.
- Policy on electronic communications (including the internet).
- Credit Card Policy
- Code of Conduct
- Sensitive Expenditure Policy
- Employment Relations Act 2000
- Privacy Act 1993
- Vehicle Policy

The Fraud Policy is supported by Council's documented process for responding to suspected fraud (Fraud Response Plan).

2. DEFINITIONS

For the purposes of this policy, "fraud" shall include all acts of deception, misrepresentation or omission committed with the intention of gaining an unjust or illegal financial advantage or to cause an unjust or illegal loss or disadvantage.

Such behaviour includes, but is not limited to:

- Forgery or alteration of documents or accounts belonging to SDC.
- Unauthorised possession of Council property.
- Failing to record leave taken, or any other employee theft of time.
- Disclosing confidential or proprietary information to third parties.
- Any misappropriation of funds, securities, supplies or any other assets.
- Any irregularities of funds, securities, supplies or any other asset.
- Any irregularity in handling or reporting of money transactions.

- Misappropriation of furniture, fixtures and equipment.
- Accepting or seeking anything of material value from contractors or persons, including before, during and after, any procurement processes.
- Bribery, corruption or abuse of office.
- Unauthorised or inappropriate use of SDC property, vehicles, equipment, materials, furniture, fixtures, and equipment or records.
- Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes - or the misappropriation of SDC-owned software.
- Manipulating reporting to obscure impropriety.
- Obtaining funds or any other benefit through misleading claims, representations or by false pretences.
- Causing a loss, or avoiding or creating a liability by deception.
- Any claim for reimbursement of expenses that are not made for the exclusive benefit of the SDC.
- Profiteering for personal or another person or entities gain as a result of insider knowledge of SDC's activities.
- Unapproved destruction or removal of records.
- Use of the Southland District Council's credit card for personal gain.
- Inappropriate payments to third parties.
- Presenting false credentials or qualifications.
- Supporting others in, or in any way being party to, fraud or not reporting fraud.
- Any of the above for personal gratification and/or edification, whether or not there is pecuniary gain.

3. BACKGROUND

The SDC is committed to protecting its revenue, property, information, and other assets from any attempt (by members of the public, contractors, subcontractors, agents, intermediaries, or its own employees) to gain financial or other benefits from it by deceit.

This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

In addition to this policy some Council employees belong to professional bodies, such as the Institute of Professional Engineers and also the Institute of Chartered Accountants of Australia and New Zealand, both of which bind their members to their professions individual code of ethics concerning professional behaviour.

4. POLICY STATEMENTS

4.1 Prevention

SDC will not tolerate any fraudulent behaviour and will investigate all instances of suspected fraud.

SDC will proactively take all reasonable steps to prevent fraud by developing and maintaining a policy framework that sets out clearly procedures, processes and expectations of behaviour and promotes robust internal controls for all aspects of the protection of assets, procurement, purchasing, payroll, treasury and

- A clear, visible code of conduct that sets out the expectations for employee behaviour.
- Pre-employment screening that includes checking for criminal convictions for appropriate staff (for example ELT, Finance Team and any other staff member who has financial delegation).
- Ensuring that staff appointed to positions of responsibility are appropriately qualified, experienced and aware of their obligations in regard to fraud and the protection of assets of the Council.
- Induction processes for new staff that include fraud awareness and code of conduct training.
- Regular fraud awareness training for all staff.
- Segregation of duties in accordance with best practice.
- Appropriately robust monthly financial reporting that provides information about results against budget, benchmarks and expected key performance indicators.
- Robust confirmation of new suppliers.
- Centralised Contract Register.
- An Internal Audit Policy, Plan and Programme of work carried out by external parties.
- Regular Fraud Risk Assessments by external parties.
- Regular suspicious transaction analysis; and
- A safe, documented and widely available process for employees to report suspected fraud.

4.2 Reporting

SDC has a documented process for responding to suspected fraud (Fraud Response Plan).

SDC also has a Fraud Control Officer. The Fraud Control Officer is the [add position title]. Staff can report fraud in person, by phone, or by email. The contact details for reporting suspected fraud to the Fraud Control Officer are:

Email: fraudofficer@southlanddc.govt.nz, phone: (03)

Staff are required to report all instances of suspected fraud to their Manager, or, if this is not appropriate, to:

- The Fraud Control Officer.
- The Chief Financial Officer.
- The Chief Executive.
- The People and Capability Manager.

- The Chair of the Finance and Audit Committee.
- The independent member of the Finance and Audit committee; or
- The Mayor.

Staff reporting suspected fraud are covered under the Whistle Blower Protection section of this policy.

4.3 Whistle Blower Protection Responsibilities

SDC is committed to protecting individuals who report suspected serious wrong doing. The responsibility for ensuring confidentiality and overall protection of the individual(s) making disclosures rests with the Chief Executive. Protection is provided under the Protected Disclosures Act 2000.

In their absence, Council Personnel may contact the Fraud Control Officer, the Chief Financial Officer, or Mayor where appropriate or they may prefer to make a disclosure to their Manager.

The Protected Disclosures Act 2000 offers Whistle Blower protection. Section 19 covers the Confidentiality of a Protected Disclosure. Section 7 of the Act specifies that employees shall follow internal procedures for disclosing serious wrongdoing. Sections 8, 9 and 10 of that Act outline the specific circumstances in which a disclosure of serious wrongdoing may be made to designated officials.

5. IMPLEMENTATION

The policy was reviewed by ELT prior to being circulated to staff for consultation. Staff feedback has been considered and incorporated into the policy where appropriate prior to endorsement by the Finance and Audit Committee and final approval by Council. The approved policy will be circulated to all staff and elected members.

6. TRANSITIONAL ARRANGEMENTS

This policy will become effective immediately upon approval by Council. Staff and elected members will be required to acknowledge they have read and accepted the terms of the policy within four weeks of the policy adoption.

7. MONITORING, EVALUATION AND POLICY REVIEW

Informal feedback can be provided at any time to the Fraud Control Officer on the effectiveness and appropriateness of this policy.

A formal review of this policy will be undertaken within three years of it being implemented / reviewed.

8. RESPONSIBILITIES

ROLE	RESPONSIBILITIES
Management Responsibility	The day to day responsibility for the prevention and detection of fraud, misappropriation and other inappropriate conduct rests with Managers.

ROLE	RESPONSIBILITIES
	<p>Managers are responsible for:</p> <ul style="list-style-type: none"> • Demonstrating the highest standards of ethical behaviour. • Identifying the risks to which systems, operations and procedures are exposed. • Developing and maintaining effective internal controls to ensure effective stewardship of funds and to prevent and detect fraud. • Ensuring these internal controls are being complied with. • Strictly adhering to delegations of authority. • Ensuring compliance with all corporate and network policies, procedures and guidelines; and • An awareness and sense of responsibility for the types of impropriety that may occur within their respective areas and being alert for any indication of irregularity.
Employees Responsibility	<p>All employees, including Managers, are responsible for:</p> <ul style="list-style-type: none"> • Being scrupulously fair and honest in their dealings with contractors, suppliers or customers; • Taking reasonable steps to safeguard SDC funds and assets against fraud, theft, unauthorised use and misappropriation; • Strictly adhering to all system security measures, segregation of duties and delegations; • Reporting immediately to the Fraud Control Officer, Chief Financial Officer or Chief Executive if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed. • Reporting immediately to the Mayor, Chair of the Finance and Audit Committee or the independent member of the Finance and Audit committee if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed by the Chief Executive.

ROLE	RESPONSIBILITIES
Elected Members Responsibility	<p>Each elected member is responsible for:</p> <ul style="list-style-type: none"> • Being scrupulously fair and honest in their dealings with contractors, suppliers or customers; • Reporting immediately to the Fraud Control Officer, Chief Financial Officer or Chief Executive if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed. • Reporting immediately to the Mayor, Chair of the Finance and Audit Committee or the independent member of the Finance and Audit committee if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed by the Chief Executive. • Strictly adhering to all system security measures, segregation of duties and delegations • Maintaining a climate of risk awareness by providing firm and visible support for fraud and corruption control management.
Chief Financial Officer	<ul style="list-style-type: none"> • Development, maintenance and implementation of the Fraud Policy. • Developing and maintaining the governance and strategy aspects of this policy.
Chief Executive/ELT	<ul style="list-style-type: none"> • Responsible and accountable for the overall ownership and administration of this policy.

9. REVISION RECORD

DATE	VERSION	REVISION DESCRIPTION
10 August 2017	V1	First draft for ELT
28 August 2017	V2	Amended version with ELT and staff amendments
6 September 2017		Amended version endorsed by Finance & Audit Committee
26 September 2017		Final version approved by Council

Draft Elected Members' Remuneration and Reimbursements Policy - for adoption

Record no: R/21/5/25460
Author: Carrie Williams, Intermediate policy analyst
Approved by: Trudie Hurst, Group manager customer delivery

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to provide information and to present options to Council so that it can make decisions on the draft Elected Members' Remuneration and Reimbursements Policy (the draft policy). This report also presents the draft policy for adoption. The draft policy is included as Attachment A.

Executive summary

- 2 The Remuneration Authority sets remuneration for elected members for each local authority, and sets the rules for reimbursement of costs met by members in undertaking their duties. These are set out annually in the Local Government Members Determination (the determination), in line with Council's financial year.
- 3 There have been changes to how elected members are paid and reimbursed for costs since Council's Elected Members' Remuneration and Reimbursements Policy was last reviewed. In addition, the 2020 Auditor General guide for controlling sensitive expenditure, whilst not binding, provides expectations for councils to follow.
- 4 Allowances are at the discretion of individual councils, within the limits set by the Remuneration Authority.
- 5 The draft policy, when adopted, will reflect how Council applies this framework for its elected members. Some of the changes proposed include:
 - communications allowances for all elected members
 - childcare allowance for all elected members
 - removing the ability of elected members to accrue travel-related loyalty scheme points personally, when travelling for Council business
 - removing the ability of elected members to be reimbursed for alcohol when travelling for Council business.
- 6 Staff are requesting Council select how it would like to proceed.
- 7 If Council decides to adopt the draft policy, it is recommended the draft policy come into effect on 1 July 2021, to align with the start of the financial year.
- 8 If Council propose a different way forward, staff will action the request of Council.

Recommendation

That Council:

- a) **receives the report titled “Draft Elected Members' Remuneration and Reimbursements Policy - for adoption” dated 16 June 2021.**
- 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) considers the draft **Elected Members' Remuneration and Reimbursements Policy**.
- e) adopts the **Elected Members' Remuneration and Reimbursements Policy**.
- f) resolves that the **Elected Members' Remuneration and Reimbursements Policy** will come into effect and supersede the current policy on 1 July 2021.

Background

- 9 Councils' Elected Members' Remuneration and Reimbursements Policy has not been reviewed since 2016 (Attachment B). Since then, there have been several changes to the methodology used to remunerate elected members, as well as allowance entitlements.
- 10 The Remuneration Authority sets remuneration for elected members in individual local authorities through the determination. Council retains discretion as to allowances, but any allowances it provides must be done within the limits set by the Remuneration Authority.
- 11 The 2020 Auditor General Report, 'Controlling sensitive expenditure: guide for public organisations', provides expectations for councils to follow. The guide is not binding on Council, but represents best practice.
- 12 Both the limits set by the Remuneration Authority and the principles in the Auditor General report are discussed in the issues section below, in relation to the proposed changes in the draft policy.

Issues

- 13 There are several proposed changes in the draft policy. The Finance and Audit Committee (committee) considered the draft policy at its meeting on 15 June 2021. The committee's feedback has been incorporated into this report, and the draft policy.

Communications allowance

- 14 The current policy provides councillors with a tablet and reimbursements for communications services (internet and mobile) in line with the determination. There are no changes proposed to the draft policy for the mayor and councillors.

- 15 There is no allowance in the current policy for community board members, which is inconsistent with the determination. The cost of the equipment and services allowances for community board members, as proposed in the draft policy and supported by the committee, is \$40,790 per annum. This cost needs to be balanced with making the role of an elected member attractive for those considering the position. Analysis this cost is provided below.

Equipment

- 16 For equipment, Council must assess what equipment is necessary for an elected member to perform their Council duties (tablet or similar, printer, mobile phone), and whether the elected member is being asked to use their own such equipment for these duties.
- 17 It is then open for Council to decide whether to provide an allowance for the use of personally owned equipment. If it chooses to provide an allowance, the allowance amounts for each of these items are provided in the determination.
- 18 It is proposed to provide the full equipment allowance to community board chairs, for the use of a personally owned tablet or similar, printer and mobile phone. The total for this allowance is \$3,510 (\$390 per annum, multiplied by nine community board chairs).
- 19 For community board members, it is proposed to provide an allowance for the use of a personally own tablet or similar, and printer. This equates to \$11,280 (\$240 per annum, multiplied by 47 community board members).

Services

- 20 For services, if Council considers it necessary for elected members to have a phone and an internet connection (services), an allowance for these is required.
- 21 Regarding internet, the determination states at s.13(3) that if Council requests a member to use the members own internet service for Council business, the member is entitled to an allowance of \$400 per annum.
- 22 For mobile phone services, s.13(4) of the determination states that if Council requests a member to use their own mobile telephone service for the purpose of Council business, the member is entitled, at their option, to a \$400 allowance per annum, or reimbursement of actual costs of telephone calls made on Council business, upon production of the relevant telephone records and receipts.
- 23 Flowing from the committee's recommendations regarding equipment, if CB chairs are requested to use their personally owned tablet (or similar) and mobile phone, it follows that they are entitled to an allowance for both mobile phone services and internet services. If CB members are not being asked to use their mobile phone devices for Council business, it follows that they are entitled to an allowance for internet services only.
- 24 The total for this allowance for all community board members is up to a maximum of \$40,790, but may vary if community board chairs elect for reimbursement of actual mobile phone call costs rather than the \$400 allowance for phone services.
- 25 The proposed communications allowances are at Appendix A of the draft policy.

Child care allowance

- 26 The current policy is silent on child care. The determination provides that Council may choose to pay a childcare allowance to elected members who are the parent or primary caregiver of a child under 14 years old. The childcare must be provided by someone who is not a family member and does not normally reside with the elected member. The maximum amount payable is \$6,000 per annum, per child.
- 27 The committee supported a child care allowance for all elected members. If endorsed by Council, this allowance could help to encourage the diversity of elected members in the District, and make the role more attractive for those considering it.
- 28 Wording has been added in the draft policy to clarify the criteria in the determination, in order for an elected member to be eligible to claim reimbursement for childcare, including that:
- the elected member is engaged in Council business at the time of the childcare
 - the elected member is the parent or guardian of the child, or usually has day-to-day responsibility for the care of the child
 - the child is under 14 years of age and
 - evidence of payment made and received is appended to the expense claim.
- 29 A childcare reimbursement form, similar to an expense reimbursement form, will be made available to elected members in order to be eligible for reimbursement. This form will ensure that sufficient evidence is provided, in a timely manner.

Airline and travel loyalty programmes

- 30 The current policy allows frequent flyer points earned by elected members on Council business to be used for private travel.
- 31 This approach is inconsistent with the Auditor General guide for controlling sensitive expenditure. The guidelines expect that public organisations who are accountable to ratepayers manage the risk of the significant personal benefit that accruing loyalty points when travelling on Council business can have.
- 32 The committee recommended that the Auditor General guidelines be followed, and this is reflected in the draft policy. Practically, this means that loyalty points would not be earned on an individual level, nor by Council. It is important that travel is booked through Council's authorised travel arranger, in order for this to occur. The draft policy contains wording to provide for this.
- 33 As discussed above, the Auditor General guidelines are not mandatory. It is considered that this recommended change is prudent, and that it follows the general practice of public organisations.
- 34 It should be noted that the staff Sensitive Expenditure Policy is also currently under review, and that consistency will be sought as between staff and elected members, as to how airline and travel loyalty points are treated.

Meals and alcohol

- 35 The Auditor General guidelines expect that public organisations should not allow for reimbursement of alcohol purchases through travel or accommodation expenses, and that the policy should provide guidance on what is reasonable for meal expenses.

- 36 The current policy is silent regarding meals and alcohol allowances for elected members, though in practice, elected members are currently following the same policy statements as staff in this regard. Wording has been added to the draft policy to align with the allowable meal costs amounts in the staff Sensitive Expenditure Policy: \$30 for breakfast, \$30 for lunch and \$60 for dinner.
- 37 The draft policy proposes that elected members may not claim for the cost of alcohol incurred while on Council business.
- 38 An exception has been added for alcohol reimbursement when elected members are hosting official guests to Council, as follows, “while not encouraged, alcoholic drinks may be purchased and paid for by Council if necessary due to the nature of the business activity or stakeholder relationship.”
- 39 As with travel loyalty programmes discussed above, whilst the Auditor General guidelines are not binding, the committee supported this change.

Other updates in the draft policy

- 40 Minor changes and clarifications have been made to the following topics in the draft policy, including:

Hearings – how elected members are reimbursed for resource consent and District Plan related hearings has changed since this policy was last reviewed. The definition of ‘hearing’ from the determination has been added to the draft policy. This will provide clarity that the amounts pertain to stand alone Resource Management Act 1991 related hearings, not regular Council/committee business. The draft policy refers to hourly rates (vs. daily), at amounts provided in the determination: \$100/hour for elected member chair, \$80/hour for elected member not chairing.

Remuneration – the draft policy refers to the determination for remuneration amounts and methodology. Amounts will be updated by making changes to appendix A of the draft policy

Expenses for Council appointed subcommittee members – the draft policy wording is the same as the current policy, that no remuneration is payable to those appointed to subcommittees of Council. It is recommended that separate from this policy, Council’s terms of reference are updated at the beginning of each triennium for each subcommittee, to establish any reimbursements to subcommittee members. Currently there are no written guidelines on expenses in this regard

Vehicle mileage and travel time allowance – no changes are proposed in the draft policy regarding these allowances, which are payable to all elected members. It is optional whether mileage and travel time are paid, but if Council chooses to do so, it must be at the rates provided in the determination

Spouses, partners or other family members accompanying travel – wording has been added to the draft policy so that it is consistent with the Auditor General guidelines, that “Council will not usually pay for travel costs of accompanying spouses, partners or other family members. In the rare circumstances that involvement of a spouse directly contributes to a clear Council business purpose, the spouse’s travel is to be pre-approved.”

Factors to consider

Legal and statutory requirements

- 41 The Remuneration Authority is the independent body set up by parliament to handle the remuneration of key office holders such as judges and members of parliament, as well as local government representatives.
- 42 The Local Government Members (2020/2021) Determination 2020 is made pursuant to the Local Government Act 2002 and the Remuneration Authority Act 1977. These acts provide guidance to the Remuneration Authority on the considerations to be followed, when setting elected member salaries and allowances. A policy is the appropriate way for councils to state their position on these matters.
- 43 The determination is updated each year, but changes can be made more frequently. To respond to these changes, it is proposed that the appendix at the end of the draft policy be updated annually, or as required. This will remove the need for a formal review of the policy each time the determination is changed.

Community views

- 44 No community views have been sought in relation to the draft policy.

Costs and funding

- 45 The cost to provide the communications equipment and services allowance to community board members is a maximum of \$40,790 per annum (\$10,710 for CB chairs + \$30,080 for CB members). Allowance for this has been included in budgets for the financial year starting 1 July 2021. This has been funded by way of a loan over three years, as it was a late inclusion to the LTP. The communications allowance is already being paid out for councillors, so no change to the budget is required in that regard.
- 46 There may be some administrative cost savings if the draft policy is adopted, as paper agendas would no longer need to be printed and delivered to all community board members, if communications equipment and services are being reimbursed.
- 47 The cost to reimburse elected members for childcare has not been allowed for in the LTP. Any costs incurred will either be funded from savings or will also be added to the loan for the 2021/2022 financial year. Until it is implemented, it is difficult to estimate the cost of this allowance.

Policy implications

- 48 Incorporating the changes proposed in the draft policy would have several implications, including:
- making the role of an elected member more attractive, by providing communication and child care allowances. This may encourage the diversity of elected members in the District
 - consistency with the Auditor General guidelines for sensitive expenditure ensures that Council is meeting or exceeding what is expected of a public organisation
 - excluding the reimbursement of alcohol through travel or accommodation expenses will improve Council's health and safety practices.

- 49 Provision of a communications allowance for community board members will enable a transition towards Council relying less on hard copy agendas, and may achieve environmental and administrative gains.

Analysis

Options considered

- 50 The following reasonably practical options have been identified:

- **option 1** – that Council proceed and adopt the draft policy
- **option 2** – that Council proposes a different way forward.

Analysis of Options

Option 1 – **adopt the Elected Members’ Remuneration and Reimbursements Policy**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• provides clarity to elected member allowances• achieves legislative compliance• may make the role of an elected member more attractive, by providing communication and child care allowances• consistency with the Auditor General guidelines for sensitive expenditures ensures that Council is meeting or exceeding what is expected of a public organisation• some administrative and environmental gains, if some agendas are no longer printed• excluding the reimbursement of alcohol through travel or accommodation expenses will improve Council’s health and safety practices• changes in relation to air points, food and alcohol will ensure ratepayer funds are being spent prudently.	<ul style="list-style-type: none">• some allowances will incur an additional cost to Council

Option 2 – propose a different way forward

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• would give clarity on Council’s preferred approach.	<ul style="list-style-type: none">• may mean that review of the policy is not completed so that changes can be implemented for the new financial year.

Assessment of significance

- 51 The decisions Council is making in regard to this report have been assessed as not being significant in relation to Council's Significance and Engagement Policy and the Local Government Act 2002.

Recommended option

- 52 It is recommended that Council proceed with option 1 and adopt the draft policy.

Next steps

- 53 If Council proceeds with option 1, and adopts the draft policy, it will be implemented effective 1 July 2021.
- 54 If Council proceeds with option 2, staff will outline next steps in line with the approach taken.

Attachments

- A DRAFT Elected Members' Remuneration and Reimbursements Policy, for adoption by Council [↓](#)
- B Current Elected Members' Remuneration and Reimbursements Policy [↓](#)



Elected Members' Remuneration and Reimbursements Policy

Groups responsible:	Governance and democracy, finance
Date approved:	23 June 2021
Date implemented:	1 July 2021
File no:	R/21/3/11403

Purpose

The Elected Members' Remuneration and Reimbursements Policy (the policy) sets out elected members remuneration and entitlement of elected members to allowances and contributions towards expenses during their term of office for Southland District Council (Council).

This policy ensures that all remuneration and allowances paid to elected members are in accordance with the Local Government Elected Members' Determination (determination) issued by the Remuneration Authority for the appropriate year.

Background

The Local Government Act 2002 provides for the Remuneration Authority (the authority) to determine the remuneration, allowances, and rules for reimbursing expenses incurred by all local authority elected members.

Prior to the local body term, the authority undertakes a review of the settings for elected member remuneration and allowances, in consultation with councils. Following this review, an annual determination is then issued prior to 30 June each year, which may result in adjustments to the level of remuneration received.*

Actual and reasonable expenses incurred by elected members while undertaking Council business will be reimbursed in line with this policy.

The attached schedule of remuneration (Appendix A) is updated annually to reflect the latest determination issued by the authority.

If inconsistencies arise between this policy and the determination in regards to remuneration and allowance rates, Council will make payments to elected members in accordance with the relevant determination.

Council approved allowances must be included in this policy and published on Council's website.

*These adjustments may take account of data collected by the State Services Commission on public and private sector remuneration movements, any major legislative changes in the role of elected members and feedback from the sector.

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Principles

The payment of allowances and expenses to elected members by Council is made in accordance with the Auditor General's guidance for a principles based approach for sensitive expenditure¹.

The principles are that expenditure decisions:

- have a justifiable business purpose
- preserve impartiality
- are made with integrity
- are moderate and conservative, having regard to the circumstances
- are made transparently and
- are appropriate in all respects.

All allowance and expense claims will be approved as follows:

CLAIM BY	APPROVED BY
Mayor	Chair of Finance and Assurance Committee
Deputy mayor	Mayor
Councillors	Mayor or deputy mayor
Community board member	Mayor or deputy mayor
Subcommittee member	Mayor, deputy mayor or chair of Finance and Assurance Committee

Definitions

Actual	Means as evidenced by the original receipt attached to the claim form.
Community board member	Means any elected member of the nine community boards throughout the Southland District.
Subcommittee member	Means any elected member of a Council appointed subcommittee.
Council business	Includes: formal Council and community board meetings, committee and subcommittee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, and meetings with members of the public. It does not include events where the primary focus is on social activity.
Council office	Means any of the Council offices throughout the Southland District. These are: Invercargill, Wyndham, Riverton, Stewart Island/Rakiura, Te Anau, Otautau, Lumsden and Winton. Where community board or subcommittee meetings are held at a regular venue other than a Council office, this location will be deemed to be a Council office for the purposes of this policy.

¹ <https://oag.parliament.nz/2020/sensitive-expenditure/docs/sensitive-expenditure.pdf>



Elected member	Means any of the councillors or community board members.
Hearing	Has the same meaning as s.5 of the Local Government Members Determination for the year to which it applies, and includes resource consent hearings; pre-hearing meetings held under s.99 of the Resource Management Act 1991 (RMA); a hearing as part of the process of the preparation, change, variation, or review of a district plan; a mediation hearing in the Environment Court as part of an appeal process and a hearing on an objection against a charge fixed by a local authority under s.36 of the RMA.
Reasonable	Means that it is within the amount specified by this policy or as deemed reasonable by the mayor and/or chief executive.
Remuneration Authority	Is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

Remuneration

Elected members shall receive remuneration as determined by the authority, outlined in Appendix A.

Councillors who are appointed as chairs on a community board receive no additional remuneration.

Elected members who sit on resource management or District Plan hearing receive meeting fees as determined by the authority, outlined in Appendix A.

Elected members will not receive any additional remuneration for their roles on Council committees or subcommittees beyond that outlined in Appendix A.

No remuneration is payable to those appointed to subcommittees of Council.

Any allowances not currently included in this policy will be subject, in the first instance, to the criteria set by the relevant annual determination.

Mileage allowance

The mayor will be provided with a vehicle that will also be available for his/her private use. A deduction will be made from his/her salary as determined by the authority. The mayor will not be able to claim for vehicle mileage.

A mileage claim can be made where an elected member has been required or invited by Council to a meeting on Council business and is travelling in his/her own vehicle and is taking the most direct route reasonable in the circumstances.

Where possible every effort should be made to share transport and reduce costs.

Mileage claims are based on travel from the elected member's normal residence to the meeting place.

Mileage allowance will be paid as follows:

- (a) for travel to any Council office, mileage allowance will be paid for kilometres travelled beyond 15 km each way (ie, a 30 km round trip). This distance is calculated from the elected member's place of residence to the Council office.



- (b) for all other Council related travel, mileage allowance will be paid for the total kilometres travelled from the elected member's place of residence.

For travel to any Council office where distance does not exceed 15 km each way (ie, a 30 km round trip), no mileage allowance will be paid.

The mileage rate will be paid at the full rate determined by the authority, outlined in Appendix A.

Travel time allowance

Elected members can claim a travel time allowance for travel within New Zealand on Council business.

The mayor is not eligible for this allowance because the role is deemed to be full time and remuneration set accordingly.

Council will pay the travel time allowance set by the authority for all eligible travel claimed by an elected member, as outlined in Appendix A.

An elected members' travel is eligible for the travel time allowance if:

- the elected member is travelling on Council business
- the elected member uses the quickest form of transport that is reasonable and
- the most direct route reasonable is taken.

Elected members cannot claim for the first hour of eligible travel.

The maximum total amount of travel time allowance that an elected member may be paid for eligible travel in a 24-hour period is eight hours.

Communications

The mayor and councillors are provided with a tablet (or similar). Full technical support is provided where related to Council business. No allowance is payable in respect of items provided by Council.

The mayor is provided with a mobile phone and full payment of all expenses related to the use of the mobile phone.

Council will pay annual allowances in recognition of elected members' use of personal communication equipment and services for Council business as set out in Appendix A.

Childcare allowance

Elected members can claim a childcare allowance as a contribution towards expenses incurred by the member for childcare while the member is engaged on Council business.

Elected members are eligible for the allowance if:

- they are engaged in Council business at the time of the childcare
- they are the parent or guardian of the child, or usually has day-to-day responsibility for the care of the child and



- the child is under 14 years of age
- the childcare must be provided by someone who is not a family member of the elected member and does not ordinarily reside with the elected member
- evidence of payment made and received is appended to the expense claim.

Elected members must provide a child care reimbursement form for all claims to mayoral support, at least quarterly, to be eligible for reimbursement.

Eligible elected members can claim up to \$6,000 per year for each child if the childcare meets the criteria above.

Expenses

From time to time elected members incur expenses in their undertaking of Council business which need to be reimbursed. This reimbursement applies only to elected members personally, and only while they are acting in their official capacity as elected members.

In incurring and claiming these expenses, elected members will abide by the principles of this policy (see 'principles' section).

An expense reimbursement form is to be completed and returned to mayoral support at least quarterly, and attach full GST receipts for all expense claims.

All expense claims submitted by elected members are to be approved according to the approval table set out in the 'principles' section of this policy.

Council's internal audit work programme will include sampling of allowances and expense claims paid to elected members.

Any expenses not currently included in this policy will be subject in the first instance to the criteria set by the relevant determination.

All expense reimbursements will be made via Council's payroll system.

No costs will be reimbursed where they are chargeable to others, including private companies.

Expenses for electioneering will not be reimbursed.

Conferences, seminars and training

Conferences, courses, seminars or training events must contribute to the elected members' ability to carry out Council business.

All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at conferences, courses, seminars or training events, held both within New Zealand and overseas, subject to:

- (a) related expenditure being accommodated within existing budgets, and
- (b) the appropriate approvals as outlined in this policy.



Prior approval according to the table set out in the 'principles' section of this policy is required for conferences, seminars and training within New Zealand. Attendance at conferences, courses, seminars or training events held overseas must be approved by Council prior to travel.

Travel and accommodation

Travel arrangements are to be made through mayoral support.

Where possible costs will be charged to Council; otherwise all fair and reasonable costs will be reimbursed.

Travel will be arranged in a manner that represents public value in consideration of location, timing and cost. As appropriate, Council may choose to arrange air travel, travel by hire vehicle, travel by sea, travel by taxi or travel by bus.

TaxiCharge cards issued for travel to approved meetings or conferences are to be used only for business purposes of Council. Where a TaxiCharge card has been used for purposes other than travel to approved meetings and conferences, any claim must be accompanied by appropriate documentation and reasons for the claim.

International air travel by an elected member is by way of economy class. The approval of Council is required for exceptions. Stopovers during international air travel will be pre-approved on a case-by-case basis. Council may pay for the cost of a stopover where it has a clear business purpose, be moderate and conservative.

Elected members can claim \$50 per night when staying in private accommodation, to cover accommodation, breakfast and dinner. It is intended that at least a portion of this allowance is paid to the accommodation provider.

Council will not usually pay for travel costs of accompanying spouses, partners or other family members. In the rare circumstances that involvement of a spouse directly contributes to a clear Council business purpose, the spouse's travel is to be pre-approved.

Airline and travel loyalty programmes

The mayor will receive an annual membership to the Air New Zealand Koru Club, recognising the frequent travel requirements of the role.

Council will follow the Auditor General expectations, as a public organisation accountable to ratepayers, with respect to airline and travel loyalty schemes. Accruing points from Council-related travel can have significant personal benefit and Council needs to manage this risk.

Accordingly, elected members will not accumulate loyalty programme rewards when travelling on Council business. This will be managed by Council's authorised travel arranger.

Meals, beverages and incidentals

Elected members can claim actual and reasonable meal costs (excluding alcohol) incurred while the member is engaged on Council business. Reasonable meal costs will be met. In general the total cost (including beverages) is not expected to exceed:



- breakfast - \$30.00
- lunch - \$30.00
- dinner - \$60.00

Meal expenses cannot be claimed if a meal is provided as part of another package paid for by Council. For example, when lunches or dinner are included in conference registration, or are catered for as part of Council meetings.

Purchases from hotel mini-bars will not be reimbursed.

Gifts, hospitality and entertainment

Gifts may be given by elected members on behalf of Council, such as a thank you for a speech or presentation. Gifts must not be given in substitution for legitimate payment or remuneration.

Gifts that are given on behalf of Council should not exceed \$100 in value. Prior approval must be sought.

With prior approval, elected members can claim actual and reasonable costs incurred while hosting official visitors to Council. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided and approved as per the 'principles' section of this policy.

While not encouraged, alcoholic drinks may be purchased and paid for by Council if necessary due to the nature of the business activity or stakeholder relationship.

Any alcohol purchased shall be mid-range, and limited to a reasonable and responsible amount. Indicative amounts for alcohol expenditure is up to three standard drinks per person, per event.

Policy review

A formal review of this policy will be undertaken within three years of it being implemented/reviewed.



Appendix A - Schedule of remuneration and reimbursement amounts

Remuneration of the mayor and councillors

Mayor	\$124,000 ²
Deputy mayor	\$43,494
Committee chairperson	\$37,752
Councillor (with no additional responsibilities)	\$30,810
Councillor	\$25,874

Remuneration of community boards

	CHAIRPERSON	MEMBER
Waihopai Toetoe Community Board	\$9,805	\$4,903
Oraka-Aparima Community Board	\$8,083	\$4,042
Stewart Island/Rakiura Community Board	\$4,000	\$2,000
Fiordland Community Board	\$9,200	\$4,600
Tuatapere Te Waewae Community Board	\$7,059	\$3,530
Wallace Takitimu Community Board	\$8,594	\$4,297
Oreti Community Board	\$10,415	\$5,208
Ardlussa Community Board	\$7,483	\$3,742
Northern Community Board	\$7,235	\$3,618

Fees related to RMA hearings

Elected member who is chairperson of a hearing:	\$100 per hour of hearing time
Elected member not chairperson of a hearing	\$80 per hour of hearing time
The mayor or a member acting as mayor will not receive meeting fees for hearings.	

Communications allowances

Councillors shall receive:

- \$150 p.a. for the use of a personally owned mobile phone (equipment)
- \$40 p.a. for the use of a personally owned printer (equipment)
- \$400 p.a. for internet (services)
- \$400 p.a. for mobile phone services OR or reimbursement of actual costs of telephone calls made on Council business upon production of the relevant telephone records and receipts (at councillors option) (services)

Community board chairs shall receive:

- \$200 p.a. for the use of a personally owned tablet or similar (equipment)
- \$150 p.a. for the use of a personally owned mobile phone (equipment)
- \$40 p.a. for the use of a personally owned printer (equipment)
- \$400 p.a. for internet (services)

² After adjustment for private use of motor vehicle of \$4,224.



- \$400 p.a. for mobile phone OR or reimbursement of actual costs of telephone calls made on Council business upon production of the relevant telephone records and receipts (at councillors option) (services)

Community board members shall receive:

- \$200 p.a. for the use of a personally owned tablet or similar (equipment)
- \$40 p.a. for the use of a personally owned printer (equipment)
- \$400 p.a. for internet (services)

Vehicle Mileage Allowance

vehicle type	first 14,000km of eligible travel	after 14,000km of eligible travel
petrol or diesel vehicle	79 cents per km	30 cents per km
petrol hybrid vehicle	79 cents per km	19 cents per km
electric vehicle	79 cents per km	9 cents per km

Travel time allowance

Travel time allowance is paid at a rate of \$37.50 per hour for travel that exceeds one hour per day. Travel time is payable to elected members who are not considered to be full time and is only payable for travel relating to Southland District Council business. Travel time allowance is payable in respect of the quickest form of transport reasonable in the circumstances. Maximum of 8 hours in a 24 hour period.



Elected Members Remuneration and Reimbursements Policy

Group responsible: Financial services
Date approved: Council – 14 December 2016
File no: r/16/11/19709

Policy detail

Scope

This policy provides the framework for:

- (a) Remuneration of the mayor and councillors
- (b) Expenditure reimbursement and allowances for the mayor and councillors
- (c) The salary of community board members
- (d) Expenditure reimbursement and mileage and travel time allowances for community board members
- (e) Expenditure reimbursement and mileage and travel time allowances for the elected members of Council subcommittees.

Background

Remuneration for the mayor, councillors and community board members, and also the rules relating to allowances and expenses are determined by the Remuneration Authority and reviewed on an annual basis. Southland District Council is required to respond to the authority regarding remuneration and its policy for allowances and expenses.

The attached schedule (**Appendix A**) outlines the dollar amounts which will be paid. This schedule may be updated from time to time to reflect the most recent determination and advice of the Remuneration Authority including inflation adjustments.

The Elected Members' Remuneration and Reimbursements Policy is intended to reflect the relevant period's Local Government Elected Members Determination. If inconsistencies arise between this policy and the determination in regards to remuneration and allowance rates, Council will make payments to elected members in accordance with the relevant Local Government Elected Members' Determination.

Definitions

Actual	means as evidenced by the original receipt attached to the claim form
Council	shall mean the 13 elected members that form the governing body (Council) of Southland District Council.



Chair	shall mean the individual appointed the role of chairperson by formal resolution in the case of Council committees or elected to this role in the case of community boards.
Chief executive	shall mean the chief executive of Southland District Council.
Community board member	shall mean any elected member of the eight community boards throughout the Southland District. These are: Edendale-Wyndham, Otautau, Riverton/Aparima, Stewart Island/Rakiura, Te Anau, Tuatapere, Wallacetown and Winton.
Subcommittee member	shall mean any elected member of a Council appointed subcommittee, including but not limited to the nine Community Development Area (CDA) subcommittees throughout the Southland District. The CDAs are: Athol, Balfour, Browns, Centre Bush/Limehills, Colac Bay, Dipton, Garston, Gorge Road, Lumsden, Manapouri, Mossburn, Nightcaps, Ohai, Orepuki, Riversdale, Thornbury, Tokanui, Waikaia, Woodlands.
Council business	includes formal Council and community board meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits and where required or invited by Council, meetings with staff, meetings with community groups or meetings with members
Councillor	shall mean any of the 12 elected members of Council, including the deputy mayor, but excluding the mayor.
Council office	shall mean any of the seven Council offices throughout the Southland District. These are: Invercargill, Wyndham, Riverton, Stewart Island, Te Anau, Otautau and Winton. Where Community Board or subcommittee meetings are held at a regular venue other than a Council office, this location will be deemed to be a Council office for the purposes of this policy.
Elected member	shall mean any of the councillors, community board members, community development area subcommittee members or other Council appointed subcommittee members.
Expenses	means actual and reasonable expenses including but not limited to; accommodation, rental car, air travel, taxis, meals and refreshments, entertainment (hospitality), parking, sundry vehicle costs, alternative travel options and other such costs directly related to the business of Southland District Council.
Mayor	shall mean the mayor of Southland District Council.
Reasonable	means that it is within the amount specified by this policy or as deemed reasonable by the mayor and/or chief executive.
Remuneration Authority	is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.
Southland District Council	means the organisation established to administer Council affairs, conduct operations and bring effect to Council policy and strategies.
Travel	includes journeys made by air and sea, travel by taxi and travel by hire vehicle or private vehicle.



Travel arrangements	include accommodation, travel and seminar registration.
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Remuneration

Mayor and councillors

The mayor shall receive the full salary allowable by the determination of the Remuneration Authority, outlined in **Appendix A**.

In addition to the base salary, councillors can receive extra remuneration for:

- (a) Positions of additional responsibility (including deputy mayor and chair of various committees) and/or
- (b) Taking on significantly extra duties during the District Plan process.

Additional remuneration will be made at the rates outlined below, which have been approved by the Remuneration Authority.

ROLE	ADDITIONAL AMOUNT
Deputy mayor	+ 40% of a base councillor salary
Regulatory and Consents Committee chair	+ 22% of a base councillor salary
Services and Assets Committee chair	+ 22% of a base councillor salary
Finance and Audit Committee chair	+ 22% of a base councillor salary
Community and Policy Committee chair	+ 22% of a base councillor salary

In addition, 22% of a base councillor salary will be retained for allocation to members of the Regulatory and Consents Committee for District Plan review. This will be payable to all members of the Regulatory and Consents Committee at the rate of \$100 per day for District Plan review meetings.

Community board members

Remuneration for community board members and chairs will be made at the full allowable rate determined by the Remuneration Authority, outlined in **Appendix A**.

Subcommittee members

No remuneration is payable to those appointed to subcommittees of Council.

Expenditure reimbursements

Elected members will perform their roles in a manner that is most cost-effective for households and businesses. Costs for expenses must have a justifiable business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects.



Where possible, reimbursements will be based on actual incurred costs. Where an allowance is made, this will be based on a fair and reasonable estimate consistent with the guidelines of the Remuneration Authority.

If applicable, where reimbursements are claimed it must be specified whether amounts are GST exclusive or GST inclusive.

All actual reimbursements will be submitted on the appropriate form and supported by relevant invoices and/or documentation.

Expense claims will be approved as follows

CLAIM BY THE:	APPROVED BY
Mayor	The Chair of the Finance and Audit Committee
Deputy mayor	The mayor
Councillors	The mayor or deputy mayor

Expense claims for community board and subcommittee members will be approved by the mayor, deputy mayor or chair of the Finance and Audit Committee.

No costs will be reimbursed where they are chargeable to others, including private companies.

Expenses for electioneering will not be reimbursed.

Mileage allowance

The mayor will be provided with a vehicle that will also be available for his/her private use. A deduction will be made from his/her salary as determined by the Remuneration Authority. The mayor will not be able to claim for vehicle mileage.

A mileage claim can be made where an elected member has been required or invited by Council to a meeting on Council business and is travelling in his/her own vehicle and is taking the most direct route reasonable in the circumstances.

Where possible every effort should be made to share transport and reduce costs.

Mileage claims are based on travel from the elected member's normal residence to the meeting place.

In accordance with the Remuneration Authority's determination mileage allowance will be paid as follows:

- (a) For travel to any Council office, mileage allowance will be paid for kilometres travelled beyond 15 km each way (ie, a 30 km round trip). This distance is calculated from the elected member's place of residence to the Council office.
- (b) For all other Council related travel, mileage allowance will be paid for the total kilometres travelled from the elected member's place of residence.

For travel to any Council office where distance does not exceed 15 km each way (ie, a 30 km round trip), no mileage allowance will be paid.

The mileage rate will be paid at the full rate determined by the Remuneration Authority, outlined in **Appendix A**.



Travel time allowance

Travel time will be paid to all elected members at the full allowable rate in accordance with the conditions outlined in the determination of the Remuneration Authority, outlined in **Appendix A**.

In accordance with the Remuneration Authority's determination this allowance will only be paid where travel time exceeds 1 hour within a day.

In accordance with the Remuneration Authority's determination, payment of travel time allowance will not be paid for positions which are considered to be full time. Therefore, travel time allowance will not be paid to the mayor.

Communications allowance

An allowance will be paid to councillors where they supply their own hardware for use in Council business. No allowance is payable in respect of items provided by Southland District Council.

The allowance for communications and technology will be paid at the full allowable rate determined by the Remuneration Authority, outlined in **Appendix A**. The mayor shall be provided with a mobile phone, laptop or tablet and accessories, and a broadband connection in lieu of the allowance.

No communications allowance is payable to community board members and members of Council subcommittees.

Conferences, seminars and training

Conferences, courses, seminars or training events must contribute to the elected members' ability to carry out council business.

All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at conferences, courses, seminars or training events, held both within New Zealand and overseas, subject to:

- (a) Related expenditure being accommodated within existing budgets, and
- (b) The appropriate approvals as outlined in this policy.

In respect of the mayor, prior approval of the deputy mayor or chair of Finance and Audit Committee is required for travel within New Zealand for Council business; attendance at conferences, courses, training events, seminars or other purposes associated with the position of mayor.

In respect of councillors; attendance at these events when held in New Zealand must be approved by the mayor and either the deputy mayor or chair of Finance and Audit Committee.

In respect of community board and community development area subcommittee members; attendance at these events when held in New Zealand, prior approval must be obtained from the mayor, deputy mayor or chair of Finance and Audit Committee.

Attendance at conferences, courses, seminars or training events held overseas must be approved by the Council.



Travel and accommodation

Where possible all travel arrangements will be made through the executive assistant to the mayor.

Where possible costs will be charged to Council; otherwise all fair and reasonable costs will be reimbursed.

Travel will be arranged in a manner that represents public value in consideration of location, timing and cost. As appropriate, Council may choose to arrange air travel, travel by hire vehicle, travel by sea, travel by taxi or travel by bus.

Taxi chits issued for travel to approved meetings or conferences will be used only for business purposes of Council. Where a taxi chit has been obtained for purposes other than travel to approved meetings and conferences, any claim must be accompanied by appropriate documentation and reasons for the claim.

Unless otherwise approved, all international air travel will be economy class. Stopovers during international air travel will be approved on a case-by-case basis.

Frequent flyer points earned by elected members on Council business may be used for private travel.

Due to the significant amount of air travel undertaken by the Mayor, Council will pay for membership of an Airline Club (such as the Koru Club).

Private accommodation may be used on occasions where it is considered appropriate and is approved by the mayor, deputy mayor or chair of Finance and Audit Committee. If private accommodation is used, reimbursement will be fair and reasonable and will not exceed the cost of obtaining accommodation or meals from another source such as a motel or hotel.

Where Council approves the attendance of the spouse/partner of the mayor or any councillor at conferences or meetings, fair and reasonable actual costs will be reimbursed.



APPENDIX A

Schedule of remuneration and reimbursement amounts

Remuneration of the mayor and councillors

Mayor	\$104,324 ¹
Deputy mayor	\$36,019
Regulatory and Consents Committee chair	\$31,388
Services and Assets Committee chair	\$31,388
Finance and Audit Committee chair	\$31,388
Community and Policy Committee chair	\$31,388
Councillor	\$25,728

Available to Regulatory and Consents Committee during the District Plan, 22% (\$5,660) of a councillor salary, paid \$100 per day.

Expenditure reimbursement for the mayor and councillors

Mileage rate (first 5,000 km per annum)	0.74 per km
Mileage rate (above 5,000 km per annum)	0.37 per km
Personal computer	\$150 per annum
Electronic tablet	\$150 per annum
Printer	\$40 per annum
Telephone	\$60 per annum
Internet connection (maximum)	\$250 per annum
Telephone/mobile phone calls (maximum)	\$400 per annum

Salary of community boards

	CHAIRPERSON	MEMBER
Edendale/Wyndham Community Board	\$4,510	\$2,255
Otautau Community Board	\$7,175	\$3,588
Riverton/Aparima Community Board	\$6,355	\$3,178
Stewart Island/Rakiura Community Board	\$2,665	\$1,333
Te Anau Community Board	\$10,250	\$5,125
Tuatapere Community Board	\$4,305	\$2,153
Wallacetown Community Board	\$2,665	\$1,333
Winton Community Board	\$8,815	\$4,408

Travel time allowance is paid at a rate of \$37.50 per hour for travel that exceeds one hour per day. Travel time is payable to elected members who are not considered to be full time and is only payable for travel relating to Southland District Council business. Travel time allowance is payable in respect of the quickest form of transport reasonable in the circumstances.

¹ After adjustment for private use of motor vehicle of \$4,224.

Revocation of policy - Awards - Community Service 1994

Record No: R/21/5/21086
Author: Megan Seator, Community liaison officer
Approved by: Trudie Hurst, Group manager customer delivery

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to seek approval from Council to revoke the Awards – Community Service Policy (the policy) 1994.

Executive summary

- 2 The policy was adopted in 1994, and staff have identified this as being obsolete. The contents of the policy have since been absorbed into the newly adopted community service awards – procedures and guidelines, adopted by the Community and Strategy Committee at its February 2021 meeting.
- 3 Southland District Council's community service awards are a mechanism to acknowledge individuals who have contributed outstanding community service to their community.
- 4 In 2020, staff undertook a review of the community service awards, at which time it was identified that clarification was needed around the award criteria. This included who can nominate an individual, make allocation decisions, the type of celebration that would be provided, and how the associated costs would be paid. The objective of the review was to ensure consistency across community boards, clarity for the public, and to provide staff with a standardised method of administration.
- 5 The Community and Strategy Committee at its February 2021 meeting adopted the new procedures and guidelines for Southland District Council's community service awards. Following this, all community boards received a report at their April 2021 meetings that outlined the new procedures and guidelines.
- 6 If Council revoke the policy, staff will remove the policy from Council's current policy stock and deem it revoked. Staff will ensure it is removed from all public facing environments. Staff will also advertise and implement the new process and procedures for the community service awards ahead of the first closing round on 30 September 2021.

Recommendation

That Council:

- a) **Receives the report titled “Revocation of policy - Awards - Community Service 1994” dated 15 June 2021.**
- 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) Agrees to revoke **the policy “Awards – Community Service 1994”, and instructs** staff to remove the policy from Councils current policy stock.

Background

- 7 Southland District Council’s community service awards are a mechanism to acknowledge individuals who have contribute outstanding community service to their community.
- 8 In 2020, staff from the community leadership, communications, and governance and democracy teams undertook a review of the community service awards.
- 9 It was identified that clarification is needed of the award criteria, who can nominate an individual, who makes allocation decisions, the type of celebration that will be provided, and how the associated costs are paid for. This is to ensure consistency across community boards, clarity for the public, and to provide staff with a standardised method of administration.
- 10 On 9 February 2021, the Community and Strategy Committee adopted the new procedures and guidelines for Southland District Council’s community service awards. Following this, all community boards received a report at their April meetings that outlined the new procedures and guidelines.

Issues

- 11 Council must consider whether or not to revoke this policy.

Factors to consider

Legal and statutory requirements

- 12 There are no legal or statutory requirements.

Community views

- 13 Feedback received informally from the community suggested that process and procedures outlined in the “awards – community service policy 1994” were unclear as to how the wider

community could have their say around the community service award allocation process. The newly adopted “community service awards – procedures and guidelines” intended to rectify this.

Costs and funding

- 14 There are no costs and funding associated with revoking the policy.

Policy implications

- 15 Since the new “community service awards – procedures and guidelines” has been adopted, the “awards – community service policy 1994” has been superseded and should now be formally revoked.

Analysis

Options considered

- 16 Option 1 – revokes the previous policy “awards – community service 1994”. Option 2 – does not revoke the previous policy “awards – community service 1994”.

Analysis of Options

Option 1 – **revokes the previous policy “awards – community service 1994”**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">enables the replacement of the previous policy with the new procedures and guidelines for the community service awards (attached) so staff can commence implementing the new procedures and guidelines ahead of the first closing round on 30 September 2021.	<ul style="list-style-type: none">there are no disadvantages.

Option 2 – **does not revoke the previous policy “awards – community service 1994”**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">there are no advantages.	<ul style="list-style-type: none">staff are inhibited to commence implementing the new procedures and guidelines ahead of the first closing round on 30 September 2021confusion may arise in the community if there are to two processes for the community service award allocation process.

Assessment of Significance

- 17 This is not considered significant.

Recommended Option

- 18 The recommended option is option 1 - revokes the previous policy “awards – community service 1994”.

Next Steps

- 19 If Council revoke the policy, staff will remove the policy from Council’s current policy stock and deem it revoked. Staff will ensure it is removed from all public facing environments. Staff will also advertise and implement the new process and procedures for the community service awards ahead of the first closing round on 30 September 2021.
- 20 If Council wish to keep the current policy in place, staff will initiate a full review of the policy to ensure it is up to date and applicable.

Attachments

- A Community Service Awards Policy - 13 July 1994 [↓](#)
- B Community Service Awards - Procedures and Guidelines - 9 February 2021 [↓](#)

POLICY: AWARDS - COMMUNITY SERVICE**GROUP RESPONSIBLE:** Customer and Financial Services**DATE APPROVED:** 13/7/94**DATE AMENDED:****FILE NO:** 10/1/4/5, 100/10/1/2**POLICY DETAIL:**

The Southland District Council will make Community Service Awards that recognise service of individuals to their local community.

Nominations will be received as follows:

- One person per Ward nominated by Community Board and Councillors for each Ward in September of each year.
- For Wards where the Community Board's responsibility does not cover the entire Ward Area, the person shall be nominated by the Councillor for the Ward after consultation with Community Boards and/or Community Development Area Committees where applicable. The final selection shall be made by the Ward member and the Mayor.

Presentation of the Award to be made in conjunction with the relevant Community Board meeting. The Ward Councillor or Community Board Chairman shall read the citation and the framed certificate to be presented to the recipient by the Mayor.

Community Service Awards

Procedures and guidelines

Purpose

The purpose of the Southland District Council community service awards is for community boards to recognise individuals and groups who have provided significant and outstanding contribution to their community board area through leadership, volunteering, or community service.

Criteria

Any person or group residing within the Southland District, who by their significant and outstanding contribution to their community board area through leadership, volunteering, or community service, is eligible to be nominated for a community service award.

The definition of 'significant and outstanding contribution' focuses on the quality of service and does not preclude individuals on age or length of service.

Nominees contribution to the community may be in the education, youth, health, sport, heritage, art, culture, environment, social wellbeing, or similar sectors.

Joint awards (ie partners & groups) are acceptable and can be considered as one nomination.

Nomination process

There will be one nomination round per year closing 30 September (special exceptions may apply in extraordinary circumstances).

Members of the community can nominate individuals by submitting the prescribed application form to Southland District Council before the closing date.

Late nominations will not be accepted and will be deferred to the next nomination round.

Award allocation

Following the closure of the nomination round each year, community boards will receive a report outlining the nominations from their community board area. This report will enable community boards to review and select up to a maximum of two individuals to receive community service awards for that year.

The mayor will be notified of community boards decisions

Presentations

Presentations of the awards are to be made at a community board meeting, workshop, or community event by the community board chair. Recipients will be presented with a framed certificate and they may invite friends and family to be present.

Funding

Costs associated with the awards will be funded from the grants and donations budget. This will go towards the framing of the certificates, catering costs, or flowers (up to \$200 per community board per year).

Publicity

The recipients of community service awards will be published in the First Edition. Publicity may also be done through the Southland District Council website and Facebook page. Additionally, local media will be notified should they wish to run a story on the awards.

Regional Open Spaces and Places Strategy

Record No: R/21/5/24190

Author: Mark Day, Community Facilities Manager

Approved by: Nick Hamlin, Group Manager Programme Delivery

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The Southland Regional Spaces and Places Strategy has been developed together by Sport Southland and SportNZ, the three Southland councils as well as key local funding agencies. This strategy aims to address the planning of regional and sub-regional spaces and places relating to sport, active recreation and play across Southland. Council is being asked to endorse the Strategy and recognise the principles, challenges/ drivers for future projects and support the three frameworks included within the strategy.

Executive summary

- 2 The Strategy (please refer to attachment one) has been developed by Sport Southland and SportNZ, together with the three Southland councils and local funders including the Invercargill Licencing Trust, Invercargill Licencing Trust Foundation, Commutity Trust Southland and Maitauru Licencing Trust. Sport Southland led the project and managed the contract on behalf of the participating councils.
- 3 The strategy aims to address regional sport and recreation needs and forms part of a national initiative supported by SportNZ to have regional spaces and places (facilities) strategies across the entire country, with 12 of the 14 regions in New Zealand currently with strategies in place.
- 4 The Southland Strategy set out to provide a high-level strategic overview of the current and projected facility requirements, but was not to address local facility needs directly. Over 80 background documents were reviewed in developing the strategy, including strategic plans, feasibility studies, master plans and other relevant plans, policies and studies.
- 5 Sport Southland Board, on 14 April, adopted this plan for the region and are now looking for each of the partner organisations to endorse the strategy. The Southland councils have all recieved copies of the strategy and this strategy, albeit in final draft format, has been presented to the Mayoral Forum as well.
- 6 The intention now is that the councils and funders will recognise this strategy in a similar way to what we have proposed within this report to ensure a degree of regional consistency in the support of the implementation.
- 7 Sport Southland is also seeking a financial contributing towards supporting two full time positions to implement the recommendations from the Southland Places and Spaces Strategy.

Recommendation

That the Council:

- a) **Receives the report titled “Regional Open Spaces and Places Strategy” dated 14 June 2021.**
- 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) Agrees to endorse the Southland Regional Places and Spaces Strategy.
- e) Agrees to:
 - i) Recognise the Southland Regional Places and Spaces Strategy as a guiding document for future sport, active recreation and play facility development within the Southland District Council boundary.
 - ii) Notes the five strategies challenges and the approach for managing future projects.
 - iii) Support the implementation of the three frameworks (governance, planning and investment) included within the strategy.
 - iv) Support the implementation of the strategy, where practical and possible, with the partner agencies, councils and funders.
 - v) Request staff report back on progress made in early 2022 in time for the Annual Plan deliberations.
- f) Agrees to contribute \$25,000 annually to Sport Southland for the next three years towards supporting two full time positions. This would be funded from the open spaces funding that has been identified in the LTP.

Background

- 8 The Strategy (please refer to attachment one) has been developed by Sport Southland and SportNZ, together with the three Southland councils and local funders including the Invercargill Licencing Trust, Invercargill Licening Trust Foundation, Commutity Trust Southland and Maitaura Licencing Trust. Sport Southland led the project and managed the contract on behalf of the participating councils.
- 9 The strategy aims to address regional sport and recreation needs and forms part of a national initiative supported by SportNZ to have regional spaces and places (facilities) strategies across the entire country, with 12 of the 14 regions in New Zealand currently with strategies in place.

- 10 The Southland strategy sets out to provide a high-level strategic overview of the current and projected facility requirements, but was not to address local facility needs directly. Over 80 background documents were reviewed in developing the strategy, including strategic plans, feasibility studies, master plans and other relevant plans, policies and studies.
- 11 Sport Southland Board, on 14 April, adopted this plan for the region and are now looking for each of the partner organisations to endorse the strategy. The Southland councils have all received copies of the strategy and this strategy, albeit in final draft format, has been presented to the Mayoral Forum as well.
- 12 The intention now is that the councils and funders will recognise this strategy in a similar way to what we have proposed within this report to ensure a degree of regional consistency in the support of the implementation.
- 13 The strategy outlines potential regional and sub-regional facilities which could feasibly be developed within each district. It sets out a vision that looks to
- “Create flexible and sustainable spaces and places that inspire all Southlanders to be active, enabling them to be happy, healthy and connected through play, active recreation and sport”.*
- 14 It identifies the key issues and challenges facing the region and aligns these issues against national, regional and local data.
- 15 The five strategic challenges include:
- I There are a high number of single use facilities and a need to design flexible spaces and places to activate Southlanders.
 - II A number of facilities now require renewal.
 - III There is no regional planning approach to identifying and funding strategic priorities in the Southland region.
 - IV Need to maximise the contribution of regional spaces and places to Southland’s economy and liveability.
 - V Southland’s spaces and places will need to adapt to climate change.
- 16 In response to the challenges, the following strategic directions and objectives are promoted:
- 17 **Flexibility.** Create flexible spaces and places and in the approach to using them, so that we meet community need. This includes:
- a. Maximising the functionality and viability of regional sports hubs for community sport and events.
 - b. Encouraging shared use/ multi-use of spaces and places where possible.
 - c. Ensuring access and connectivity to spaces and places, particularly in areas of high deprivation.
 - d. Developing a sustainable network of facilities that support the growth of sport and recreation and a shared use model.
- 18 **Sustainability.** Review spaces and places in a well-planned and sustainable way. This includes:
- a. Understanding the condition and usage of assets to inform strategic priorities for asset renewal.

- b. Delivering a complementary network of quality regional spaces and places in strategic locations, which facilities are fit for purpose, meets current sport industry design standards.
 - c. Regional spaces and places should maximise social benefits (community participation), be financially sustainable and where possible deliver economic benefits (events) to Southland.
- 19 ***Collaboration:*** Work together in the planning and investment of spaces and places. This includes:
- a. Develop a collaborative and strategic approach to investing in regional places and spaces across land managers, Councils, and funding agencies that addresses agreed priorities
 - b. Compile revised criteria to assist in decision-making.
 - c. Develop a planning approach to ensure the development and activation of spaces and places are managed sustainably and protects the social, environmental and cultural values of each site.
 - d. Develop a framework and tool kit to help Regional Sports Organisations and sports clubs navigate the return to sport and impacts of COVID-19 on spaces and places.
- 20 ***Attraction:*** Work together to market and attract events to Southland in event ready spaces and places. This includes:
- a. Develop a co-ordinated approach to marketing and event attraction that builds on the competitive advantages of Southland region.
- 21 The strategy identifies the need for more collaborative planning and governance arrangements required to help promote better collective decision making about the sport and recreation facilities. The intent of this strategy is to form a joint governance group of funders and councils to review and provide support for the implementation and advice for decision makers on the above.
- 22 Site specific recommendations for Southland district.
- 23 For Southland District Council area, there are some great examples of multi-use and collaborative spaces already (Fiordland Community Events Centre, Central Southland Indoor Tennis Netball Centre and the Northern Southland College synthetic multi-sports courts and sports field). However, there are also a high number of single-use or seasonal facilities that vary in quality with most rating between average to good condition.
- 24 Recommendations coming out of the strategy which are relevant to Southland District Council include:
- Prepare place making plans for the district that:
- involve local communities in understanding what community sport and recreation facilities and open spaces are needed, and are sustainable
 - consider divesting community sport and recreation infrastructure that has low use and/ or has reached the end of its useful life
 - consider consolidating some sport and recreation facilities or playing fields in different townships to improve overall use and viability rather than duplicating infrastructure in each township.

- 25 Ensure that decision-making on sub-regional open spaces takes into account other strategic objectives and maximises their potential to encourage activation of open spaces, generate external visitation and/ or economic stimulus.
- 26 Destinations of district significance need to be recognised, elevated and invested in utilising place making plans.
- 27 Identify and partner with the Minister of Education in the planning and development of education and community facilities as shared spaces.
- 28 Identify and partner with Land Managers such as the Department of Conservation in the review of Reserve Management Plans and continue to explore and/ or expand nature-based recreation tourism opportunities in regionally significant open spaces.
- 29 There are also a number of regional projects that will also be worth noting, including:
- 30 Prioritise indoor learn to swim pools within sub-regional locations – major population areas.
- 31 Prepare place making plans that helps inform the future investment into sub-regional indoor learn to swim pools.
- 32 It should be noted that many of the site specific recommendations represent an ideal and unlimited resource to achieve the outcome. Council will not have all of the resources available to realise all of the recommendations in the strategy, and importantly, not all of the recommendations are for Council to actually drive.
- 33 The strategy should be seen as a starting point for discussing the need for, and prioritising of, individual projects under a common and collaborative framework. The strategy should not be seen as a replacement for more detailed planning, nor any existing strategies that exist nationally and across the region.
- 34 The strategy sets the strategic direction for local communities to address their strategic recreation and sporting assets. The strategy will enable better decision making through this research and guidance rather than constrain decision makers – each entity (Sport Southland, councils and funders) will still maintain their decision making ability. The level of detail helps balance the needs of individual projects “based on their own merit” against the key drivers and principles set out within the strategy.
- 35 The outcome of this and other strategic work will continue to inform the need and timing of specific regional and sub-regional scale projects.
- 36 Endorsing the strategy and recognising the key elements for Council, in preference to adopting it, allows Council more flexibility to interpret and implement any recommendations from the strategy. The identification of high level projects, which have an initial justification, will speed up the analysis of requests as well as allowing for an integrated overview in the context of other potential needs and neighbouring districts. Individual projects will still require in-depth analysis and decision making based on merit prior to any commitment from Council to moving forward with them.
- 37 One of the key successes of this project to date has been the positive conversations and sharing that has happened collectively between all the councils, funders and ourselves. We now have a

strategy, a good stock take of facilities and good momentum of working together. It is key that we continue this mahi, and we propose that we all invest in a small workforce to keep this strategy and the actions alive and ensure that we continue to have good usage and participation data to enable us to make good decisions about our assets for the future.

- 38 The Sport Southland board have adopted the strategy and we have allocated \$80k per year and will look to councils and funders to also come on board to support this over the next period to ensure the Regional Spaces and Places Strategy is implemented well and doesn't become another strategy on the shelf. Council's commitment would be \$25k annually and would help support 2FTE – a spaces and places role and a data co-coordinator role.

Factors to consider

Legal and statutory requirements

- 39 None.

Community views

- 40 Community engagement was undertaken throughout the development of the strategy.

Costs and funding

- 41 Council's financial contribution would be funded from the open spaces budget that is identified in the LTP.

Policy implications

- 42 None.

Analysis of options

Option 1 - Agrees to endorse the Southland Regional Places and Spaces Strategy.

Agrees to contribute \$25,000 annually to Sport Southland for the next three years towards supporting two full time positions. This would be funded from the Open Spaces funding that has been identified in the LTP.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">aligns Southland District Council with the other stakeholder's party to the strategy.	<ul style="list-style-type: none">none identified.

Assessment of significance

- 43 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who are likely to be particularly affected or interested. Community views have been considered throughout this process thus the proposed decision is not considered significant.

Recommended option

- 44 The staff recommendation is Option 1.

Attachments

- A Southland Regional Spaces and Places Strategy Summary Document [↓](#)
- B Southland Regional Spaces and Places Strategy Full Document [↓](#)

SOUTHLAND REGIONAL SPACES AND PLACES TE RAUTAKI O MURIHIKU



FOREWORD WĀHINGA KŌRERO

The Southland Regional Spaces and Places Strategy is the result of a collaboration between Sport Southland, Sport New Zealand, Invercargill City Council, Gore District Council, Southland District Council, Invercargill Licensing Trust, ILT Foundation, Community Trust South and the Mātaura Licensing Trust.

The Strategy was borne out of a willingness by those organisations to work together to create and implement a more aligned approach to the regional planning of spaces and places, relating to play, active recreation and sport, across Southland.

There is a shared understanding that this aligned approach is vital to ensuring Southland's future investment into spaces and places provides the best value, outcomes and quality experiences for the community.

This strategy builds on the comprehensive body of work compiled as part of the innovative 2003 Southland Leisure Strategy and follows on from a review of the 2003 Strategy in 2018.

This Strategy will provide a framework to enable local and regional government, the education sector, funders, national, regional sports organisations and clubs to develop an informed

strategic approach – both in the development of new or upgraded spaces and places and management of existing assets.

Drivers for taking a regional approach to facility planning include:

- The desire of funders to invest wisely in identified priority projects that will make the most long-term, beneficial impact.
- An ageing network of facilities needing refurbishment, re-purposing, replacement or removal.
- Changing demographics within a community, such as an increase in the population or shift in the life stages' profile.

- Changing sport and recreation trends locally and nationally, requiring new types of facilities or a new use of an existing facility.
- Increasing expectations of users and user groups.
- A growing acknowledgement that there is a hierarchy of facilities – regional, sub-regional and local – and that regional collaboration is the best way to develop these.
- The risks inherent in focussing on and responding to the wants rather than the priority needs within a region.

The Strategy has been developed by consultants Otium Planning Group with the guidance of a Project Steering Group representing the collaborating partners.

Project Steering Group



INTRODUCTION KUPU WHAKATAKI

Southland has a diverse and uniquely beautiful collection of regional spaces and places including natural areas like Fiordland National Park, the lakes and waterways, and sports facilities of ILT Stadium Southland, Splash Palace, Gore Multisports Complex and Fiordland Community Events Centre.

Our regional spaces and places are integral to the liveability of Southland. They encourage people to be active and healthy. They help people escape from the urban environment and reconnect with nature. Our spaces and places are the social hub of our communities. They help us learn and encourage us to play. They protect significant World Heritage listed natural environments, habitats and cultural heritage. They offer opportunities for tourism and events.

The **Southland Regional Spaces and Places Strategy** has been prepared to strengthen these social, cultural, environmental and economic benefits regional spaces deliver to Southland.

This Strategy guides the delivery of this vision and will provide a pathway for future facility development and opportunities for efficiencies through joint planning.

The success of this Strategy will rely on the partnerships between project partners in



Southland. A Governance Framework alongside a Planning Framework and Investment Framework supports the implementation of strategic directions in a collaborative and strategic way.

A united and collaborative approach is now critical as Southland returns to sport and recovers from the significant impacts of COVID-19 on the sport and leisure sector, particularly funding constraints and economic impacts. The Regional Spaces and Places Strategy represents an opportunity that will help inform and support a better sport system that is accessible and enables everyone in our community to participate. This is a 'live' planning document that will continue to be refined in response to the global pandemic.

The Project

The Southland Regional Places and Spaces Strategy is a deliverable of Sport Southland, Sport New Zealand, Invercargill City Council (ICC), Gore District Council (GDC), Southland District Council (SDC), Invercargill Licensing Trust (ILT), ILT Foundation, Community Trust South (CTS), and Maitaia Licensing Trust (MLT).

The study covers facilities for community and high performance in respect of:

- Outdoor spaces and places.
- Indoor spaces and places.
- Indoor and outdoor pools.

It excludes the following:

- Where existing strategies exist e.g. Regional Cycling Strategy, Local Council Playground Strategies.
- Parks and gardens, unless an identified sports field.
- Extreme sports.
- Art and culture spaces and places provision.
- Passive use open spaces and reserves.

A thorough research, site investigation and engagement process was conducted. This included two rounds of engagement. The first round of engagement included surveys, interviews and workshops across key interest groups including the three Councils, funding agencies, Regional Sports Organisations, Facility Managers and Great South. A second round of engagement included a series of workshops that brought key interest groups together to respond to key challenges identified in an Issues and Options Report.



*Report delayed due to COVID impacts

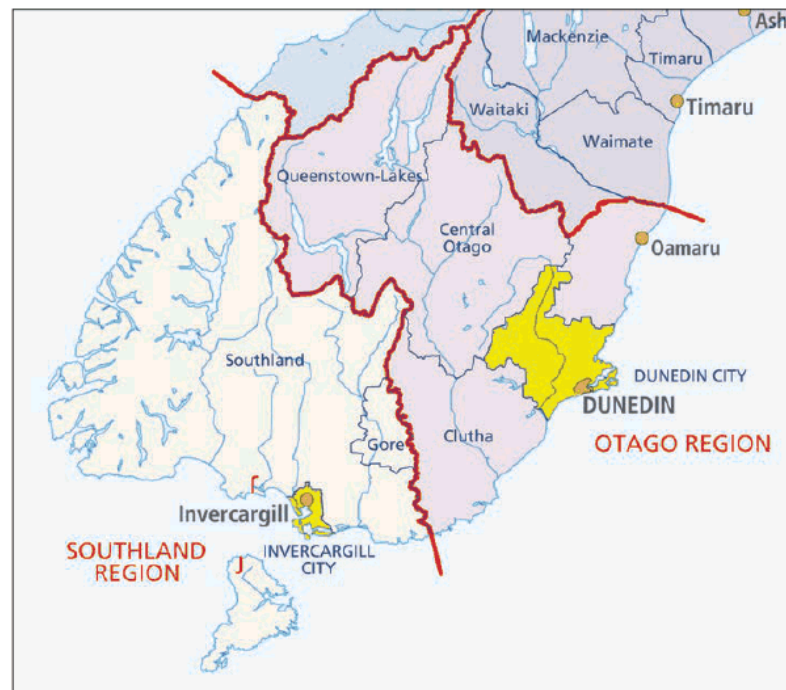
SOUTHLAND'S REGIONAL SPACES AND PLACES NGĀ WAHI O TE ROHE O MURIHIKU

Southland is located on the southernmost tip of the South Island. Invercargill is the region's major city with Queenstown located to the north and Dunedin located to the east.

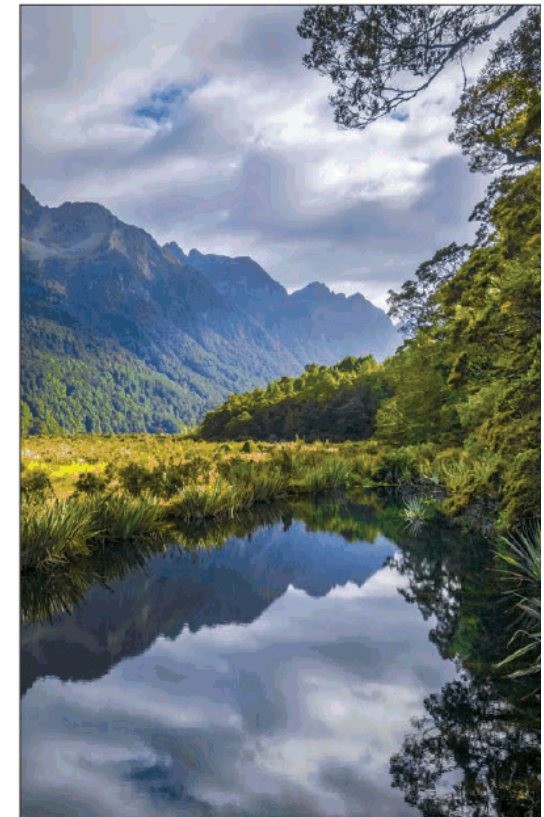
Southland covers 3.1 million ha of land that is diverse featuring 3,400 km of rugged coastline, agricultural areas, dispersed regional and rural townships and two national parks of Fiordland National Park (a World Heritage Site) and Rakiura National Park that attract visitors to the region.

The region's natural places are supported by impressive regional sporting facilities like the ILT Stadium Southland and Gore Multisports Complex. These places provide Southlanders with opportunities to be active whilst attracting visitors to the region through major events and adventure tourism opportunities.

The region is defined by the Invercargill City Council (ICC), Gore District Council (GDC) and Southland District Council (SDC) boundaries and is adjacent to the Central Lakes and West Otago areas.



Southland Region and Surrounding Regions



Southland's spaces and places encourage physical activity. They make us feel happier and healthier, better connected to our community and contribute significantly to our social fabric and economy. Sport NZ's The Value of Sport report shows the high level of community support for these values:

- 92% of New Zealanders believe being active helps keep them physically fit and healthy.
- 73% of New Zealanders agree that sport and physical activity help build vibrant and stimulating communities.
- Sport and active recreation contribute \$4.9B to New Zealand's annual GDP and employs more than 53,000 people.

This report found that by eliminating physical inactivity in New Zealand, we would avoid 7.7% of dementia cases, 7.9% of heart disease cases, 9.8% of type 2 diabetes cases, 13.1% of breast cancer cases, 14.1% of colon cancer cases and 12.7% of deaths. It is therefore important we optimise the use of our spaces and places for the health and wellbeing of all Southlanders.

The existing network of over 230 spaces and places and 630 facilities in Southland support a wide range of sport and active recreation activities.

Twenty-two of these spaces and places were assessed as providing for a regional or sub-regional catchment. Sport and recreational facilities on Southland's spaces and places are provided by a range of entities including,



territorial authorities, charitable trusts, the Ministry of Education (via schools), and community groups and clubs.

A detailed inventory was compiled with existing facility information, site visits and reviewed by Regional Sports Organisations and Territorial Authorities.

Overall observations:

- There is a high number of single use facilities and a lack of multi-use facilities in Invercargill.
- Regional and sub-regional spaces and places are located within major population areas within Southland including Invercargill, Gore, Te Anau and Winton. These facilities are multi-use in nature and co-located with other sports and recreation facilities.
- Providing equitable access to sport and active recreation spaces and places (and other services like health, education, cultural, and other community services) in rural and regional areas is a challenge, particularly in smaller townships.

- Community sport and recreation assets vary in age and condition. The majority of clubrooms and lighting are in average to good condition while some are no longer fit for purpose or meet current sport industry design standards e.g. Sport NZ Guidance for Sports Field Development 2019 and Universal Design Principles.
- Further, a number of buildings have failed earthquake rating standards and have been decommissioned or are restricted in use. This includes regional spaces and places like Rugby Park Grandstand and the Surrey Park Athletics Grandstand.

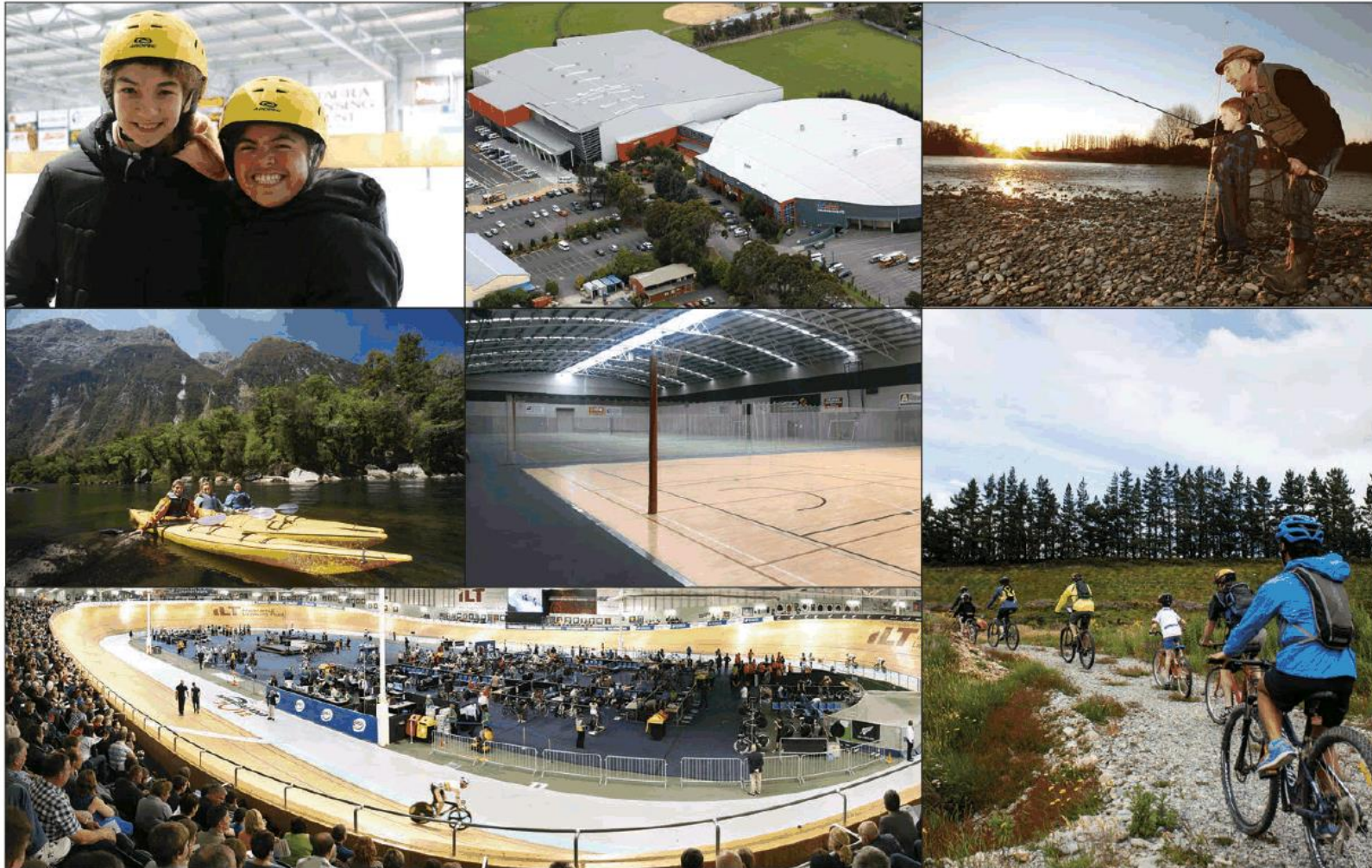
There are some good examples of successful regional spaces and places in Southland, including ILT Stadium Southland, Gore Multisports Complex, Sandy Point Sports Precinct, and Fiordland College Sports Precinct. These facilities have the following success factors:

- High-profile sites that are central to key population areas.

- Designed and operated as 'multi-use' and clustered with other community or sports facilities.
- Meet demands for local community sport and provide a premier destination for higher level events.
- High quality buildings and spaces.
- Easily accessible with good car parking, pedestrian, cycle and public transport access.

Previous benchmarking studies and demand modelling indicate that there are ample spaces and places to meet current and projected population of Southland. That said, the distribution, condition, and accessibility of facilities must be taken into account in assessing future needs. The consultation process identified a number of constraints in relation to indoor courts and aquatic facilities. Moreover, improving the operational viability of facilities, and/or the creation of economic benefit may justify the development of new/upgraded facilities.





KEY CHALLENGES - NGĀ WERO NUI

The research and engagement findings uncovered **five key challenges**.

Challenge One – There is a high number of single use facilities and a need to design flexible spaces and places that activate Southlanders

There is a high supply of spaces and places in Southland that are single-use facilities catering for traditional sports. There has been a trend of declining participation levels and use of some of these facilities. Continuing to invest in these facilities may not be affordable.

There is an increasing demand for multi-use and indoor facilities to optimize the use of facilities. This represents an opportunity to activate Southlanders by providing a diverse network of flexible spaces and places that facilitate healthy and active lifestyles.

The redesign of our spaces and places will need to consider the impact of Southland's cooler climate. There is a growing demand for converting grass fields to artificial synthetic turf to increase the capacity and use of facilities, an increase in participation demand to indoor sport and provision of shelter for outdoor sports.

What facilities will our community need in the future?

Southland's community is expected to grow from 97,467 in 2018 to 110,000 in 2030. However, population growth is occurring in urban cities and townships such as Invercargill, Gore, Te Anau and Winton, whilst a number of rural townships are experiencing declining populations. There is a need for a strategic approach that locates complementary spaces and places that provide for a broad mix of activities (co-located and multi-use/shared).

Southland's community is older than the New Zealand average. There is a higher proportion of Seniors aged 50 years and above (39.8 years) and a lower proportion of young people. Facilities and programs will need to respond to the demands of seniors. There will be a greater demand on therapy-based services and the design of spaces and places will need be universally accessible.

There are pockets of deprivation in Southland. There is a national goal to increase participation levels for target populations including females, people with a disability, children aged between 5 to 18 years old and those experiencing greater deprivation. Our spaces and places must be designed to welcome and enable everyone to participate and support affordable and acces-

sible participation opportunities that target traditionally deprived groups in our community.

Outdoor recreation activities accounted for most of the top 10 activities participated in by Southland residents in the last 12 months including walking, gardening, running/jogging, cycling, tramping, and fishing. Providing a well-connected trail network in our townships and adventure trail experiences that connect Southlanders and visitors to nature will foster greater engagement in healthy and active living.

The sports reporting the highest 2019 active membership in Southland are netball (5,745), rugby (5,091), touch football (4,500), soccer/football (3,149), cricket (2,884), basketball (2,747),

golf (1,797), hockey (1,638) and bowls (1,249). Providing quality and accessible facilities that support major participation sports, whilst also responding to a change in the way people want to engage with sport e.g. different forms of sport in social competitions, will be important to foster healthy and active Southlanders.

Consideration of influencing factors, including population and demographic changes, behavioural and future trends, changes and needs of participants, the climate and transportation preferences. Demand for sport and recreational facilities will be considered including the extent to which this demand is being met.



Challenge Two – A number of facilities now require renewal

The 230 spaces and places in Southland support a wide range of sport and active recreation activities and are varied in the condition of facilities and whether they are fit for purpose.

A pinch point is being reached where decisions need to be made about funding the renewal of ageing assets, some of which have low patronage. This is particularly being felt in areas of static or declining populations and a strategic approach to investing and divesting in the development of assets that increases use of facilities is needed.

This represents an opportunity to develop a complementary network of multi-use facilities that are designed flexibly to deliver long term social and financial sustainability.

Challenge Three – There is no regional planning approach to identifying and funding strategic priorities in the Southland Region

The capacity and ability of funding agencies and Councils to invest in regional priorities, fund asset renewal of ageing infrastructure, as well as servicing local and regional sport and community facility and operational (resourcing) needs is an increasingly difficult challenge.

Also, there is currently no regional planning approach to identifying and funding strategic priorities in the Southland region. This project has brought key stakeholders together and there is an opportunity to build on these partnerships through an agreed Governance approach to planning and investing in spaces and places.

Challenge Four – Need to maximise the contribution of regional spaces and places to Southland's economy and liveability

The Southland Region has spectacular natural environments and some impressive sporting facilities that facilitate a wide range of sporting and active recreation activities. Taking advantage of our unique spaces and places by providing great active experiences for Southlanders and visitors will deliver social, environmental and economic benefits.

Regional sports facilities such as ILT Stadium Southland, Surrey Park and Gore Multisports Complex play a significant role in providing for community sport whilst attracting and hosting regional events. They are critical to the social fabric that brings community together and an important part of the tourism product in Southland. Regional spaces and places contribute significantly to the "liveability" of Southland.

Our natural places like Fiordland National Park, Oreti Beach, Sandy Point Domain and Dolamore Park already offer a number of adventure trail events and tourism opportunities for visitors to Southland.

There is an opportunity for key stakeholders to partner in a coordinated way to promote and enhance Southland's reputation as a go to tourism destination for regional events and touring.

Challenge Five – Southland's spaces and places will need to adapt to climate change

The Ministry for the Environment predicts warmer temperatures (rise by 0.6°C to 0.9°C by 2040), an increase in rain fall (by 7 to 22% by 2090) and increased frequency and intensity of extreme weather events in Southland.

This will likely result in an increase in flooding, landslides and erosion, damage to infrastructure and ecosystems and an increase

in spread of pests and weeds. These events may reduce facility revenues from programs, cause event cancellations and increase maintenance and insurance costs. People's health may also be impacted including heat exhaustion and asthma related to reduced air quality.

Southland spaces and places will need to adapt to these climate change pressures and will present challenges to how we use, design and manage spaces and places in the future.

There may be increased demand for access to indoor facilities, and artificial turf surfaces in Southland. The design of spaces and places will need to adapt by featuring innovative environmentally sustainable design and water sensitive urban design solutions. Examples include energy efficient technologies like LED lighting, water efficient technologies like non-potable water infrastructure, increasing tree canopy and recycling and waste management practices. Managing participant access to spaces and places and play during extreme weather events will be required to maintain a safe environment to participate.



STRATEGIC DIRECTIONS ARONGA RAUTAKI

The Southland Regional Spaces and Places Strategy guides the delivery of its vision and will provide a pathway for future facility development and opportunities for efficiencies through joint planning. The Strategy is forward thinking and informs a proactive and regional approach to planning regional spaces and places for our future Southland community.

The success of this plan will rely on the partnerships between project partners in Southland.

The following Vision Statement for the Regional Spaces and Places Strategy has been developed in consultation with Project Partners.

Vision

Flexible and sustainable spaces and places that inspire all Southlanders to be active enabling them to be happy, healthy and connected through play, active recreation and sport.

STRATEGIC DIRECTION

1

FLEXIBILITY

Deliver spaces and places that maximise their flexibility to meet community need

STRATEGIC DIRECTION

2

SUSTAINABILITY

Review spaces and places in a well-planned and sustainable way

STRATEGIC DIRECTION

3

COLLABORATION

Work together in the planning and investment of spaces and places

STRATEGIC DIRECTION

4

ATTRACTION

Work together to market and attract events to Southland in event ready spaces and places

Four strategic directions, objectives and recommendations combine both strategic and planning outcomes as well as site-specific development recommendations. These directions respond to the key challenges uncovered by the research and engagement findings.

The four key strategic directions are woven together to deliver the vision:

A prioritised action plan has been developed for each strategic direction. The priorities are based on the following timeframes:

- Short Term 0-5 years
- Medium Term 6-15 years
- Long Term 16-30 years
- Ongoing.

There were 22 regional and sub-regional spaces and places identified in Southland. Site specific recommendations have been developed and can be viewed in Volume 1 Strategy.

Strategic Direction One: "Flexibility" - Objectives and Recommendations

Objective	Recommendation	Priority
Maximise the functionality and viability of regional sports hubs for community sport and events	Support project proposals that optimise the use of sport and recreation facilities and supports diversifying revenue streams and attracting events for facility sustainability/viability.	Ongoing
Encourage shared use/ multi-use of facilities where possible	Develop lease / license / hire policy for spaces and places that encourage all user groups who are using Council's sport and recreation facilities to implement a shared approach.	Medium
	Develop a supporting fees and charges policy that addresses the costs of managing and maintaining sport and recreation facilities through fair and reasonable charges for use. The fees and charges system could also provide discounts on license fees to sports clubs who are targeting various underrepresented groups within the community, for example females, juniors, people with disabilities, newly arrived individuals and groups and areas within a high deprivation area.	Medium
	Venue operators of regional and sub-regional spaces and places to provide multi-use opportunities together with attracting major events to Southland.	Ongoing
Ensure access and connectivity to spaces and places, particularly in areas of high deprivation	Implement the Southland Cycling Strategy and prepare Pedestrian Priority Network Plans for townships/suburbs to connect where people live to activity centres, schools and regional spaces and places.	Short
	Improve access and affordability to quality sport and recreation facilities in areas of areas of high deprivation where there is an inequity of participation opportunities.	Medium
Develop a sustainable network of facilities that support the growth of sport and recreation and a shared use model	Support the development of sport specific and multi-use facility strategies and collaboration across stakeholders that defines the role and catchments of facilities and considers the consolidation, rationalisation or merging of clubs and facilities where there are shared catchments and low usage of facilities.	Medium

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.



Strategic Direction Two: "Sustainability" - Objectives and Recommendations

Objective	Recommendation	Priority
Understand the condition and usage of assets to inform strategic priorities for asset renewal	Conduct asset audits of facility categories including club rooms, sports field lighting, sports fields, sports courts and indoor pools. The audit should assess the use and demand, condition and whether the facility is fit for purpose against contemporary sports facility design standards including Sport NZ Guidance for Sports Field Development 2019 and Universal Design Principles. Capture asset usage annually from users e.g. as part of lease or Tenancy agreements.	Short Short
Deliver a complementary network of quality regional spaces and places in strategic locations, which facilities are fit for purpose, meets current sport industry design standards	Adopt a hierarchy of spaces and places that provide for complementary regional, district and local catchments.	Ongoing
	Investigate development opportunities that facilitate the multi-use of spaces and places that broaden and optimise use.	Ongoing
	Investigate development of nature-based tourism recreation opportunities with Department of Conservation that take advantage of Southland's unique natural places.	Ongoing
Regional spaces and places should maximise social benefits (community participation), be financially sustainable and where possible deliver economic benefits (events) to Southland	Adopt a regional planning approach to the provision of spaces and places and prioritise investment, maximise social benefits (community participation), be financially sustainable and where possible deliver economic benefits (events) to Southland.	Ongoing

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.



Strategic Direction Three: "Collaboration" - Objectives and Recommendations

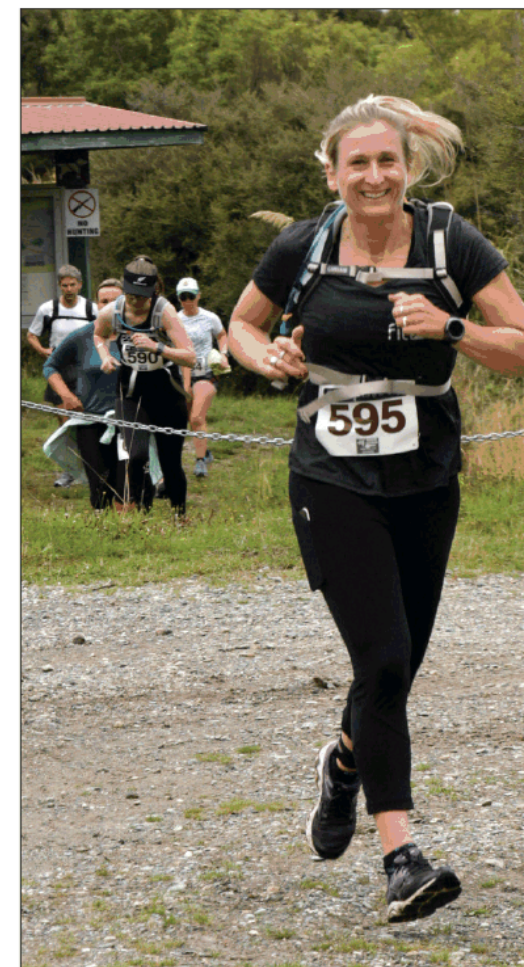
Objective	Recommendation	Priority
Develop a collaborative and strategic approach to investing in regional places and spaces across land managers, Councils, and funding agencies that addresses agreed priorities	Establish a Regional Spaces and Places Development Group to implement the strategy and provide support and advice on priorities and project readiness to Councils and Funding Agencies.	Short
	Sport Southland to lead the implementation. The Development Group will have representation from Senior Officers from Councils and Funding Agencies.	
	Invest in a greater sample size for Southland to Active NZ Survey to improve validity of data results on physical activity levels and help inform targeted programs.	Short
Compile revised criteria to assist in decision-making	Local Councils and Funding Agencies to adopt the Investment Framework to guide project planning and funding priorities.	Ongoing
Develop a planning approach to ensure the development and activation of spaces and places are managed sustainably and protects the social, environmental and cultural values of each site	Key stakeholders to follow the five stage Planning Framework in the development of project proposals.	Ongoing
	Review the ownership and management structure of spaces and places to encourage multi-use.	Medium
Develop a framework and tool kit to help Regional Sports Organisations and sports clubs navigate the return to sport and impacts of COVID-19 on spaces and places	Sport Southland to partner with Regional Sports Organisations in developing a framework and tool kit to help sports clubs navigate the return to sport and impacts of COVID-19 on spaces and places.	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

Strategic Direction Four: "Attraction" - Objectives and Recommendations

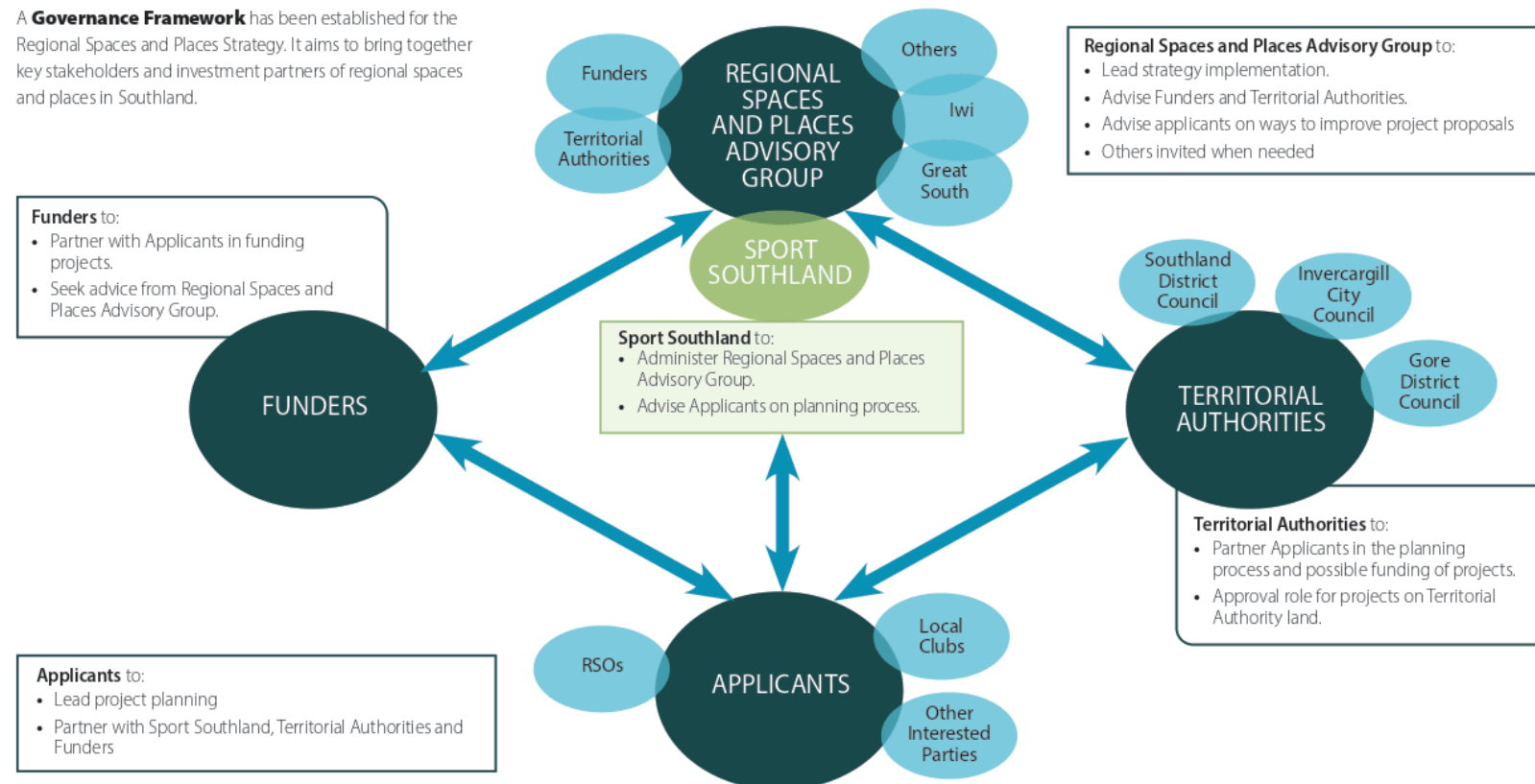
Objective	Recommendation	Priority
Develop a coordinated approach to marketing and event attraction that builds on the competitive advantages of Southland region.	Regional Spaces and Places Development Group to partner with Great South in the development and implementation of a regional events strategy together with a coordinated promotion of regional spaces and places values and experiences.	Short
	Consider event requirements of regional spaces and places in the development of business cases and application of event overlays.	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.



HOW WILL THE STRATEGY BE IMPLEMENTED? ME PEHEA TE WHAKATINANA I TE RAUTAKI

A **Governance Framework** has been established for the Regional Spaces and Places Strategy. It aims to bring together key stakeholders and investment partners of regional spaces and places in Southland.



Sport Southland will lead the implementation and administration of the Strategy with project partners. Sport Southland will be central to establishing partnerships on projects and providing advice and support on the planning steps required for project proposals to funding agencies.

It is recommended that a Coordinator role be established and funded by key partners to lead and manage the partnerships and implementation of strategic recommendations.

The framework recognises the individual Council's and Funder's as the final decision-making authority for funding and project delivery of proposed spaces and places. The investment partners will be guided by the Investment Framework that is linked to the strategic priorities outlined in this Regional Spaces and Places Strategy to support with their decision making.

The proposed Regional Spaces and Places Development Group will be made up of senior officers of key stakeholders and investment partners. This group will meet regularly to discuss projects to better understand how they align to strategic priorities of the Strategy, agree on what feedback can be provided and what level of support and guidance can be allocated.

The Planning Framework will be used as a tool to inform stakeholders including Regional Sports Organisations, Venue Operators, Councils and other organisations of the planning process steps expected for regional projects.

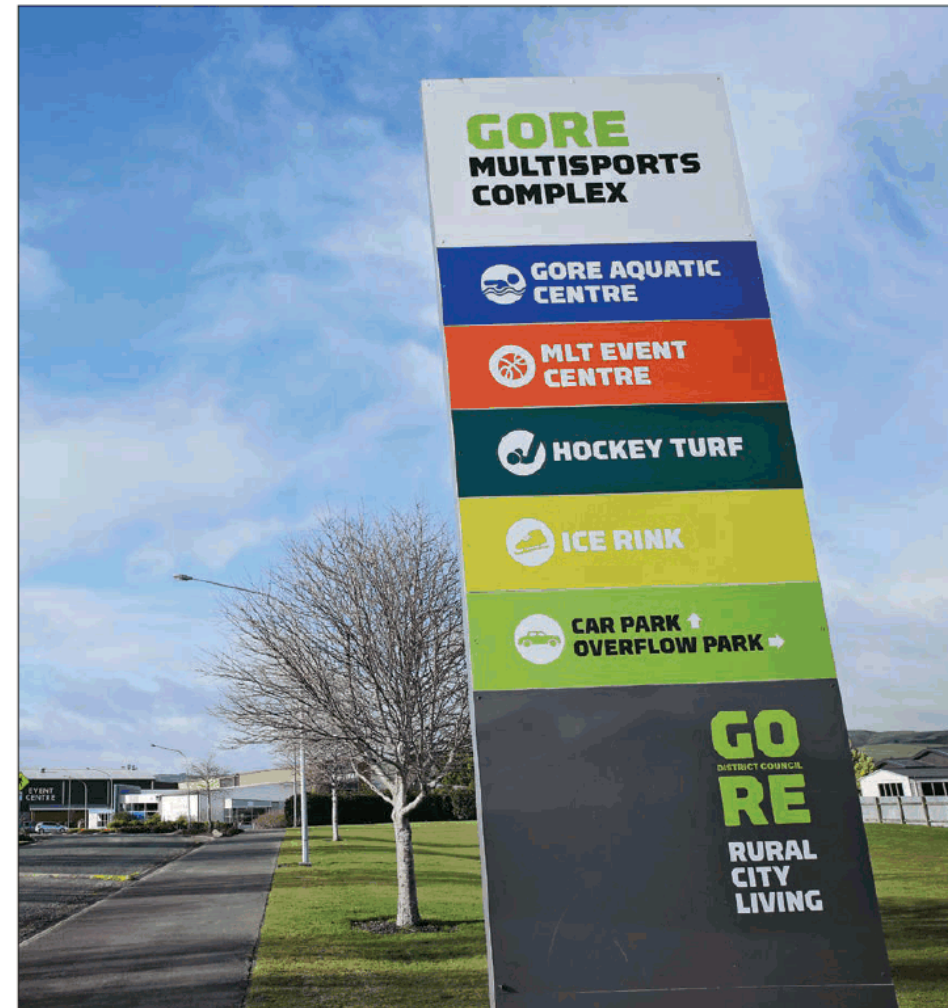
Regional leadership is required from all key partners. Councils will need to partner with Sport Southland to lead planning processes with

Venue Operators and Regional Sports Organisations to ensure improvements are designed to meet the community needs of facilities in a sustainable way. Investment partners will be part of these discussions and lead by funding priority projects that offer best value and outcomes for the Southland community. Collaboration across key partners in the planning and investment process is critical to successful implementation.

The global COVID-19 pandemic has had a significant impact on the sport and tourism sectors. A new alliance and guidelines prepared by Sport Southland with Regional Sports Organisations (RSOs) has been formed to unite and collaborate on the return and reimagining of community sport in 2020-21. Twenty RSOs have now endorsed the guidelines that were developed with a lens to 'what's best for our people and our Southland community'. The guidelines include a strategic direction that supports 'a coordinated approach to the future design and delivery of a better sport system'.

The Regional Spaces and Places Strategy will help inform and support a better sport system that is accessible and enables everyone in our community to participate.

Strengthening the relationship and collaboration across key stakeholders and using the Planning Framework and Investment Framework will help roadmap the improvements required to deliver high community and commercial needs of regional spaces and places to ensure they deliver sustainable facilities and the projects supported offer best value and outcomes to Southlanders.

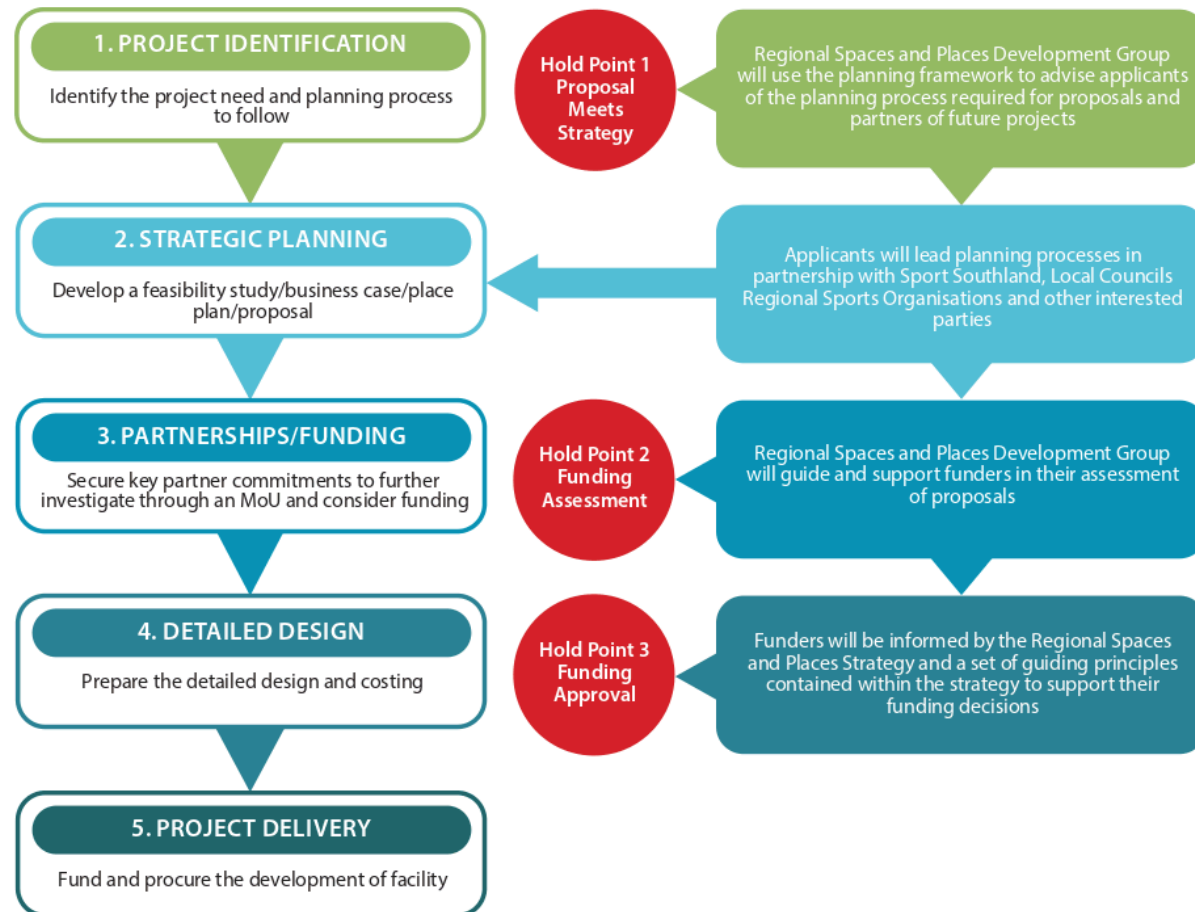


Planning Framework Process Flow Chart

The Flow Chart identifies the five stage **Planning Framework** in the delivery of regional spaces and places, the role each stakeholder plays in the planning process and how the **Investment Framework** is used through assessing a project's strategic alignment and response to the eight decision making principles for investing in projects. The Planning Framework is supported by the New Zealand Sporting Facilities Framework six-step framework. This framework supports Stage 2 Strategic Planning.



Please refer to Volume 1 The Strategy for further details on the frameworks.



Investment Framework Te anga Whakangao

Future investments by Funders will be informed by the Regional Spaces and Places Strategy and a set of guiding principles.

A partnership approach to investment is encouraged where contributions are made from across Funders, Territorial Authorities and user groups. Funding will need to consider the governing parameters e.g. Territory, for funding distribution by each Trust.

The **Investment Framework** proposed three categories which will require differing levels of planning to progress applications to funders:

- **Strategic Planning Projects:** Feasibility Study, Business Case or Place Making Plan.
- **Regional Spaces and Places Projects:** Feasibility Study or Business Case may be required for new or improved development of facilities that are of regional significance. Priority projects will be multi-use, demonstrate social and economic benefits to Southland and consider sustainable business models for management and asset renewal.
- **Local Spaces and Places Projects:** A proposal is required for new improvements (e.g. change rooms) or major asset renewal (renewal of playing surface) of facilities that are of local significance that ensure infrastructure is maintained at a high quality and accessible to all.



Guiding Decision Making Principles

There are **Eight guiding decision-making** principles for investing in projects.

The project:



Is linked to strategic priorities identified by the Regional Spaces and Places Strategy.



Follows the five step Planning Framework so that they can demonstrate project readiness and capability to delivery.



Can clearly describe **why** it is needed. For example, what participation or facility issues is the project seeking to address.



Can describe **who** will benefit and can demonstrate key stakeholder support and partnerships. For example, Memorandum of Understanding or Letters of Support.



Can describe **how** it will be delivered including how the design responds to modern standards including universal design principles and environmental sustainable design, how much it will cost and provide evidence of stakeholder partnership funding.



Can describe **what** benefits will be delivered by this project, how it will increase, diversify or provide equitable access to participation opportunities and/or deliver and economic returns. For example, through attracting regional events.



Can demonstrate how the planning for the project upholds the principles of Te Tiriti o Waitangi (Partnership, Protection and Participation) and considers the cultural narrative of the space or place.



A sustainable business model is adopted to regional spaces and places so that they deliver operational success and can contribute to asset renewal over the life of the facility.

WARRANTIES AND DISCLAIMERS NGĀ WARATI ME NGĀ WHAKAKORETANGA

The information contained in this report is provided in good faith. While Otium Planning Group has applied their own experience to the task, they have relied upon information supplied to them by other persons and organisations.

We have not conducted an audit of the information provided by others but have accepted it in good faith. Some of the information may have been provided 'commercial in confidence' and as such these venues or sources of information are not specifically identified. Readers should be aware that the preparation of this report may have necessitated projections of the future that are inherently uncertain and that our opinion is based on the underlying representations, assumptions and projections detailed in this report.

There will be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We do not express an opinion as to whether actual results will approximate projected results, nor can we confirm, underwrite or guarantee the achievability of the projections as it is not possible to substantiate assumptions which are based on future events.

Accordingly, neither Otium Planning Group, nor any member or employee of Otium Planning Group, undertakes responsibility arising in any way whatsoever to any persons other than client in respect of this report, for any errors or omissions herein, arising through negligence or otherwise however caused.





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SOUTHLAND REGIONAL SPACES AND PLACES TE RAUTAKI O MURIHIKU



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FOREWORD

The Southland Regional Spaces and Places Strategy is the result of a collaboration between Sport Southland, Sport New Zealand, Invercargill City Council, Gore District Council, Southland District Council, Invercargill Licensing Trust, ILT Foundation, Community Trust South and the Maitauru Licensing Trust.

The Strategy was borne out of a willingness by those organisations to work together to create and implement a more aligned approach to the regional planning of spaces and places, relating to play, active recreation and sport, across Southland.

There is a shared understanding that this aligned approach is vital to ensuring Southland's future

investment into spaces and places provides the best value, outcomes and quality experiences for the community.

This strategy builds on the comprehensive body of work compiled as part of the innovative 2003 Southland Leisure Strategy and follows on from a review of the 2003 Strategy in 2018.

This Strategy will provide a framework to enable local and regional government, the education sector, funders, national and regional sports organisations and clubs to develop an informed strategic approach – both in the development of new or upgraded spaces and places and management of existing assets.

Drivers for taking a regional approach to facility planning include:

- The desire of funders to invest wisely in identified priority projects that will make the most long-term, beneficial impact.
- An ageing network of facilities needing refurbishment, re-purposing, replacement or removal.
- Changing demographics within a community, such as an increase in the population or shift in the life stages' profile.
- Changing sport and recreation trends locally and nationally, requiring new types of facilities or a new use of an existing facility.
- Increasing expectations of users and user groups.

- A growing acknowledgement that there is a hierarchy of facilities – regional, sub-regional and local – and that regional collaboration is the best way to develop these.
- The risks inherent in focussing on and responding to the wants rather than the priority needs within a region.

Our vision for Southland is to create “flexible and sustainable spaces and places that inspire all Southlanders to be active, enabling them to be happy, healthy and connected through play, active recreation and sport.”

The Strategy has been developed by consultants Otium Planning Group with the guidance of a Project Steering Group representing the collaborating partners.

Project Steering Group



EXECUTIVE SUMMARY

Southland has a diverse and uniquely beautiful collection of regional spaces and places including natural areas like Fiordland National Park, the lakes and waterways, and sports facilities like ILT Stadium Southland, Splash Palace, Gore Multisports Complex and Fiordland Community Events Centre.

Our regional spaces and places are integral to the liveability of Southland. They encourage people to be active and healthy. They help people escape from the urban environment and reconnect with nature. Our spaces and places are the social hub of our communities. They help us learn and encourage us to play. They protect significant World Heritage listed natural environments, habitats and cultural heritage. They offer opportunities for tourism and events.

The **Southland Regional Spaces and Places Strategy** has been prepared to strengthen the social, cultural, environmental and economic benefits that regional spaces deliver to Southland.



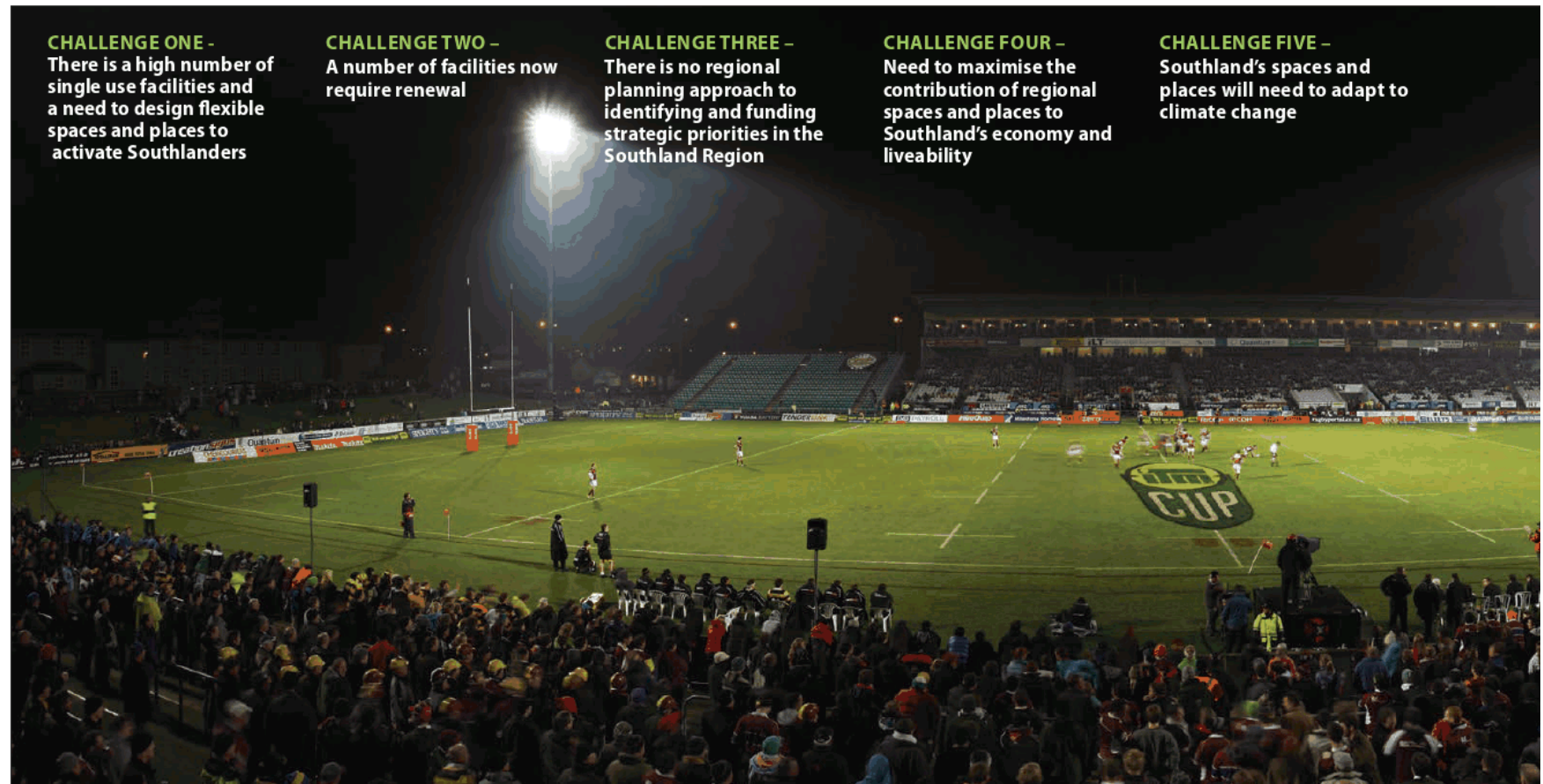
This Strategy has been a joint planning project between Sport Southland, Councils, funding agencies, venue operators and Regional Sports Organisations. It guides the delivery of this vision and will provide a pathway for future facility development opportunities.

The success of this Strategy will rely on the partnerships between project partners in Southland. A Governance Framework alongside a Planning Framework and Investment Framework supports the implementation of strategic directions in a collaborative and strategic way.

A united and collaborative approach is now critical as Southland returns to sport and recovers from the significant impacts of COVID-19 on the sport and leisure sector, particularly funding constraints and economic impacts. The Regional Spaces and Places Strategy represents an opportunity that will help inform and support a better sport system that is accessible and enables everyone in our community to participate. This is a 'live' planning document that will continue to be refined in response to the global pandemic.

Key Challenges

The research and engagement findings uncovered **five key challenges**.



Strategic Directions

Four strategic directions, objectives and recommendations combine both strategic and planning outcomes. These directions respond to the key challenges uncovered by the research and engagement findings.



There were 22 regional and sub-regional spaces and places identified in Southland. Site-specific development recommendations are provided. Recommendations for key sites are summarised on pages 33 to 37.



1. INTRODUCTION

The Southland Regional Places and Spaces Strategy is a deliverable of Sport Southland, Sport New Zealand, Invercargill City Council (ICC), Gore District Council (GDC), Southland District Council (SDC), Invercargill Licensing Trust (ILT), ILT Foundation, Community Trust South (CTS), and Maitaia Licensing Trust (MLT).

The Strategy:

Provides a clear pathway for future facility development and identifies opportunities for efficiencies that could be achieved through joint planning and development which will feed into the Annual and Long-Term Planning cycles of the three Councils in Southland.

The Strategy is forward thinking and informs a proactive and regional approach to planning regional spaces and places for our future Southland community.

The study covers facilities for community and high performance in respect of:

- Outdoor spaces and places.
- Indoor spaces and places.
- Indoor and outdoor pools.

It excludes the following:

- Where existing strategies exist e.g. Regional Cycling Strategy, Local Council Playground Strategies.
- Parks and gardens, unless an identified sports field.
- Extreme sports.
- Art and culture spaces and places provision.
- Passive use open spaces and reserves.

The Southland Regional Places and Spaces Strategy has four key elements:

1. Compile, verify and deliver a 'snapshot' of current provision of indoor and outdoor sport and recreation facilities across the region and provide a clear pathway for future development and future facilities that are fit for purpose, sustainable and future proof to meet the needs of those communities that use them.
2. Consideration of influencing factors, including population and demographic changes, behavioural and future trends, changes and needs of participants, the climate and transportation preferences. Demand for sport and recreational facilities will be considered including the extent to which this demand is being met.
3. Analysis of information and determination of recommendations on the priorities for the region which will inform future Asset Management Plans, Long-Term and Annual Plans for the Councils and Funding Agencies.
4. Inclusion of wide range of assets, building an overall and inclusive regional level Strategy. The Strategy will then inform more geographically focused planning and the analysis of individual assets and development plans at other sub-regional or local level.

A thorough research, site investigation and engagement process was conducted. This included two rounds of engagement. The first round of engagement included surveys, interviews and workshops across key interest groups including the three Councils, funding agencies, Regional Sports Organisations, Facility Managers and Great South. A second round of engagement included a series of workshops that brought key interest groups together to respond to key challenges identified in the Issues and Options Report.

The Strategy is one of two volumes:

- **Volume 1 The Strategy** includes analysis of the current situation and identifies the key challenges and strategic recommendations. The Strategy includes an Action Plan.
- **Volume 2 Supporting Resources** documents the background research including literature review, demand assessment and modelling, a full site and facilities inventory and engagement responses.

Figure 1: Process Road Map



*Report delayed due to COVID impacts

2. SOUTHLAND REGION

Southland is located on the southernmost tip of the South Island. Invercargill is the region's major city with Queenstown located to the north and Dunedin located to east.

The region is defined by the ICC, SDC and GDC boundaries and is adjacent to the Central Lakes and West Otago areas (refer Figure 2).

Southland covers 3.1 million ha of land that is diverse featuring 3,400 km of rugged coastline, agricultural areas, dispersed regional and rural townships and two national parks of Fiordland National Park (a World Heritage Site) and Rakiura National Park that attract visitors to the region.

The region has impressive regional sporting facilities like the ILT Stadium Southland. This world class multi-purpose sports and entertainment venue incorporates indoor sports courts, a Sports House and New Zealand's first indoor velodrome - the SIT Zero Fees Velodrome.

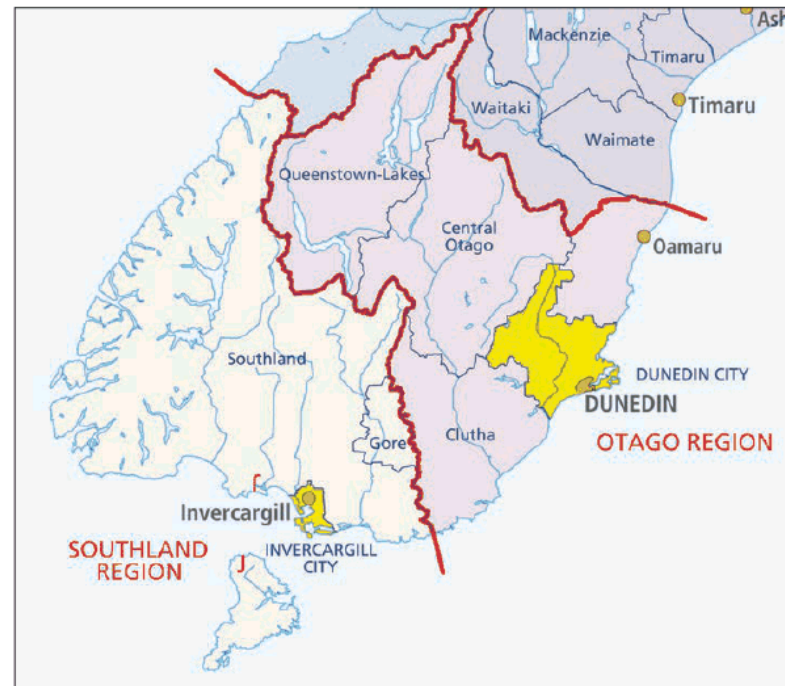
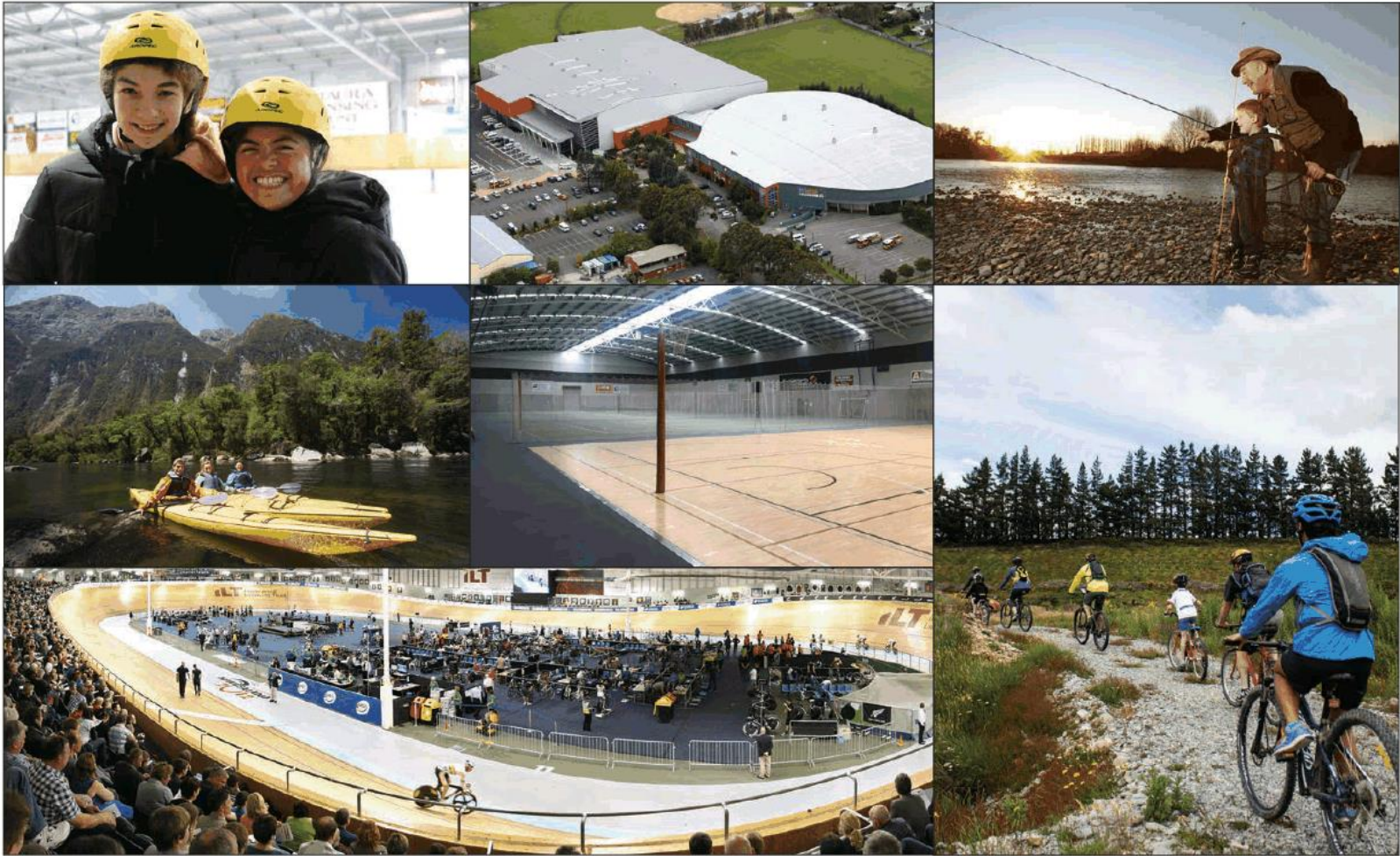


Figure 2: Southland Region and Surrounding Regions



Figure 3: Location images



3. SOUTHLAND OVERVIEW

This section provides an overview of key research insights.

3.1 Demographic Insights

The 2018 population of the Southland Region was 97,467 people. This is an increase of 4,125 since 2013 and 6,591 since 2006. The largest growth between 2013 and 2018 occurred in Invercargill (4.9%) followed by Southland District (4.2%).

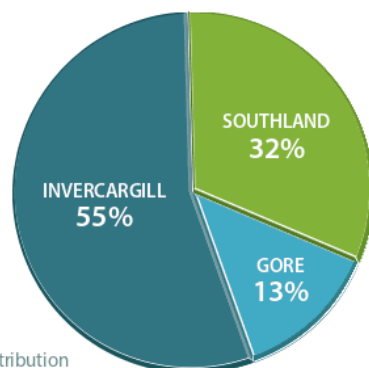


Figure 4: Illustration of Population Distribution

Table 2: Population of Council Areas in the Southland Region 2006, 2013 and 2018 (Source: Stats NZ)

Area	2006	2013	Change 2006 to 2013	2018	Change 2013 to 2018	% Change 2013 to 2018
Southland District Council	28,437	29,613	1,176	30,864	1,251	+4.2%
Gore District Council	12,108	12,033	-75	12,369	336	+2.8%
Invercargill City Council	50,325	51,696	1,371	54,204	2,508	+4.9%
Southland Region	90,876	93,342	2,466	97,467	4,125	+4.4%

The population growth is occurring in urban cities and townships including Invercargill, Gore, Te Anau and Winton, whilst the rural townships are experiencing declining populations. Therefore, there will be a demand for strategically located and complementary spaces and places that provide for a broad mix of activities (co-located and multi-use/ shared) to manage these population trends.

Projections prepared by Stats NZ indicate that the population of the Southland region is expected to increase by 3.3% by 2028 then slightly decline by 2043. As the population declines, so will the rating bases that may impact the ability to fund future improvements to spaces and places.

Table 3: Population Forecasts for of Council Areas in the Southland Region 2023, 2028, 2033, 2038, 2043 (Source: Southland Regional Development Strategy)

Region	2023	2028	2033	2038	2043
Southland District	31,800	32,100	32,200	32,100	32,000
Gore District	12,400	12,300	12,100	11,800	11,450
Invercargill City	55,900	56,300	56,300	56,000	55,500
Total Southland Region	100,100	100,700	100,600	99,900	98,950

It should be noted that to 'grow population' is one of the three challenges of the Southland Regional Development Strategy 2015 and Action Plan. It expressed concern that if the regional population remained static for the next 10 years, it would fall to 1.8% of New Zealand's population (currently 2.3%) which could cause the region to lose ground against the rest of New Zealand and have a deflating effect on services, business, lifestyle, quality of life and morale.

In order for Southland to retain the current proportion of New Zealand's population much more ambitious population targets than those projected by Stats NZ have been identified, namely:

- 105,000 people by 2025; and
- 110,000 people by 2030.

Table 4: Median Age for Council Areas in the Southland Region

Region	Median Age
Southland District	39.1
Gore District	43.6
Invercargill City	39.4
Southland	39.8

As at the 2018 Census the median age of Southland Region (39.8) was older than New Zealand as a whole (37.4). Gore District (43.6) has a significantly higher median age than Invercargill and Southland District Council areas.

The Southland region has higher proportions of people aged 50 years, and lower proportions of young adults (aged 15 to 29 years) compared to New Zealand as a whole. Southland has a lower median weekly household income than

New Zealand. While not regarded as significantly deprived, there are pockets with high levels of deprivation especially Invercargill south and some smaller townships.

Our regional places and spaces will need to respond to these influences by providing accessible and affordable facilities with a broader mix of recreation activities than what we have had in the past.



3.2 Strategic Review Insights

To set the study in context, over 80 background documents were reviewed. These included strategic plans, feasibility studies, master plans and other plans, policies and studies. These documents had national, regional or local Council significance. Strategic Plans of national sporting organisations were also reviewed.

Key issues identified in studies relating to New Zealand as a whole include:

- Physical activity levels are declining.
- There is a national goal of improving physical activity levels of 5 to 18 years old, especially those experiencing greater deprivation.
- Many facilities are nearing the end of their useful life and are no longer fit for purpose.
- There is a need to adapt and refurbish pools to meet the needs of aging populations.
- Improving the flexibility of existing indoor courts to allow a greater variety of users is much more important than the provision of new courts in most areas.
- The capacity of playing fields varies significantly across different regions and playing surface types. Average weekly hours of use of playing fields in winter (peak demand season) varies from a low of 4 to a high of 14 hours/ week (soil based fields) to a low of 20 to a high of 70 hours/ week (artificial sports surfaces).

Key issues identified in studies relating to Southland as a region include:

- A lack of regional coordination on the planning and development of sport and recreation facilities.
- Growing the population is a key concern

(refer section 3.1). Sports are competing for the same limited pool and most sports see increasing participation as a key priority.

- Concerns about the financial sustainability of aging sport and recreation infrastructure.
- The cooler climate in Southland is showing an increase demand for indoor facilities and artificial turf surfaces.
- Southland has a higher ratio of standard Council pools and indoor sports courts compared to benchmarks of provision for New Zealand as a whole.
- The proliferation of pools is influenced by the dispersed population settlements outside Invercargill. Over 70% of indoor multi-use sports courts are situated at ILT Stadium and displacement due to events has been identified as an issue by users.
- Many pools are built on school land in outer areas. Running a pool is not the core business for local schools and they are now at an age and condition where they require upgrade. Continuing a service and financing asset upgrades is a significant challenge.
- Opportunities to improve walking and recreational, commuter and tourism cycling. A 2016 Cycle Strategy identified constraints and a range of strategic actions, but leadership in its implementation appears uncertain.
- The 2018 Southland Regional Population Profile identified the sports with highest participation levels as golf, bowls, netball, squash and football (soccer). Golf, bowls and squash were above the national average. To maintain this high participation, a strategic approach to investing in the asset renewal of facilities that encourage participation is needed.

Several strategies in individual Councils were reviewed. Key themes or issues to emerge are as follows:

- Aging facilities, maintenance challenges, limited funding, combined with population decline in some rural towns, and a need to comply with minimum earthquake standards.
- Structural issues identified at Rugby Park grandstand and Surrey Park athletics grandstand.
- Master Plans or Development Plans previously prepared for major assets such as Surrey Park, Splash Palace, Gore Multisports Complex and Dolamore Park.
- YMCA investigating opportunities for upgrading its Tay St site to create a more functional sport and recreation hub.
- Adequate supply of sport and recreation parkland measured against industry benchmarks.
- Clubs are competing for resources.
- Trend from traditional sport to casual/informal forms of participation in sport and recreation.

Strategic Plans of national sporting organisations (NSO's) were reviewed. Facility recommendations were not featured in several plans, however key themes to emerge included:

- Growth in social sport and unstructured forms of participation.
- Measures to increase participation or address decline in participation.
- Demand for outdoor all-weather/synthetic sports surfaces.

Our regional spaces and places are integral to the liveability of Southland. They encourage people to be active and healthy. They help people escape from the urban environment and reconnect with nature. Our spaces and places are the social hub of our communities. They help us learn and encourage us to play. They protect significant World Heritage listed natural environments, habitats and cultural heritage. They offer opportunities for tourism and events.

The Value of Sport 2017 is a study exploring the value of sport to New Zealanders. The study surveyed 1516 people together with an extensive literature review, in depth qualitative research with 42 New Zealanders and more than 60 other sport and recreation sector

stakeholder and 346 people working in the sport and recreation sector representing, 121 organisations operating in the sector and 178 other organisations.

The study found that sport forms part of New Zealand's national identity. It creates happier, healthier people, better connected communities and a stronger New Zealand. Key survey findings show:

- 92% of the people believe being active keeps them physically fit and healthy, and helps relieve stress
- 88% believe that sport and other physical activities provide them with opportunities to achieve and help build confidence

- 84% believe sport and physical activity bring people together and create a sense of belonging
- 74% say sport and physical activity help build vibrant and stimulating communities
- 86% agree that high performance sport both helps instil a sense of pride in our country, and contributes to our national identity as New Zealanders
- Sport and active recreation contribute \$4.9 billion or 2.3% to our annual GDP, and the sector employs more than 53,000 New Zealanders.



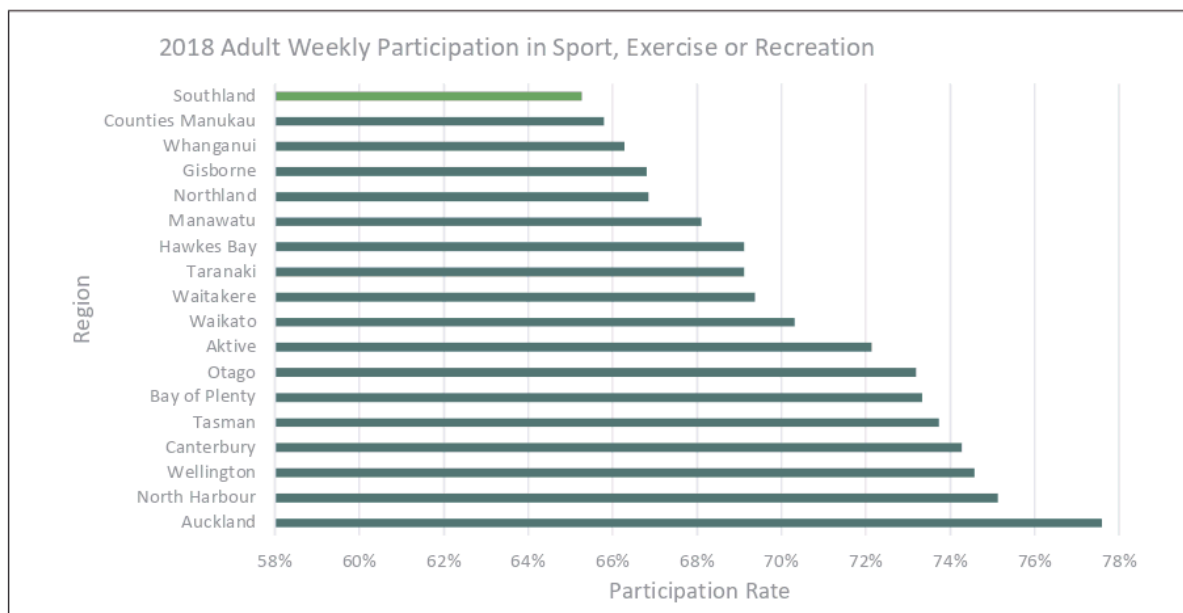
3.3 Sport Participation Trends Insights

The Active NZ Survey found that in 2018, 65% of Southland adults participated weekly in sport, exercise or recreation. This is a slight decrease since 2017 (67%), but an increase since 2013/14 (60%). Compared to other regions of New Zealand, this places Southland as the least active region for adults in the country in terms of participation in sport, exercise or recreation (refer Figure 5).

Active NZ Survey findings were more favourable for Southland young people (aged 5 to 17 years), with results indicating 94% participate in physical activity in any given week, which is on par with New Zealand as a whole. School Sport NZ Representation Census 2019 data support this finding with 58% of students in Southland involved in sport compared to the New Zealand average (51%). A focus on maintaining and expanding participation opportunities in our regional spaces and places that facilitates the transition from teenage to adult years and encourages a lifetime of engagement with sport, exercise and recreation is important.

Active NZ survey data for New Zealand as a whole indicates that Europeans have the highest level of weekly participation and spend above-average time participating, while Asians have the lowest levels of participation and spend less time participating. Providing diverse participation opportunities that interest all ages, genders, abilities and cultures will encourage participation by Southlanders in weekly sport, exercise and recreation.

Figure 5: Adult Sport, Exercise or Recreation Participation rates for NZ Regions (2018)

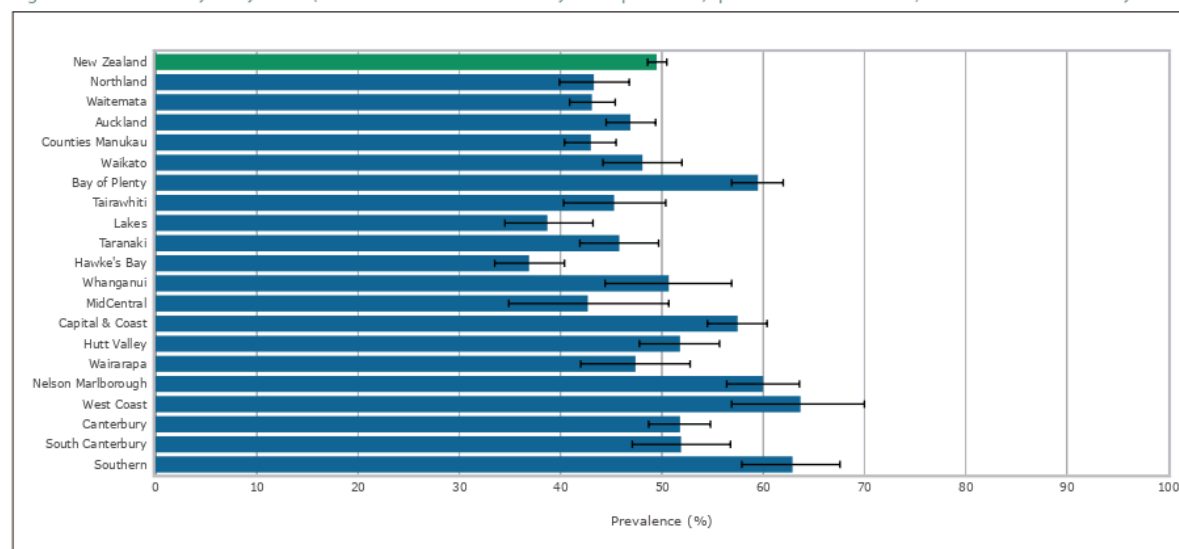


Interestingly, data from the New Zealand Health Surveys 2014-2017 revealed that Southland had the highest percentage of adults (71.2%) meeting physical activity guidelines of all regions in New Zealand. This compares to 49.5% for New Zealand as a whole over the same period. The survey instrument used in the Ministry of Health survey is similar to other countries in terms of measuring physical activity levels and compliance with guidelines for 'sufficient' activity. The survey looks at all types of physical activity, not just what people do in their leisure time but also including work-based activities. This also includes work-based activities. An extract from the Ministry of Health survey analysis showing regional comparisons is shown in Figure 6.

The Ministry of Health analysis further showed that:

- Females aged 15 to 24 were the least active, with 63.7% indicating they had undertaken sufficient physical activity.
- Females aged 25 to 44 were the most active, with 83.6% indicating they had undertaken sufficient physical activity.
- 7.0% of Southland Adults undertook little or no physical activity. This compares to 14.4% for New Zealand as a whole.
- 72.5% of Southland Adults are overweight or obese, compared to 66.3% for New Zealand as a whole.

Figure 6: "Indicator - Physically active (did at least 2.5 hours of activity in the past week, spread out over the week)" Source: NZ Health Survey



A future-thinking 2015 report commissioned by Sport New Zealand identified a number of themes that are, or will, influence sport in New Zealand. Some of the key issues identified include:

- Growth of 'pay for play' sports events and activities where participation is outside of traditional club structures.
- Emergence of new sports initiatives that respond to individual preferences rather than a facility/organisational led model (e.g. mountain bike parks, open space boot camps, low cost 24/7 gyms etc.) and informal activities (e.g. parkrun, street games etc.).
- Traditional volunteering is declining. New forms of volunteering will provide connec-

tions (e.g. volunteering at an event rather than ongoing volunteer duties for a club).

- In the 'age of chronic disease', the cost to society of being unhealthy will continue to rise. Sport has an important role to play in contributing to health and well-being.
- Increasing urbanisation and population decline in many rural areas of New Zealand have implications for sport and recreation.
- Sports facilities are moving towards a greater multi-use focus, with sports hubs becoming favourable.
- Trends towards year-round participation are leading a shift from outdoor to indoor facilities.

- Sport will need to continually evolve, adapt and change to meet the needs of diverse populations, changing consumer preferences and financial and economic pressures.

³ Sport New Zealand (2015). *The Future of Sport in New Zealand: A report by Synergia for Sport New Zealand*

4. FACILITY PROVISION AND BENCHMARKING

This section describes the current provision and responds to key asset issues arising during the study.

4.1 Current Provision

A detailed analysis of the current inventory of sport and active recreation facilities available for community use was undertaken. This was informed by reviewing asset data and information available for each site, and a mapping analysis and site inspections of key sites.

Inventory Overview

A detailed inventory of Southland's spaces and places has been prepared based on the Sport NZ National Facilities Inventory Tool (Refer to Supporting Resource Document).

The inventory profiles each current space and place; where they are located; what facilities they have; what role it plays; what types of activities are provided; what condition they are in including whether they are fit for purpose to today's sport industry standards; and how they are managed.

The inventory has been categorised into outdoor, indoor and aquatic spaces and places and uses the following facility hierarchy definitions. The focus of this study is on the regional (and above) spaces and places.

Facility Hierarchy

International: A facility with the ability to host international competitions and events.

National: A facility with the ability to host national competitions and events or to serve as a national performance training hub for one or more sports codes.

Regional: A facility with the ability to provide for a regional catchment (Southland), host regional competitions, serve as a regional high-performance training hub for one or more sports codes or provide community participation opportunities for a high number of people across Territorial Authority boundaries. Regional spaces and places are often the primary centre of co-located, multi-sport and active recreation facilities within a regional catchment. They are destinations for sport and recreation and events and deliver social and economic benefits to the wider region.

Sub-Regional/District: A facility with the ability to provide opportunities for a municipal catchment (Invercargill, Gore District, Southland District), provide opportunities for a number of teams/competitors/participants within a municipal area to participate.

Local: A facility that provides participation opportunities for a local neighbourhood or township catchment.

Inventory Findings

There are over 230 spaces and places in Southland. Twenty-two of these spaces and places were assessed as providing for a regional or sub-regional catchment. Sport and recreational facilities on Southland's spaces and places are provided by a range of entities including, territorial authorities, charitable trusts, the Ministry of Education (via schools), and community groups and clubs.

Overall observations are:

- There is a high number of single use facilities and a lack of multi-use facilities in Invercargill.
- Regional and district/sub-regional spaces and places are located within major population areas within Southland including Invercargill, Gore, Te Anau and Winton. These facilities are multi-use in nature and co-located with other sports and recreation facilities.
- Providing equitable access to sport and active recreation spaces and places (and other services like health, education, cultural, and other community services) in rural and regional areas is a challenge, particularly in smaller townships.
- Community sport and recreation assets vary in age and condition. The majority of clubrooms and lighting are in average to good condition while some are no longer fit for purpose or meet current sport industry

design standards e.g. Sport NZ Guidance for Sports Field Development 2019 and Universal Design Principles.

- Further, a number of buildings have failed earthquake rating standards and have been decommissioned or are restricted in use. This includes regional spaces and places like Rugby Park Grandstand and the Surrey Park Athletics Grandstand.



INVERCARGILL INVENTORY SUMMARY

The Invercargill Council municipal area includes a high number of single use or seasonal use facilities that vary in quality with most rating average to good condition.

There are however some great examples of multi-use facilities that are in good to excellent condition. For example, ILT Stadium Southland that has programs, competitions and events across courts, the velodrome track; and high- performance gym and indoor tennis courts inside the track. The Stadium has a high total court occupancy rate (84%) and all facilities are used daily in off peak and peak times.

There were 79 spaces and places in Invercargill City Council identified across community and school sites. These include:

- 115 outdoor sport and recreation facilities. Of these facilities, there were 97 sports fields, 31 outdoor sports courts, 35 greens and lawns, specialised fields, arenas, tracks, clubrooms and lighting.
- 12 indoor sport and recreation facilities. These include ILT Stadium Southland, Squash City Invercargill Centre, Southland Table Tennis Stadium, Badminton Southland Stadium, Southland Gymnastics Centre and YMCA Recreation Centre.
- Two aquatic facilities including Splash Palace Aquatic Centre and Bluff Aquatic Centre.
- Seven school sites providing indoor and outdoor sport and recreation facilities.



GORE DISTRICT INVENTORY SUMMARY

The Gore District Council municipal area has a mix of single use and multi-sport facilities that are central to township areas. Most rural township areas facilities are in average to good condition, whilst regional multi-sport facilities are in good to excellent condition.

There are some good examples of multi-use and co-located facilities. These include the Gore Multisports Complex with aquatic centre, MLT Event Centre (indoor courts) and ice skating rink alongside the nearby artificial synthetic turf hockey pitch, rugby clubs and grass athletics track, and the new pump track, fitness track, community hall, rugby fields and future multi-sport activity spaces at Tulloch Park in Mataura.

There were 40 spaces and places in Gore District Council identified across community and school sites. These include:

- 39 outdoor sport and recreation facilities. Of these facilities, there were 25 sports fields, 21 outdoor sports courts, 8 greens and lawns, specialised fields, arenas, tracks, clubrooms and lighting.
- Five indoor sport and recreation facilities including Gore Multisports Complex/MLT Sports and Events Centre and Ice-Skating Rink and Gore Town and Country Club.
- One aquatic facility being the Gore Aquatic Centre. The Mataura Indoor Pool is now closed and forms part of the Tulloch Park master plan development.



SOUTHERN DISTRICT INVENTORY SUMMARY

The Southland District Council municipal area has a mix of single use and multi-sport facilities that are central to township areas. Most rural township areas facilities are in average to good condition, whilst sub-regional multi-sport facilities are in good to excellent condition.

Most new multi-use facilities have been developed at school sites. These include synthetic multi-court surfaces that are co-located with sports fields, indoor sports halls and indoor learn to swim pools.

There were 165 spaces and places in Southland District Council identified across community and school sites. These include:

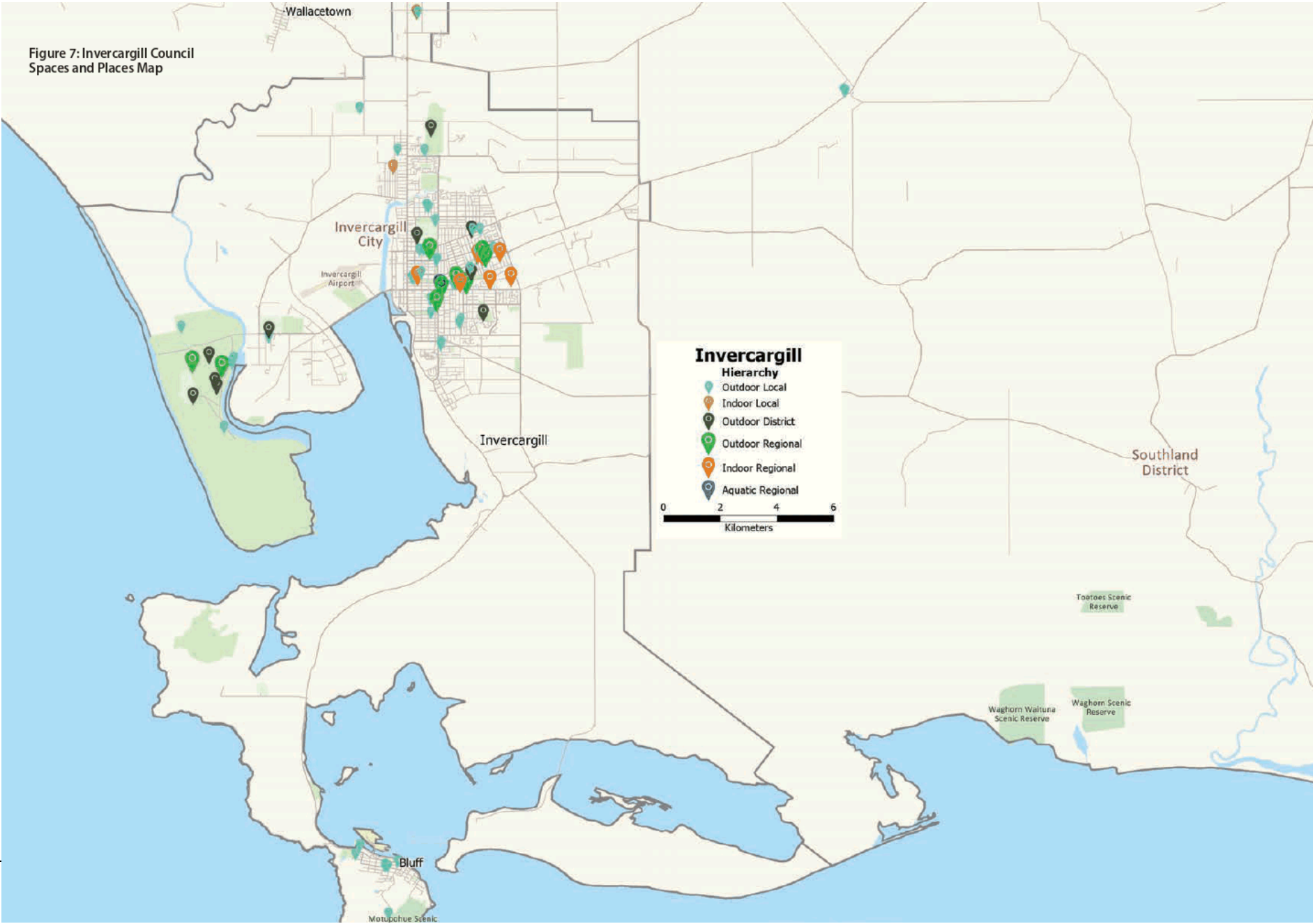
- 119 outdoor sport and recreation facilities. Of these facilities, there were 71 sports fields, 105 outdoor sports courts, 22 greens and lawns, specialised fields, arenas, tracks, clubrooms and lighting.
- 30 indoor sport and recreation facilities including Fiordland Community Events Centre, Central Southland Indoor Tennis/Netball Centre (Winton) and a number of squash facilities and indoor bowls clubs.
- 16 local aquatic facilities located within or adjacent to school sites.



REGIONAL SPACES AND PLACES IN SOUTHLAND

The Strategy identified 22 regional and sub-regional spaces and places. The sites identified are in addition to the natural regional spaces and places within Southland including Fiordland National Park, Dolamore Park, Bluff Coastal Area, Stewart Island, the beaches, lakes and waterways.





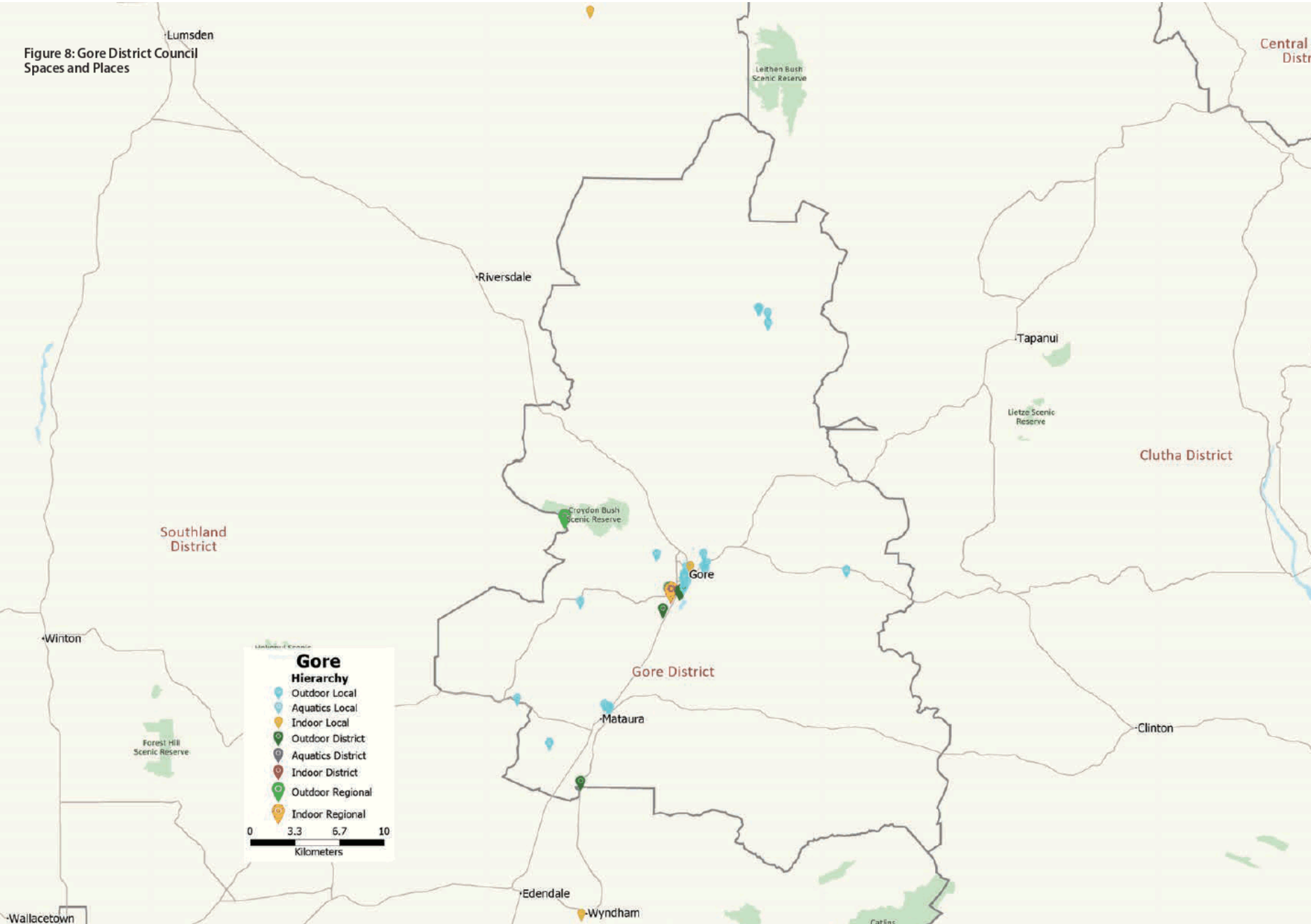
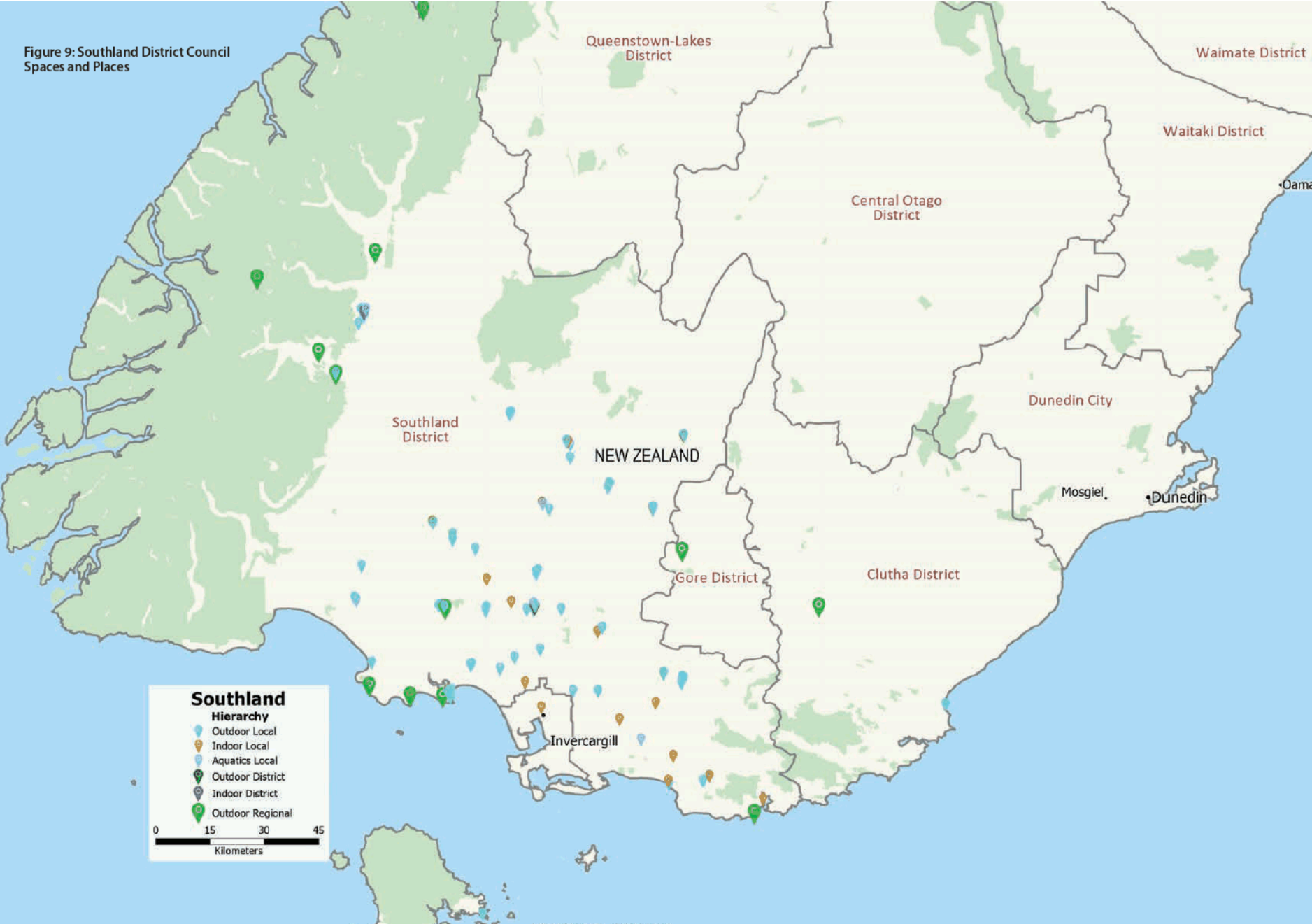


Figure 9: Southland District Council
Spaces and Places



5. ENGAGEMENT FINDINGS

This section reports on the findings from two rounds of engagement with project partners and key stakeholders.

5.1 Regional Sporting Organisations

A survey was sent via Sport Southland to Regional Sports Organisations (RSO's) for all sports within the scope of the study to seek information on membership and participation trends, facility utilisation and satisfaction, and facility improvements considered essential. 24 out of 52 RSO's responded to the survey (refer Table 5). Detailed survey responses are set out in the Supporting Resources Document.

A workshop to discuss issues, trends and challenges was also conducted with RSO's. In terms of active membership:

- The highest reported 2019 active memberships in Southland sports were netball (5,745), rugby (5,091), touch (4,500), football (3,149), cricket (2,884), basketball (2,747), golf (1,797), hockey (1,638) and bowls (1,249).
 - It should be noted that there may be significant informal (non-organised) participation in some sports hence the discrepancy between reported RSO membership and the sports reported as having the highest participation levels in the 2018 Regional Population Profile - Southland (namely golf, bowls, netball, squash and football (soccer) (refer section 4.1).
 - Sports reporting the highest growth in active membership over the 3 years 2016 to 2019 were football (+57% to 3,149), cricket (+17% to 2,884), netball (+10% to 5,745), squash (+5% to 988), ice sports (+8% to 335) and marching (+77% to 147).
 - Some sports experienced a decline over the three years from 2016 to 2019 namely golf (-17% to 1,797), touch (-5% to 4,500) and volleyball (-6% to 970).
 - Active membership in other sports was either static or not reported.
- Key trends and issues identified by sports in surveys and subsequent workshops included:
- Maintenance and asset renewal are a major issue. Currently these are not undertaken until there is a crisis point.
 - The ownership of facilities is in most part the user group. User groups have found it challenging to manage the up keep and improvements of facilities.
 - Quality of facilities is good but there is some concern about their sustainability.
 - Need for better sharing of facilities.
 - Growth in social forms of participation and female participation.
 - Some junior sports growing but generally a holding position for senior sport.
 - Sports are competing for players and introducing modified forms of participation.
 - Participation influenced by young people working part-time or moving away to attend University.
 - Competition for available indoor sports courts.
 - Some shift in demand to playing mid-week rather than weekends.

Table 5: RSO's responding to survey

Athletics 	Bowls 	Croquet 	Gymnastics 	Indoor Bowls 	Rowing 	Softball 	Tennis 
Badminton 	Boxing 	Cycling 	Hockey 	Marching 	Rugby Union 	Squash 	Touch Football 
Basketball 	Cricket 	Golf 	Ice Sports 	Netball 	Football (soccer) 	Synchronised Swimming 	Volleyball 

In terms of facility satisfaction, RSO feedback was as follows:

- The majority of sports indicated they are satisfied (33%) or very satisfied (29%) with the facilities they utilise. Satisfaction with a number of venues was rated as neutral (21%). A small proportion of facilities had a ranking of dissatisfied (11%) or most dissatisfied (6%).

Individual sports are seeking a range of facility improvements. These include:

- New/upgraded support amenities (badminton, football, hockey, softball)
- Upgraded playing surfaces (hockey, tennis, cricket, rugby)
- More suitable mowing heights of playing surfaces (cricket, touch)
- New/upgraded lighting (hockey, football)
- Additional indoor facilities and/or better access to sports courts (basketball, netball, squash, tennis, marching)
- Repair of Rugby Park building (rugby)
- Repairs or rebuild of grandstand at Surrey Park (athletics)
- Dredging or clearing of Oreti River to enable continued hosting of regattas (rowing)



- Retrofitting of bowling green and clubrooms for beach volleyball (volleyball)
- Sub-floor works to enable year-round operation (ice sports).

5.2 Other Stakeholder Engagement

Separate and combined workshops were conducted with representatives of the Project Steering Committee, Invercargill City Council, Gore District Council, and Southland District Council. In addition, workshops were held with facility managers, users of Surrey Park and Sandy Point, and Great South. Numerous meetings were conducted throughout the course of the study with the Project Management team.

The need for decision-making criteria to assist funding agencies in future investment and linkage of the Regional Spaces and Places Strategy to Council LTP's were seen as important by senior Council managers. Key issues to emerge from consultation are summarised as follows:

Invercargill City Council

Council is seeking a clear way forward for the upgrading, funding and maintenance of regional places and spaces; better alignment of funding to strategic priorities; and a coordinated approach between Councils, funding agencies (Trusts) and sports. Key challenges include:

- Ageing assets and limited funding for asset renewal or improvements.
- Ageing population demands.
- Rugby Park Grandstand and Surrey Park Athletics Centre Grandstand.
- Golf courses, bowls facilities, tennis courts closing due to declining membership and high maintenance costs.

Opportunities include:

- A shift towards multi-use and all weather, synthetic turf surfaces to encourage greater programming.
- Developing a tool kit to assist clubs/associations to be proactive in assessing condition of assets and implementing asset renewal works.
- Creating community hubs, e.g. Surrey Park (formal sport), Sandy Point (wilderness adventure sports), Bluff (community recreation).

Gore District Council

The Spaces and Places Strategy should provide leadership and a coordinated approach to planning, advocacy, development and investment across Southland. Gore has an ageing population. Opportunities include:

- Growing demand/use of tracks and trails (as per Cycle Southland Strategy and Gore Tracks & Trails Strategy).
- Connecting regional spaces and places via active transport and recreation trail links should be a regional objective.
- Development of Gore Multisports Complex in line with the master plan.
- Some assets are ageing. Funding of infrastructure renewal and maintenance would be an issue if the funding agencies did not contribute. However, there is pressure on these finances.
- Potential for designing multi-sport hubs that encourage intergenerational play and connections.
- Gore Showgrounds could be further developed to support events.



Southland District Council

Council is not directly involved in the day-to-day operation of facilities. Community Boards, recently reduced to nine, now need to manage multiple assets in their geographic area including setting rates. Key challenges include:

- Population is static and in decline in some rural areas.
- High volume of sites and facilities.
- Ageing assets that are not necessarily fit for purpose.
- Several learn-to-swim pools in average condition and approaching the end of their useable life.
- Need to make sure best use of available funding is made. Decisions will need to be made about the retention of assets as there will not be the capacity to fund everything to required standards.
- Lack of understanding of usage of sports fields.
- Very high visitor demands and expectations that impact on the use, maintenance and management of regional spaces and places.

Opportunities include:

- Development of centralised district/sub-regional spaces and places in townships.
- Alignment of Long-Term Plan to strategic priorities in the Regional Spaces and Places Strategy.
- Coordinated approach to promoting, wayfinding/ events and programming activation.

Funding Agencies

There are a number of funding agencies in Southland that provide funding to resources (people) and capital (facilities). These include:

- Invercargill Licensing Trust
- ILT Foundation
- Maitaia Licensing Trust
- Community Trust South
- Southern Trust.

The funding agencies will maintain responsibility for allocating funding. However, they are interested in a framework that helps inform decisions about funding for spaces and places projects.



Major Facility Operators

Key discussion points to emerge were as follows:

- Planning and development have been ad hoc, and the Spaces and Places Strategy should provide a strategy-driven approach with agreed priorities and assist in transparency of decision-making.
- There is growing ethnic diversity in the region. Older and more culturally diverse usage of Splash Palace is occurring, and the venue is now employing a more culturally diverse workforce.
- Affordability and accessibility of facilities are concerns for people with disabilities or high levels of disadvantage.
- There are no specific funding streams for activation programmes.
- Climatic conditions in Southland create greater demand for indoor facilities as they are more dependable.
- ILT Stadium Southland revenue is principally derived from events (approximately 70%). There are high levels of displacement of indoor sports in order to accommodate events at ILT Stadium Southland. Sports have not generally been open to flexible programming and competition structures to balance sport needs with event requirements.
- Indoor sports are crying out for court space (especially basketball and netball) and court hours are being extended to meet demands.
- Recent improvements funded at Splash Palace are demand driven e.g. change rooms, foyer flooring, hydro slides. The development of a 25m x 25m constant 2m depth pool to provide training space for individuals/ sports and reduce competition for space in the main pool at Splash Palace is proposed.
- The age of the YMCA's Tay St facility and original design issues restrict its ability to grow occupancy and usage. Proactive investment in facilities is essential as asset maintenance and renewal costs will grow. The cost of modifying the YMCA is significant.
- There is no emergency recovery centre in Invercargill.



6. PREDICTIVE DEMAND MODELLING

An assessment of current and future requirements for playing fields, outdoor courts, and indoor sports courts was undertaken using a Demand Analysis Modelling tool developed by Otium Planning Group.

In essence the model assesses the current utilisation of sports facilities against capacity benchmarks and population projections to determine actual playing areas required. The Demand Analysis Model is assumption based and considers a range of factors in order to determine the playing area required.

It is important to note the following assumptions and factors that were used in the assessment for Southland:

- Participation includes all forms of access, both recreational and competition.
- Participation levels in various sports are based on the most recent Active NZ survey data for New Zealand as a whole as the sample size for Southland was too small to make realistic projections.
- Benchmark capacities of indoor and outdoor courts take into account player numbers per court for various sports and peak times.
- Based on discussions with Sport NZ representatives, a soil-based turf field is assumed to have a usage capacity in winter (peak demand period) of 9 hours per week, while

a sand-based turf field is assumed to have a winter usage capacity of 14 hours per week⁴.

- At these maximum capacity levels, lighting of fields would not increase capacity of the fields, rather it would extend (or shift) the available access times to enable greater access during peak training times (5.00pm-9.00pm weekdays).
- Based on discussions with Sport NZ representatives, a 90:10 split between soil-based turf and sand-based turf fields was applied.
- Users require an average number of hours access to fields, and a field can support an average number of users per hour.
- The model assumes that all fields are used to maximum capacity, and only then would another field or court be required. Essentially this means that under this model there are no fields or courts that are partially used, which may not accurately represent current usage patterns.
- Current demand was based on the 2018 Census estimate of population (97,467).
- Future demand was calculated on the aspirational future population of 110,000 by 2030.

In line with the Active NZ participation survey, the model was applied for participation figures shown for the last 12 months and the past 7 days with results calculated separately for each. The first dataset (last 12 months participation)

has a much higher rate of participation and could include people who only participated in an activity once in the last year. Translating projected demand based on the last 12-month data set would most likely result in an unrealistically high estimate of facility needs. The last 7 days dataset was compiled from four separate survey periods across the year and would therefore pick up seasonal differences. To that end the last 7 days dataset is considered to result in a more realistic projection of facility needs.

The demand modelling shows that, based on the last 7 days dataset (and excluding school provision), there is an adequate supply of playing fields, indoor sports courts, and outdoor sports courts (for individual Councils and the region as a whole) to meet the current and projected

population over the next decade. When including school supply of playing fields, outdoor courts and indoor sports courts, the modelling shows a substantial oversupply. This is consistent with the observations of facility provision benchmarks for various facility types contained in previous studies.

That said, the distribution, condition, and accessibility of facilities must be considered in assessing future needs. The consultation process identified a number of constraints in relation to indoor courts and aquatic facilities. Moreover, improving the operational viability of facilities, and/ or the creation of economic benefit may justify the development of new upgraded facilities.



⁴Average winter season data contained in the 2019 report "Guidance Document for Sports Field Development" (p24) prepared by Jacobs for Sport New Zealand was used as the basis for application of capacity benchmarks. The report contains low, medium, high usage data for Auckland, Wellington and Christchurch. Specific data for Invercargill was not provided. Conservative estimates of playing field capacity, generally in line with medium usage data for Wellington, were adopted in discussion Sport NZ representatives.

7. KEY CHALLENGES

The research and engagement findings uncovered **five key challenges**.

7.1 Challenge One – There is a high number of single use facilities and a need to design flexible spaces and places that activate Southlanders

There is a high supply of spaces and places in Southland that are single-use facilities catering for traditional sports. There has been a trend of declining participation levels and use of some of these facilities. Continuing to invest in these facilities may not be affordable.

There is an increasing demand for multi-use and indoor facilities to optimize the use of facilities. This represents an opportunity to activate Southlanders by providing a diverse network of flexible spaces and places that facilitate healthy and active lifestyles.

The redesign of our spaces and places will need to consider the impact of Southland's cooler climate. There is a growing demand for converting grass fields to artificial synthetic turf to increase the capacity and use of facilities, an increase in participation demand to indoor sport and provision of shelter for outdoor sports.

What facilities will our community need in the future?

Southland's community is expected to grow from 97,467 in 2018 to 110,000 in 2030. However, population growth is occurring in urban cities and townships such as Invercargill, Gore, Te Anau and Winton, whilst a number of rural townships are experiencing declining populations. There is a need for a strategic approach that locates complementary spaces and places that provide for a broad mix of activities (co-located and multi-use/shared).

Southland's community is older than the New Zealand average. There is a higher proportion of Seniors aged 50 years and above (39.8 years) and a lower proportion of young people. Facilities and programs will need to respond to the demands of seniors. There will be a greater demand on therapy-based services and the design of spaces and places will need be universally accessible.

There are pockets of deprivation in Southland. There is a national goal to increase participation levels for target populations including females, people with a disability, children aged between 5 to 18 years old and those experiencing greater deprivation. Our spaces and places must be designed to welcome and enable everyone to participate and support affordable and acces-

sible participation opportunities that target traditionally deprived groups in our community.

Outdoor recreation activities accounted for most of the top 10 activities participated in by Southland residents in the last 12 months including walking, gardening, running/jogging, cycling, tramping, and fishing. Providing a well-connected trail network in our townships and adventure trail experiences that connect Southlanders and visitors to nature will foster greater engagement in healthy and active living.

The sports reporting the highest 2019 active membership in Southland are netball (5,745), rugby (5,091), touch (4,500), soccer/football (3,149), cricket (2,884), basketball (2,747), golf (1,797), hockey (1,638) and bowls (1,249). Providing quality and accessible facilities that support major participation sports, whilst also responding to a change in the way people want to engage with sport e.g. different forms of sport in social competitions, will be important to foster healthy and active Southlanders.



7.2 Challenge Two – A number of facilities now require renewal

The 230 spaces and places in Southland support a wide range of sport and active recreation activities and are varied in the condition of facilities and whether they are fit for purpose.

A pinch point is being reached where decisions need to be made about funding the renewal of ageing assets, some of which have low patronage. This is particularly being felt in areas of static or declining populations and a strategic approach to investing and divesting in the development of assets that increases use of facilities is needed.

This represents an opportunity to develop a complementary network of multi-use facilities that are designed flexibly to deliver long term social and financial sustainability.

7.3 Challenge Three – There is no regional planning approach to identifying and funding strategic priorities in the Southland Region

The capacity and ability of funding agencies and Councils to invest in regional priorities, fund asset renewal of ageing infrastructure, as well as servicing local and regional sport and community facility and operational (resourcing) needs is an increasingly difficult challenge.

Also, there is currently no regional planning approach to identifying and funding strategic priorities in the Southland region. This project has brought key stakeholders together and there is an opportunity to build on these partnerships

through an agreed Governance approach to planning and investing in spaces and places.

7.4 Challenge Four – Need to maximise the contribution of regional spaces and places to Southland's economy and liveability

The Southland Region has spectacular natural environments and some impressive sporting facilities that facilitate a wide range of sporting and active recreation activities. Taking advantage of our unique spaces and places by providing great active experiences for Southlanders and visitors will deliver social, environmental and economic benefits.

Regional sports facilities such as ILT Stadium Southland, Surrey Park and Gore Multisports Complex play a significant role in providing for community sport whilst attracting and hosting regional events. They are critical to the social fabric that brings community together and an important part of the tourism product in Southland. Regional spaces and places contribute significantly to the "liveability" of Southland.

Our natural places like Fiordland National Park, Oreti Beach, Sandy Point Domain and Dolamore Park already offer a number of adventure trail events and tourism opportunities for visitors to Southland.

There is an opportunity for key stakeholders to partner in a coordinated way to promote and enhance Southland's reputation as a go to tourism destination for regional events and touring.

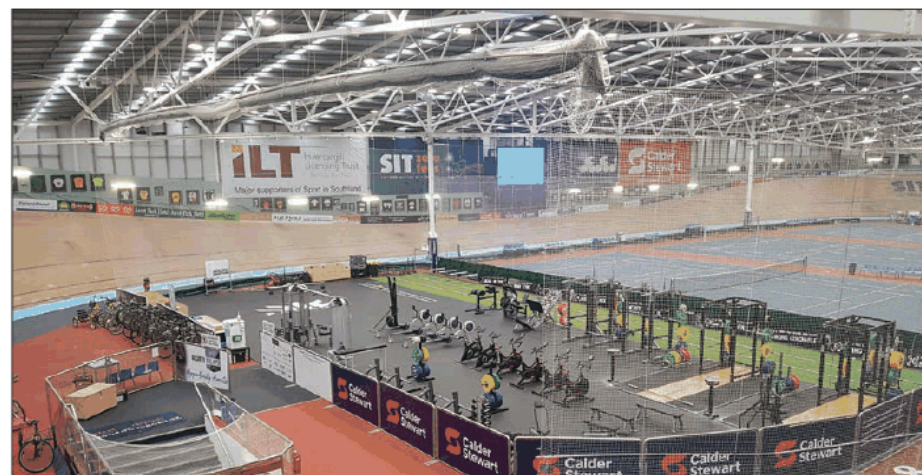
7.5 Challenge Five – Southland's spaces and places will need to adapt to climate change

The Ministry for the Environment predicts warmer temperatures (rise by 0.6oC to 0.9oC by 2040), an increase in rain fall (by 7 to 22% by 2090) and increased frequency and intensity of extreme weather events in Southland.

This will likely result in an increase in flooding, landslides and erosion, damage to infrastructure and ecosystems and an increase in spread of pests and weeds. These events may reduce facility revenues from programs, cause event cancellations and increase maintenance and insurance costs. People's health may also be impacted including heat exhaustion and asthma related to reduced air quality.

Southland spaces and places will need to adapt to these climate change pressures and will present challenges to how we use, design and manage spaces and places in the future.

There may be increased demand for access to indoor facilities, and artificial turf surfaces in Southland. The design of spaces and places will need to adapt by featuring innovative environmentally sustainable design and water sensitive urban design solutions. Examples include energy efficient technologies like LED lighting, water efficient technologies like non-potable water infrastructure, increasing tree canopy and recycling and waste management practices. Managing participant access to spaces and places and play during extreme weather events will be required to maintain a safe environment to participate.



8. STRATEGIC DIRECTIONS

The Southland Regional Spaces and Places Strategy guides the delivery of its vision and will provide a pathway for future facility development and opportunities for efficiencies through joint planning.

The success of this plan will rely on the partnerships between project partners in Southland.

8.1 Vision

The following Vision Statement for the Regional Spaces and Places Strategy has been developed in consultation with Project Partners.

Flexible and sustainable spaces and places that inspire all Southlanders to be active enabling them to be happy, healthy and connected through play, active recreation and sport.

Four strategic directions, objectives and recommendations combine both strategic and planning outcomes as well as site-specific development recommendations. These directions respond to the key challenges uncovered by the research and engagement findings.

The four key strategic directions are woven together to deliver the vision:



Figure 10: Strategic Directions

A prioritised action plan has been developed for each strategic direction. The priorities are based on the following timeframes:

- Short Term 0-5 years
- Medium Term 6-15 years
- Long Term 16-30 years
- Ongoing.

Site specific recommendations have been developed for 22 regional and sub-regional spaces and places identified in Southland. See Table 8 on page 32.

8.2 Strategic Direction One: "Flexibility"

**Deliver spaces and places
that maximise their flexibility to
meet community need**

The Southland Region has spectacular natural environments and some impressive sporting facilities that facilitate a wide range of sporting and active recreation activities.

Southland's spaces and places encourage physical activity. They make us feel happier and healthier, better connected to our community and contribute significantly to our social fabric and economy. Sport NZ's The Value of Sport report shows the high level of community support for these values:

- 92% of New Zealanders believe being active helps keep them physically fit and healthy.
- 73% of New Zealanders agree that sport and physical activity help build vibrant and stimulating communities.
- Sport and active recreation contribute \$4.9B to New Zealand's annual GDP and employs more than 53,000 people.

The report found that by eliminating physical inactivity in New Zealand, we would avoid 7.7% of dementia cases, 7.9% of heart disease cases, 9.8% of type 2 diabetes cases, 13.1% of breast cancer cases, 14.1% of colon cancer cases and 12.7% of deaths. It is therefore important we optimise the use of our spaces and places for the health and wellbeing of all Southlanders.

Findings from the Active New Zealand Survey 2018 show that outdoor recreation activities accounted for most of the top 10 activities participated in by Southland residents over the previous 12 months (e.g. walking, gardening, running/jogging, cycling, tramping, and fishing).

Perhaps reflective of its ageing community, Southland has higher rates of participation in golf and bowls than NZ as a whole, but some facilities have closed; there has been a decline in participation in recent years and the amalgamation of some bowls clubs in urban environments has been suggested.

From survey response data, the sports with highest 2019 active membership in Southland are netball (5,745), rugby (5,091), touch (4,500), football (3,149), cricket (2,884), basketball (2,747), golf (1,797), hockey (1,638) and bowls (1,249). RSO's have reported recent growth in football (soccer), cricket, netball and squash. Southland has higher rates of participation in netball and squash than NZ as a whole, and recent NSO data indicates that Southland is bucking the trend of declining participation in softball. While touch has declined in recent years it has the third highest reported active membership.

Active NZ data indicates that Southland has the lowest participation in sport, exercise and recreation than across other New Zealand regions. However, the NZ Ministry of Health reports that Southland has a high proportion of people aged 15 and over meeting national guidelines for undertaking sufficient physical activity to derive a health benefit, but a higher level of obesity than New Zealand as a whole.

There is a national goal to increase participation levels in sport, exercise and recreation. Particularly for target populations including females, people with a disability, children aged between 5 to 18 years old and those experiencing greater deprivation.

Southland experienced modest population growth over the period 2013 – 2018 at which time its estimated population was 97,467. Invercargill (ICC) accounts for 55% of the regional population, Southland (SDC) 32% and

Gore (GDC) 13%. Most growth has occurred in Invercargill whilst a number of rural townships are experiencing declining populations. Growing the population is one of the key challenges identified in the Southland Regional Development Strategy which has a target of 105,000 by 2025 and 110,000 by 2030. Essentially, sports have been competing for members from the same pool.



While there is limited data available to assess utilisation capacity of existing regional places and spaces, previous benchmarking studies, engagement findings and demand modelling indicate that there is an ample overall supply of facilities to meet current and projected population. However, key regional hubs that have high occupancy, programming, multi-use, or co-located participation opportunities may need further upgrading. By way of example, from data provided by ILT Stadium Southland their total occupancy level of courts is at 84% for community, competition and events at peak times which creates some access conflicts for regular sport users when displaced for major events. The MLT Event Centre in Gore is also reporting a total occupancy rate of between 80 to 90%.

There is a high supply of spaces and places in Southland that are single-use facilities catering for traditional sports. There has been a trend of declining participation levels and use of some of these facilities. However, sports participation preferences are changing. National leisure trends are seeing the emergence of new personal challenge/individual activities such as mountain biking, boot camps, 24-hour gyms, Park Run etc and a decline in traditional formal sports. Consistent with these broader trends, some sports have experienced a decline in participation in Southland. Trends have identified that people continue to seek out connection to others and a sense of community but not via the formal structure of traditional clubs. Social forms of participation in a wide range of sports are in demand.

As the needs of the Southland community change, regional spaces and places and the

mix of facilities provided will need to be more diverse, flexible and adaptable to meet new and changing sport and recreation demands and leisure patterns. This will require more shared use/multi-use spaces to optimise their use and maximise their function viability and functionality. This will result in a reduced reliance on single-use facilities.



Action Plan

Table 6: Strategic Directions One: "Flexibility" - Objectives and Recommendations

Objective	Recommendation	Priority
Maximise the functionality and viability of regional sports hubs for community sport and events	Support project proposals that optimise the use of sport and recreation facilities and supports diversifying revenue streams and attracting events for facility sustainability/viability.	Ongoing
Encourage shared use/ multi-use of spaces and places where possible	Develop lease / license / hire policy for spaces and places that encourage all user groups who are using Council's sport and recreation facilities to implement a shared approach.	Medium
	Develop a supporting fees and charges policy that addresses the costs of managing and maintaining sport and recreation facilities through fair and reasonable charges for use. The fees and charges system could also provide discounts on license fees to sports clubs who are targeting various underrepresented groups within the community, for example females, juniors, people with disabilities, newly arrived individuals and groups and areas within a high deprivation area.	Medium
	Venue operators of regional and sub-regional spaces and places to provide multi-use opportunities together with attracting major events to Southland.	Ongoing
Ensure access and connectivity to spaces and places, particularly in areas of high deprivation	Implement the Southland Cycling Strategy and prepare Pedestrian Priority Network Plans for townships/suburbs to connect where people live to activity centres, schools and regional spaces and places.	Short
	Improve access and affordability to quality sport and recreation facilities in areas of areas of high deprivation where there is an inequity of participation opportunities.	Medium
Develop a sustainable network of facilities that support the growth of sport and recreation and a shared use model	Support the development of sport specific and multi-use facility strategies and collaboration across stakeholders that defines the role and catchments of facilities and considers the consolidation, rationalisation or merging of clubs and facilities where there are shared catchments and low usage of facilities.	Medium

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

8.3 Strategic Direction Two: "Sustainability"

Review facilities in a well-planned and sustainable way

The existing network of over 230 spaces and places and 630 facilities in Southland support a wide range of sport and active recreation activities. Twenty-two of these sites were assessed as regional or sub-regional facilities.

There are some good examples of successful regional spaces and places in Southland, including ILT Stadium Southland, Gore Multisports Complex, Sandy Point Sports Precinct, and Fiordland College Sports Precinct. These facilities have the following success factors:

- High-profile sites that are central to key population areas
- Meet modern design standards including being fit for purpose and providing universal design.
- Designed and operated as 'multi-use' and clustered with other community or sports facilities.
- Meet demands for local community sport and provide a premier destination for higher level events.
- High quality buildings and spaces.
- Easily accessible, with good car parking, pedestrian, cycle and public transport access.

Southland sports place a high level of importance on the maintenance and presentation of

sporting facilities, but the age and condition of community sport and recreation assets varies. A number of facilities are nearing the end of their useful life, are in average condition, with declining levels of use. Some facilities and/or support amenities (e.g. lighting, clubrooms, lighting, learn to swim pools, gymnastics centre) are no longer fit for purpose or meet current sport industry design standards such as Sport NZ Guidance for Sports Field Development 2019 and Universal Design Principles.

Most of these facilities are managed and maintained by clubs or various community organisations. In a similar vein, the age of the YMCA's Tay St facility impacts on the delivery of programs and services.

A number of buildings have failed earthquake rating standards and have been decommissioned or are restricted in their use. This includes regional spaces and places such as Rugby Park Grandstand and the Surrey Park Athletics Grandstand. Other regional/sub-regional facilities across Southland are in good condition and well located in the main population centres of Invercargill, Gore, Te Anau and Winton.

Providing equitable access to sport and active recreation spaces and places (and other services like health, education, cultural, and other community services) in rural and regional areas is a key challenge, particularly in smaller townships. Previous benchmarking studies and demand modelling indicate that there are ample spaces and places to meet current and projected population of Southland.



A pinch point is being reached where funding the renewal of ageing assets, low patronage, or single purpose use facilities, is not affordable – particularly in areas of static or declining populations. It may be necessary to consider divesting some facilities so that maximum value for money from available funding is achieved and ensure the sustainability of other facilities. This issue is currently being exacerbated by the impact of COVID-19 on the funding capacity of Funders and Councils. This will require careful consideration and a collaborative approach by Councils and the various funding agencies so that strategic priorities are agreed, and the funding of unsustainable facilities is avoided.

This will require a sound understanding of the usage and condition of spaces and places, most of which are managed and maintained by clubs and community organisations. Some sites will require master planning and/or the preparation of business cases for any redevelopment. Further, Regional Sports Organisations and clubs will need to consider asset replacement sinking funds to contribute to the cost of renewal.

The redesign of spaces and places will need to consider the impact of Southland's cooler climate and a growing demand for converting grass fields to artificial synthetic turf to increase the capacity and use of facilities, an increase in participation demand to indoor sport and provision of shelter for outdoor sports. Interestingly, the school facility network has embraced this trend by converting to multi-use artificial synthetic turf fields.

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Table 7: Strategic Direction Two: "Sustainability" - Objectives and Recommendations

Objective	Recommendation	Priority
Understand the condition and usage of assets to inform strategic priorities for asset renewal	Conduct asset audits of facility categories including club rooms, sports field lighting, sports fields, sports courts and indoor pools.	Short
	The audit should assess the use and demand, condition and whether the facility is fit for purpose against contemporary sports facility design standards including Sport NZ Guidance for Sports Field Development 2019 and Universal Design Principles.	
	Capture asset usage annually from users e.g. as part of lease or Tenancy agreements.	Short
Deliver a complementary network of quality regional spaces and places in strategic locations, which facilities are fit for purpose, meets current sport industry design standards	Adopt a hierarchy of spaces and places that provide for complementary regional, district and local catchments.	Ongoing
	Investigate development opportunities that facilitate the multi-use of spaces and places that broaden and optimise use.	Ongoing
	Investigate development of nature-based tourism recreation opportunities with Department of Conservation that take advantage of Southland's unique natural places.	Ongoing
Regional spaces and places should maximise social benefits (community participation), be financially sustainable and where possible deliver economic benefits (events) to Southland	Adopt a regional planning approach to the provision of spaces and places and prioritise investment, maximise social benefits (community participation), be financially sustainable and where possible deliver economic benefits (events) to Southland.	Ongoing

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.



8.4 Strategic Direction Three: "Collaboration"

Work together in the planning and investment of spaces and places

There is currently no regional planning approach to identifying and funding strategic priorities in the Southland region. There has been varied approaches to funding regional places and spaces with a reliance on Trust funding to invest in asset renewal and improvements on an ad hoc basis as opposed to a strategic approach.

Further, there is no formal governance structure or advocacy platform across land managers, funding agencies and peak sporting bodies to support the planning and development of regional spaces and places.

The capacity and ability of funding agencies and Councils to invest in regional priorities, fund asset renewal of ageing infrastructure, as well as servicing local and regional sport and community facility and operational (resourcing) needs is an increasingly difficult challenge.

There is an appetite among funding agencies and Councils, together with Sport Southland and other service providers, to plan and collaborate on regional spaces and places development priorities to service the Southland region.

It will become increasingly important for land managers, funding agencies and regional sports organisations to work collaboratively, in a

strategic way and adopting a regional approach to improve the delivery of spaces and places. This will maximise value for money from available funding and, avoid duplication, and better ensure the sustainability of facilities.

Most assets are owned by clubs with Councils providing lease and licenses to these clubs for use of spaces and places. This ownership and occupancy arrangement has supported single use spaces and places. Reviewing these arrangements to encourage multi-use of spaces and places will optimise the use and improve the viability of facilities.



Action Plan

Table 8: Strategic Direction Three: "Collaboration" - Objectives and Recommendations

Objective	Recommendation	Priority
Develop a collaborative and strategic approach to investing in regional places and spaces across land managers, Councils, and funding agencies that addresses agreed priorities	Establish a Regional Spaces and Places Development Group to implement the strategy and provide support and advice on priorities and project readiness to Councils and Funding Agencies.	Short
	Sport Southland to lead the implementation. The Development Group will have representation from Senior Officers from Councils and Funding Agencies.	
	Invest in a greater sample size for Southland to Active NZ Survey to improve validity of data results on physical activity levels and help inform targeted programs.	Short
Compile revised criteria to assist in decision-making	Local Councils and Funding Agencies to adopt the Investment Framework to guide project planning and funding priorities.	Ongoing
Develop a planning approach to ensure the development and activation of spaces and places are managed sustainably and protects the social, environmental and cultural values of each site	Key stakeholders to follow the five stage Planning Framework in the development of project proposals.	Ongoing
	Review the ownership and management structure of spaces and places to encourage multi-use.	Medium
Develop a framework and tool kit to help Regional Sports Organisations and sports clubs navigate the return to sport and impacts of COVID-19 on spaces and places	Sport Southland to partner with Regional Sports Organisations in developing a framework and tool kit to help sports clubs navigate the return to sport and impacts of COVID-19 on spaces and places.	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

8.5 Strategic Direction Four: "Attraction"

Work together to market and attract events to Southland in event ready spaces and places

Great South released the Southland Regional Development Strategy Action Plan in 2019. The Strategy aims to grow the regional population from 97,467 in 2018 to 105,000 by 2025 and 110,000 by 2030. It also seeks to diversify the economy, grow innovative business and build a skilled workforce. Key focus areas are regional tourism, regional events and regional wellbeing. Promoting the five great walks and two national parks together with promoting the region as a preferred destination for events and conferences are specific strategies.

Regional spaces and places can support these objectives by facilitating tourism and supporting the local economy. They are an important part of the tourism product in Southland and the recreation opportunities they provide contribute significantly to the "liveability" of the region.

Regional spaces and places offer a place for residents and visitors to connect with community, events and nature and an opportunity to engage in a range of activities. For residents, these provide local sport and recreation opportunities. For visitors, regional spaces and places offer events including major sports events, concerts and conferences. A unique feature of Southland is the internationally

recognised National Parks, lakes and waterways that attract visitors to recreate and connect to nature whilst respecting cultural values.

There is no central place or coordinated approach across land managers and facility operators for residents and visitors to Southland to gain information on what destinations and activities are available and what is allowed at each regional space and place. The inventory developed for this project can be used as a data-set to map and describe what is available at each space and place.

There is limited interpretive and wayfinding signage across regional spaces and places. Education and awareness of a destination's facilities, activities and experiences through interpretive and way finding signage together with on-line platforms will improve the user and visitor experiences and satisfaction.

Facility operators of regional spaces and places are responsible for attracting events to the region. There is an opportunity to develop a coordinated cross agency approach to attracting and marketing sporting events that capitalise on the competitive advantages of the region.

Action Plan

Table 9: Strategic Direction Four: "Attraction" - Objectives and Recommendations

Objective	Recommendation	Priority
Develop a coordinated approach to marketing and event attraction that builds on the competitive advantages of Southland region.	Regional Spaces and Places Development Group to partner with Great South in the development and implementation of a regional events strategy together with a coordinated promotion of regional spaces and places values and experiences.	Short
	Consider event requirements of regional spaces and places in the development of business cases and application of event overlays	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.



Adventure education and recreation providers are significant user groups of national parks, tracks and trails, wilderness camps, lakes and waterways and promoting these opportunities will encourage greater activation by these providers.

In addition to its natural areas offering a range of potential events (e.g. mountain biking), major

facilities such as ILT Stadium Southland, Sandy Point Sports Precinct, Gore Multisports Complex, and Surrey Park can play a significant role. Expertise and experience in events are a significant competitive advantage in Southland region. Invercargill City Council is seeking to develop a "wow" factor in terms of events.

Table 10: Site Specific Recommendations

Council Area	Type	Spaces and Places	Description of facility and challenges	Recommendation	Priority
Invercargill	Outdoor	Rugby Park (Regional)	Rugby Park is the premium rectangular field with a large grandstand. The facility is located adjacent to the Turnbull Thomson Park. The playing field was recently upgraded and is in excellent condition. However, the grandstand is in average condition and has structural and safety concerns. Use of the grandstand is now limited.	Conduct a Feasibility Study or Business Case that investigates options and resolves the long-term provision of a premier rectangular stadium and events centre in Invercargill.	Short
Invercargill	Outdoor	Surrey Park (Regional/National)	Surrey Park is a major sports precinct that also accommodates ILT Stadium Southland. The park includes an athletics track that has recently been resurfaced, a new softball facility that is currently being built, football fields and rugby fields. The playing fields are in good to excellent condition. However, the athletics grandstand is in average condition and failed an earthquake rating assessment. Use of the grandstand is now limited. Further, the venue is catering for major events that is impacting on community use of venue, plus the venue cannot optimise the event.	Review the Surrey Park Development Plan that future proofs the future development of the Surrey Park Sports Precinct and develops the site as the premier sports precinct for Invercargill. The master plan will: <ul style="list-style-type: none"> • Maximise the use of spaces. • Resolve the impact of future improvements to the ILT Stadium and covered seating provision at the Athletics Centre. • Review the governance structure 	Short
Invercargill	Outdoor	Turnbull Thomson Park (Regional)	Turnbull Thomson Park is a regional sport and recreation facility with good to excellent facilities. These include the Southland Football and Hockey Southland facilities with synthetic turf surfaces. The park also provides for Touch Southland and Southland Table Tennis Stadium, rugby fields, a Kennel Club and golf practice facilities.	Hockey Facility: <ul style="list-style-type: none"> • Renew Turf Pitch 1 • Renew Turf Pitch 2 • Lighting assessment and replacement Investigate options to improve access to amenities for all user groups, particularly for touch fields. Football Facility: <ul style="list-style-type: none"> • Renew Turf Pitch 	Short Medium Medium Short Short
Invercargill	Outdoor	Sandy Point (Regional/National)	Sandy Point Domain is a large sport and recreation precinct. The precinct includes regional standard motor sports tracks, an equestrian centre, water sports venues, mountain bike track and playing fields for football and rugby. These facilities are in a good condition. There is a closed golf course in average condition.	Maintain the current level of service. Provide public amenity improvements including: <ul style="list-style-type: none"> • Provision of public toilets to service football fields and broader park as part of Asset Management Plan • Prepare a signage strategy that includes way-finding and interpretive signage. Promote site as Outdoor Adventure and Motor Sports Hub in Invercargill.	Ongoing Medium

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

Council Area	Type	Spaces and Places	Description of facility and challenges	Recommendation	Priority
Invercargill	Outdoor	Queens Park (Sub Regional / Regional)	Queens Park is a sport and recreation park with excellent facilities. These include: Metropolitan Cricket Club with new multi-storey pavilion, turf cricket pitch and indoor cricket centre; Queens Park Golf Course, a municipal eighteen-hole course, and popular running track that hosts Parkrun and a Disc Golf Course.	Maintain the current level of service.	Ongoing
Invercargill	Indoor	Surrey Park – ILT Stadium Southland (National/ International)	ILT Stadium Southland is an indoor sports and entertainment facility providing sports courts, cycling velodrome, tennis courts, high performance gym, climbing walls and a Sports House accommodating Sport Southland and regional sports organisations. It is a multi-use facility and is in excellent condition.	Conduct a Feasibility Study or Business Case that explores expanding the Stadium with additional indoor courts, new gymnastics training centre and retrofitting squash courts to commercial opportunities. This study could be conducted together with the review of the Surrey Park Development Plan.	Short
Invercargill	Indoor	Surrey Park – Badminton Southland Stadium (Regional)	Badminton Southland Stadium is a stand-alone badminton centre with 10 courts in good to excellent condition. The Stadium is located at Surrey Park.	Maintain levels of service.	Ongoing
Invercargill	Indoor	Southland Gymnastics Centre (Regional)	Southland Gymnastics Centre is a stand-alone gymnastics centre located in a residential area. The building is in average condition. It is no longer fit for purpose and has safety concerns.	Conduct a Feasibility Study that explores options to providing a new indoor gymnastics centre in Invercargill.	Short
Invercargill	Indoor	Squash City Invercargill Centre (Sub Regional)	Squash City Centre is a stand-alone squash centre with four courts in good to excellent condition.	Conduct a Business Case that explores providing additional squash courts to Squash City Centre.	Medium
Invercargill	Indoor	Turnbull Thomson Park – Southland Table Tennis Stadium (Regional)	Table Tennis Southland Stadium is a stand-alone table tennis centre with 8 stations in good to excellent condition. The Stadium is located at Turnbull Thomson Park.	Maintain levels of service.	Ongoing
Invercargill	Indoor	YMCA Recreation Centre (Regional)	YMCA Recreation Centre is the only not for profit health and fitness centre in Invercargill. There are structural concerns with parts of the building and a feasibility study has been prepared to inform future development options. The site's historical facades need to be taken into account when considering any future development.	Partner with YMCA. Investigate feasibility study development options and understand implications for providing fitness, recreation and education facilities in Invercargill.	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

Council Area	Type	Spaces and Places	Description of facility and challenges	Recommendation	Priority
Invercargill	Aquatics	Splash Palace (Regional)	Splash Palace Aquatic Centre is a major aquatic centre that is in good condition. Current development plans are for the installation of hydro slides and a constant depth 25m pool. These are funded and will be delivered in 2020/21.	Conduct a Feasibility Study or Business Case that explores the future development options of Splash Palace. The review should consider: <ul style="list-style-type: none"> Cost/benefit analysis on development options. Review the governance structure. 	Short
Gore	Outdoor / Indoor / Aquatics	Gore Multisports Complex (Sub-Regional / Regional)	Gore Multisports Complex is a sports precinct. The precinct comprises a synthetic hockey turf field, grass athletics track, rugby/ touch fields and indoor sports facilities (aquatic centre, indoor skating rink and indoor sports courts). The facilities are in good to excellent condition. Eastern Southland Hockey has recently built new clubrooms and there is a master plan that supports relocating the soccer club to vacant land within the precinct.	Conduct a Business Case that explores the relocation of sports and programs to the Gore Multisports Complex in line with the master plan.	Medium
Gore	Outdoor	Gore Agricultural and Pastoral Showgrounds (Sub-Regional)	Gore Agricultural and Pastoral Showgrounds is a large equestrian facility including an outdoor arena, polo fields and jumping arena. The precinct also includes rugby fields and a building used for cross-fit. The facilities are in good condition.	Maintain levels of service.	Ongoing
Gore	Indoor	Gore Multisports Complex - MLT Events Centre (Sub-Regional / Regional)	MLT Events Centre is a four-court indoor sports venue with 300 fixed seats. The venue is in excellent condition following a recent upgrade to the structure in response to an earthquake rating assessment.	Maintain levels of service.	Medium
Gore	Indoor	Gore Multisports Complex - Ice Sports Southland Skating Rink (Regional)	Ice Sports Southland Skating Rink is an ice-skating rink in excellent condition. It is the only rink in Southland and attracts members from across Southland.	Maintain levels of service.	Ongoing
Gore	Indoor	Gore Town and Country Club (Regional)	Gore Town and Country Club is an indoor sports venue for squash, table tennis and pool/snooker. The Club's hospitality offering and breadth of indoor sports facilities, which are in excellent condition, regularly attracts regional events.	Maintain levels of service and partnership with Gore Town and Country Club.	Ongoing
Gore	Aquatic	Gore Multisports Complex / Gore Aquatic Centre (Sub-Regional)	Gore Aquatic Centre is a major aquatic facility. The aquatic centre includes a 25m pool with leisure pool, learn to swim pool and spa. The facility is in good condition.	Conduct a Business Case that explores expanding the Centre with a health and fitness gym, café and administration area, in line with the master plan.	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

Council Area	Type	Spaces and Places	Description of facility and challenges	Recommendation	Priority
Southland	Outdoor	Northern Southland College - Sports Facilities (Sub-Regional)	Northern Southland College has new synthetic multi-sport courts and sports field in excellent condition. The site includes an indoor sports hall and indoor aquatic centre. It is a sub-regional facility in Lumsden.	Maintain levels of service and partnership with the College.	Ongoing
Southland	Outdoor	Fiordland College – Sports Facilities (Sub-Regional)	Fiordland College has new synthetic multisport courts, sports field and grass athletics track in excellent condition. The site includes an indoor aquatic centre and is located in Te Anau.	Maintain levels of service and partnership with the College.	Ongoing
Southland	Outdoor	Community Sport and Recreation Facilities and Open Space	<p>There are numerous community sport and recreation facilities and playing fields across all SDC townships. In most cases, these facilities appear to have low to moderate levels of use and are in average condition. As these facilities age and their maintenance burden increase, the cost of maintaining, renewing or replacing them is likely to be beyond the resources of Council. Decisions about future retention or divestment of some community sport and recreation infrastructure or areas will be required.</p> <p>Identify places by looking holistically at the district but including local communities so that there is a clear understanding about what and where it is needed.</p> <p>Prepare a network plan that takes into consideration the current sport and recreation facilities and therefore identified the gaps in the network.</p>	<p>Develop standards of service guidelines for active open spaces in townships.</p> <p>Prepare place making plans for the district that:</p> <ul style="list-style-type: none"> • Involve local communities in understanding what community sport & recreation facilities and open spaces are needed, and are sustainable • Consider divesting community sport and recreation infrastructure that has low use and/ or has reached the end of its useful life • Consider consolidating some sport and recreation facilities or playing fields in different townships to improve overall use and viability rather than duplicating infrastructure in each township. 	Short
Southland	Outdoor	Sub Regional Open Space Sites	<p>SDC has numerous sub-regional active open spaces areas that offer an opportunity to leverage other regional strategic objectives including destination management, economic stimulus, encouraging activation of open spaces, and health and well-being.</p> <p>SDC also have a number of place making/ destination sites throughout Southland.</p>	<p>Ensure that decision-making on sub-regional open spaces takes into account other strategic objectives and maximises their potential to encourage activation of open spaces, generate external visitation and/ or economic stimulus.</p> <p>Destinations of district significance need to be recognised, elevated and invested in utilising place making plans.</p> <p>Identify and partner with the Minister of Education in the planning and development of education and community facilities as shared spaces.</p>	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

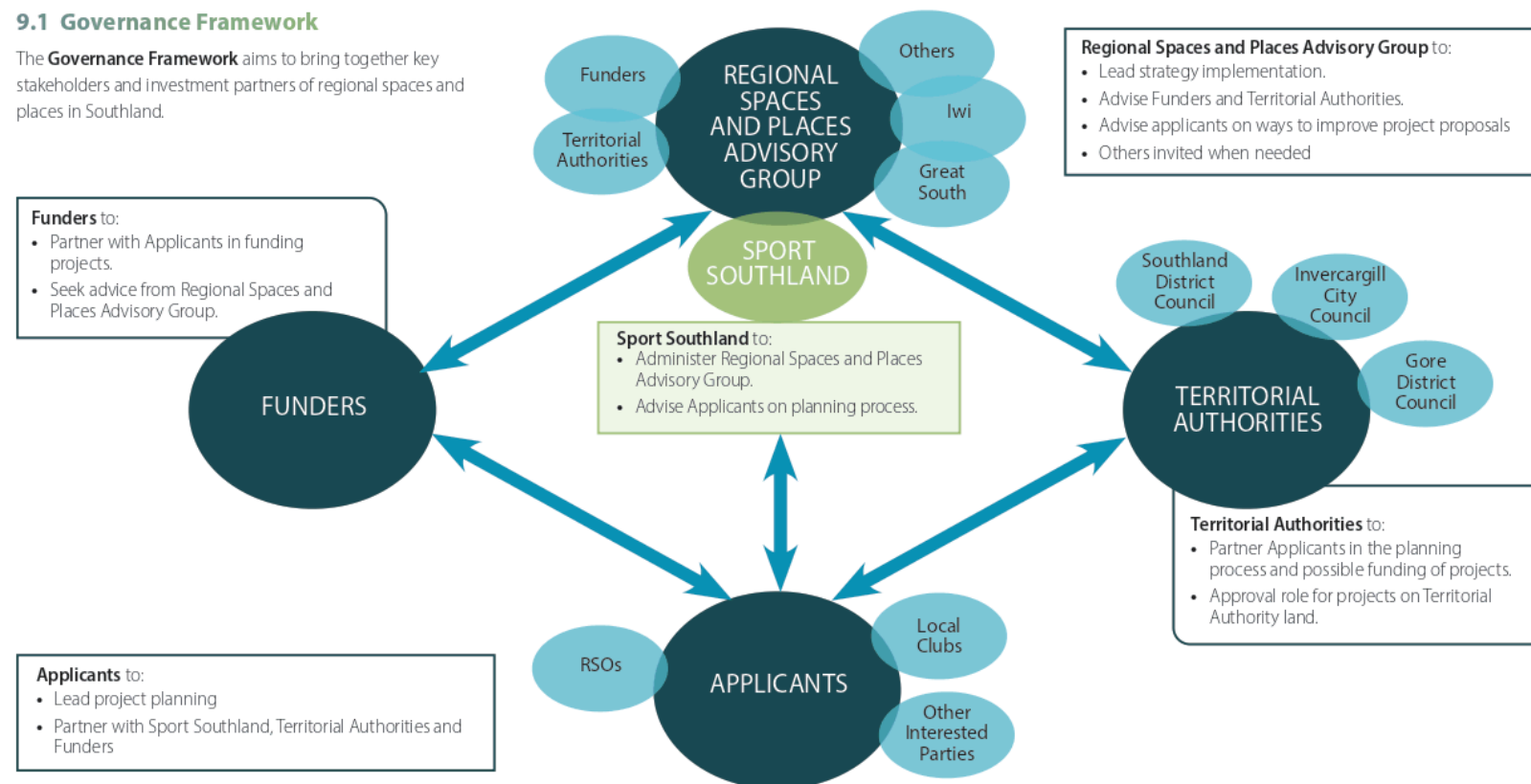
Council Area	Type	Spaces and Places	Description of facility and challenges	Recommendation	Priority
Southland	Outdoor	Regionally Significant Spaces and Places	SDC has a number of regionally significant spaces and places that offer unique nature based recreation and tourism opportunities for local residents and visitors to Southland. By way of examples: <ul style="list-style-type: none"> • Fiordland National Park is a 1.2 million hectare World Heritage Area and features spectacular nature sites such as Milford Sound and 'great walks' including the Kepler, Milford and Routeburn tracks that attract high use each year. • Rakiura National Park is located on Stewart Island and comprises of a nature reserves, scenic reserves and state forest areas. The park offers opportunities for nature appreciation, hunting, fishing, boating, cruises and scenic flights. 	Identify and partner with Land Managers such as the Department of Conservation in the review of Reserve Management Plans and continue to explore and / or expand nature-based recreation tourism opportunities in regionally significant open spaces.	Medium
Southland	Indoor	Fiordland Community Events Centre (Sub-Regional)	Fiordland Community Events Centre includes the Fiordland Squash Club with two courts that are in excellent condition. The venue is located in Te Anau and includes outdoor tennis courts, also in excellent condition and attracts sport and community events. There is an adjacent pump track and skate park.	Maintain levels of service.	Ongoing
Southland	Indoor	Central Southland Indoor Tennis/ Netball Centre (Sub-Regional)	Central Southland Indoor Tennis/ Netball Centre has two indoor tennis and netball courts in excellent condition. The venue is located in Winton and is supported by outdoor tennis and netball courts, rugby fields and skate park.	Maintain levels of service.	Ongoing
Southland Regional Projects	Outdoor	Club Rooms Audit and Replacement Program	Most club rooms are in average to good condition and do not meet contemporary sports facility design standards including universal design principles.	Conduct an audit for club rooms to meet contemporary sports facility design standards. Priority projects to be based on capital works prioritisation criteria. Consider the establishment of a replacement funding program.	Medium
Southland Regional Projects	Outdoor	Sport Field and Lighting Audit and Replacement Program	Most sports fields are in good condition whilst lighting is in an average to good condition and does not meet current standards and in some instances may be unsafe.	Conduct an audit for sports fields and lighting. The audit would understand the sports field demand, the condition and performance of the infrastructure i.e. drainage, irrigation, surface and lighting. Priority projects to be based on capital works prioritisation criteria. Consider the establishment of a renewal funding program.	Medium
Southland Regional Projects	Aquatic	Learn to Swim Pools	There are 15 local indoor learn to swim pools, which are located within or adjacent school sites. They are mostly in average condition. There have been previous reviews undertaken highlighting the oversupply of pools in Southland and concerns about long term viability.	Prioritise indoor learn to swim pools within sub-regional locations – major population areas. Prepare place making plans that helps inform the future investment into sub-regional indoor learn to swim pools. Consider divesting of number of indoor pools.	Short

Short Term 0-5 years. Medium Term 6-15 years. Long Term 16-30 years.

9. PROJECT GOVERNANCE

9.1 Governance Framework

The **Governance Framework** aims to bring together key stakeholders and investment partners of regional spaces and places in Southland.



Sport Southland will lead the implementation and administration of the Strategy with project partners. Sport Southland will be central to establishing partnerships on projects and providing advice and support on the planning steps required for project proposals to funding agencies.

It is recommended that a Coordinator role be established and funded by key partners to lead and manage the partnerships and implementation of strategic recommendations.

The framework recognises the individual Council's and Funder's as the final decision-making authority for funding and project delivery of proposed spaces and places. The investment partners will be guided by the Investment Framework that is linked to the strategic priorities outlined in this Regional Spaces and Places Strategy to support with their decision making.

The proposed Regional Spaces and Places Development Group will be made up of senior officers of key stakeholders and investment partners. This group will meet regularly to discuss projects to better understand how they align to strategic priorities of the Strategy, agree on what feedback can be provided and what level of support and guidance can be allocated.

The Planning Framework will be used as a tool to inform stakeholders including Regional Sports Organisations, Venue Operators, Councils and other organisations of the planning process steps expected for regional projects.

Regional leadership is required from all key partners. Councils will need to partner with Sport Southland to lead planning processes with

Venue Operators and Regional Sports Organisations to ensure improvements are designed to meet the community needs of facilities in a sustainable way. Investment partners will be part of these discussions and lead by funding priority projects that offer best value and outcomes for the Southland community. Collaboration across key partners in the planning and investment process is critical to successful implementation.

The global COVID-19 pandemic has had a significant impact on the sport and tourism sectors. A new alliance and guidelines prepared by Sport Southland with Regional Sports Organisations (RSOs) has been formed to unite and 'collaborate on the return and reimagining of community sport in 2020-21'. Twenty RSOs have now endorsed the guidelines that were developed with a lens to 'what's best for our people and our Southland community'. The guidelines include a strategic direction that supports 'a coordinated approach to the future design and delivery of a better sport system'.

The Regional Spaces and Places Strategy will help inform and support a better sport system that is accessible and enables everyone in our community to participate.

Strengthening the relationship and collaboration across key stakeholders and using the Planning Framework and Investment Framework will help roadmap the improvements required to deliver high community and commercial needs of regional spaces and places to ensure they deliver sustainable facilities and the projects supported offer best value and outcomes to Southlanders.



9.2 Planning Framework

The **Planning Framework** involves five stages in the delivery of regional spaces and places. The Planning Framework is supported by the New Zealand Sporting Facilities Framework six-step framework. This framework supports Stage 2 Strategic Planning.



9.3 Investment Framework

Future investments by Funders will be informed by the Regional Spaces and Places Strategy and a set of guiding principles.

A partnership approach to investment is encouraged where contributions are made from across Funders, Territorial Authorities and user groups. Funding will need to consider the governing parameters e.g. Territory, for funding distribution by each Trust.

The **Investment Framework** proposed three categories which will require differing levels of planning to progress applications to funders:

- **Strategic Planning Projects:** Feasibility Study, Business Case or Place Making Plan.
- **Regional Spaces and Places Projects:** Feasibility Study or Business Case may be required for new or improved development of facilities that are of regional significance. Priority projects will be multi-use, demonstrate social and economic benefits to Southland and consider sustainable business models for management and asset renewal.
- **Local Spaces and Places Projects:** A proposal is required for new improvements (e.g. change rooms) or major asset renewal (renewal of playing surface) of facilities that are of local significance that ensure infrastructure is maintained at a high quality and accessible to all.



Guiding Decision Making Principles

There are **Eight guiding decision-making** principles for investing in projects.

The project:



Is linked to strategic priorities identified by the Regional Spaces and Places Strategy.



Follows the five step Planning Framework so that they can demonstrate project readiness and capability to delivery.



Can clearly describe **why** it is needed. For example, what participation or facility issues is the project seeking to address.



Can describe **who** will benefit and can demonstrate key stakeholder support and partnerships. For example, Memorandum of Understanding or Letters of Support.



Can describe **how** it will be delivered including how the design responds to modern standards including universal design principles and environmental sustainable design, how much it will cost and provide evidence of stakeholder partnership funding.



Can describe **what** benefits will be delivered by this project, how it will increase, diversify or provide equitable access to participation opportunities and/or deliver and economic returns. For example, through attracting regional events.



Can demonstrate how the planning for the project upholds the principles of Te Tiriti o Waitangi (Partnership, Protection and Participation) and considers the cultural narrative of the space or place.



A sustainable business model is adopted to regional spaces and places so that they deliver operational success and can contribute to asset renewal over the life of the facility.

9.4 Case Studies

The following regional projects have been identified as part of the Regional Spaces and Places Strategy and satisfy Stage 1 Regional Project Identification of under the Planning Framework. A Strategic Planning process is now required to explore the feasibility of future development options.

REGIONAL PROJECT IDENTIFICATION

STEP
1

STRATEGIC PLANNING

STEP
2

PARTNERSHIPS

STEP
3

DETAILED DESIGN AND FUNDING

STEP
4

PROJECT DELIVERY

STEP
5

RUGBY PARK

Rugby Park is a regional sports facility that has a main grandstand (3,400 seated capacity and can accommodate 20,000 people with temporary seating) that was fully rebuilt in 2002 with improved player facilities and corporate boxes. The facility is owned by the Invercargill Charitable Trust and managed by Invercargill City Council.

A structural engineering assessment on the Rugby Park concrete bleachers has found structural issues that is of a high safety risk to patrons. This has led to part of the seating being unusable and a reduction in use and loss of major sports events.

The benchmarking and research analysis show the stadium provision in similarly sized regional cities. These are:

- Yarrow Stadium, New Plymouth (Taranaki) is a 22,000-seat stadium. New Plymouth District Council operates the stadium and recently approved the Taranaki Regional Council's (TRC) \$50 million plan to repair and upgrade the Yarrow Stadium. The stadium is owned by the Taranaki Stadium Trust that is controlled by TRC. The Stadium has an anchor tenant, the Mitre 10 Taranaki Rugby Football Club, and will also host the Chiefs Super Rugby Club. The Stadium hosts 15 to 20 major events each year.
- Central Energy Trust Arena 1, Palmerston North (Manawatu) is a 18,000-seat stadium. The venue features a multi-sport sports field

surrounded by a speedway track. The stadium has an anchor tenant that plays in the Mitre 10 Cup, the Manawatu Turbos, who play up to 7 matches during the winter season before the Robertson Holden International Speedway takes over in the summer season with up to 23 meetings a year.

These examples show that investment in stadiums is generally underpinned by having an anchor tenant or an event generation focus, to provide regular patronage and improve viability. That said, despite the lack of an anchor tenant, infrequent events, and/or high maintenance costs, a Council may regard a stadium as a community good which contributes to a City's civic pride and a place that brings community together.

While benchmarking of similar facilities will help to inform the need for future upgrading, a Business Case is now required to investigate:

- Whether a stadium of the scale of Rugby Park is required; if not what sort of infrastructure is required to meet demonstrated needs; where should it be located and at what cost; what are the alternative uses for Rugby Park and associated implications
- Opportunities for better utilising the existing stadium and improving viability and identify what essential improvements are required for addressing these opportunities and at what cost.



SURREY PARK ATHLETICS CENTRE GRANDSTAND

The Surrey Park Athletics Centre includes a synthetic track recently upgraded and now with sports lighting. There are separate club rooms for two athletics clubs and a grandstand that includes a basic club room and storage areas under the seating. The grandstand is owned and managed by Invercargill City Council, the track and field is owned and managed by Athletics Southland. The club room facilities on site are owned by the respective local athletics clubs.

A structural engineering assessment on the 1964 grandstand (refurbished in 1992) found structural issues that are of a high safety risk to patrons. The grandstand does not meet the current required earthquake ratings to ensure the building meets the seismic performance requirements of the Building Code.

There are 399 registered athletes in Southland Region plus a further 607 athletes in secondary school sports programmes. There are eight clubs that provide for senior athletics, harriers, children's athletics and masters compete in the Southland Region.

The Surrey Park Athletics Centre is well used. Athletics Southland, Athletics Invercargill and St Pauls Harrier and Athletics Clubs operate from the Surrey Park Athletics Centre. Outside athletics, the Waihopai Amateur Football Club uses the grass infield for soccer as a Winter Tenant.

Surrey Park Athletics Centre is classified as a regional athletics facility under the IAAF Technical Track and Field Facilities Manual and when analysing the scope, location and catchment of regional athletics centres across New Zealand and Australia. According to the guidelines and outcomes of the benchmarking analysis, the key facility requirements should include: a synthetic track with 8 lanes on the bend and straight, jumping pits for long jump, triple jump and high jump, throwing areas for shot put, discus and javelin and spectator facilities including toilets and covered seating for 200 people.

Athletics NZ guarantees major athletics meet(s) at the regional athletics facilities. For Surrey Park Athletics Centre, the Colgate Games is allocated on rotation. This meet attracts 1,000 children plus 1,500 family members and generates significant social and economic impact wherever it is held. A 'covered' seating area for 200-300 seats is considered a mandatory requirement for Athletics NZ to allocate this event.

A Business Case is required to:

- Determine the most appropriate design solution for a covered seating area including estimated capital and operational costs of improvements and a proposed funding mix.
- Consider other development options at Surrey Park including future expansion of the ILT Stadium Southland and Velodrome.



ILT STADIUM SOUTHLAND

ILT Stadium Southland and SIT Zero Velodrome is a regional/national indoor sports and entertainment facility providing sports courts, cycling velodrome, tennis courts, high performance gym, climbing walls and a Sports House accommodating Sport Southland and regional sports organisations. It is a multi-use facility and is in excellent condition. The facility is owned by the Southland Indoor Leisure Centre Charitable Trust (SILCCT) and managed by ILT Stadium Southland.

The ILT Stadium Southland has a high court occupancy rate and all facilities are used daily in off peak and peak times. It is also the main events venue in Invercargill hosting national/international basketball and netball games, major indoor sports competitions for sports and schools, conferences, music concerts, markets and gala events.

The venue provides significant social and economic benefits through hosting a high number of community sport competition and programs and attracting major events and visitors to Invercargill.

The Regional Spaces and Places Strategy uncovered the following issues:

- The Operator is able to attract a significant commercial return from hosting major sport, cultural and corporate events that helps offset the costs of running the venue. However due to the high court occupancy rates, community sport competition is displaced during these events. A balance between community needs and the commercial needs of the venue is made. Approximately 90 events are held each year.

- There is an opportunity to relocate gymnastic to ILT Stadium Southland. The current gymnastics centre is located in a residential area. It is no longer fit for purpose and is unsafe.

Despite the demand modelling showing adequate total supply of indoor sports courts to meet current and future need, there can be circumstances relating to the distribution, condition, or operational viability of facilities, and/or the creation of economic benefit that may justify future facility development where overall supply is adequate.

The ILT Stadium Southland is one example where this should be investigated. There are competing demands on the venue for community use and major events. There is also no emergency recovery centre in Invercargill and the requirements of this service is one to consider for the future development of the Stadium.

A Business Case is required to:

- Explores expanding the Stadium with additional indoor courts, new gymnastics centre and other commercial opportunities to improve the viability of the centre.
- Understands the impact and opportunities of expanding the Stadium on the broader Surrey Park Sports Precinct.



SPLASH PALACE

Splash Palace is the regional aquatic and leisure centre in Invercargill City. The facility has a 50m pool with a bulkhead boom allowing the pool to be programmed as two 25m pools, a learn to swim pool, leisure water, swirl pool, tots' pool, sauna, cold plunge pool, water slide, meeting rooms, café and retail shop. New hydro slides will be installed in 2020/21. The facility is owned and managed by Invercargill City Council. Splash Palace reports growing admissions to over 410,000 from 300,000 in 2007/08. This is high compared to benchmark facilities of a similar size and age.

The facility has a growing demand on its existing pools as a result of the increase in admissions and growing programming demands from sport groups, learn to swim, aqua aerobics and school swim programs. The future development of Splash Palace will need to respond to these programming pressures together with understanding the needs of a community that is growing and ageing.

Invercargill City's population has increased by 4.9% since 2013 to 54,204 in 2018 (Census) and is forecast to reach 56,300 in 2028 (Stats NZ). This will increase the demand for learn to swim and aqua aerobics programs and leisure water.

The community has an older median age of 39.4 years compared to New Zealand as a whole (37.4 years). There is a higher proportion of people aged 50 years and lower proportions of young adults (aged 15 to 29 years). Splash Palace facilities and programs will need to respond to the aquatic, fitness and wellness demands of seniors. There will be a greater demand on therapy-based services in years to come.

A Business Case is required to:

- Explore development options that respond to community demographic, user needs, provides for key markets (adventure and leisure; fitness and training; education; therapy) and other commercial opportunities to improve the viability of the centre.



10. WARRANTIES AND DISCLAIMERS

The information contained in this report is provided in good faith. While Otium Planning Group has applied their own experience to the task, they have relied upon information supplied to them by other persons and organisations.

We have not conducted an audit of the information provided by others but have accepted it in good faith. Some of the information may have been provided 'commercial in confidence' and as such these venues or sources of information are not specifically identified. Readers should be aware that the preparation of this report may have necessitated projections of the future that are inherently uncertain and that our opinion is based on the underlying representations, assumptions and projections detailed in this report.

There will be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We do not express an opinion as to whether actual results will approximate projected results, nor can we confirm, underwrite or guarantee the achievability of the projections as it is not possible to substantiate assumptions which are based on future events.

Accordingly, neither Otium Planning Group, nor any member or employee of Otium Planning Group, undertakes responsibility arising in any way whatsoever to any persons other than client in respect of this report, for any errors or omissions herein, arising through negligence or otherwise however caused.





Monthly Financial Report - April 2021

Record No: R/21/5/25684
Author: Lesley Smith, Management Accountant
Approved by: Anne Robson, Chief financial officer

☐ Decision ☐ Recommendation ☒ Information

Summary

1. The purpose of this report is to provide Council with an overview of the financial results for the ten months to 30 April 2021 by the nine activity groups of Council, as well as the financial position, and the statement of cash flows as at 30 April 2021.
2. This report summarises Council's financial results for the ten months to 30 April 2021.

Recommendation

That the Council:

- a) **Receives the report titled "Monthly Financial Report - April 2021" dated 16 June 2021.**

Attachments

A Monthly Financial Report April 2021 [↓](#)



Monthly financial report

April 2021

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Executive summary

This monthly financial report summarises Council's financial results for the 10 months to 30 April 2021.

The monthly financial report summary consolidates the business units within each of Council's groups of activities.

The monthly financial report includes:

- year to date (YTD) actuals, which are the actual costs incurred
- year to date (YTD) projection, which is based on the full year projection and is currently the combination of the Annual Plan and carry forwards
- year to date (YTD) budget, which is based on the full year Annual Plan budget with adjustments for phasing of budgets
- full year (FY) budget, which is the Annual Plan budget figures
- full year (FY) projection, which is the Annual Plan budget figures plus the carry forwards.

Phasing of budgets occurred in September, at forecasting and when one-off costs have actually occurred. This should reduce the number of variance explanations due to timing.

Where phasing of budgets has not occurred, one twelfth of annual budgeted cost is used to calculate the monthly budget.

Carry forwards were entered in October and forecasting will occur in April.

Southland District Council summary reports use a materiality threshold to measure, monitor and report on financial performance and position of Council. The materiality threshold adopted by Council, together with the annual budget for 2020/2021 variances more or less than 10% of the original adopted budget and greater than \$10,000 in value.

Report contents:

- A. Council monthly summary
- B. Council summary report - income and expenditure and commentary
- C. statement of comprehensive income
- D. statement of financial position and movement commentary
- E. statement of cash flows.

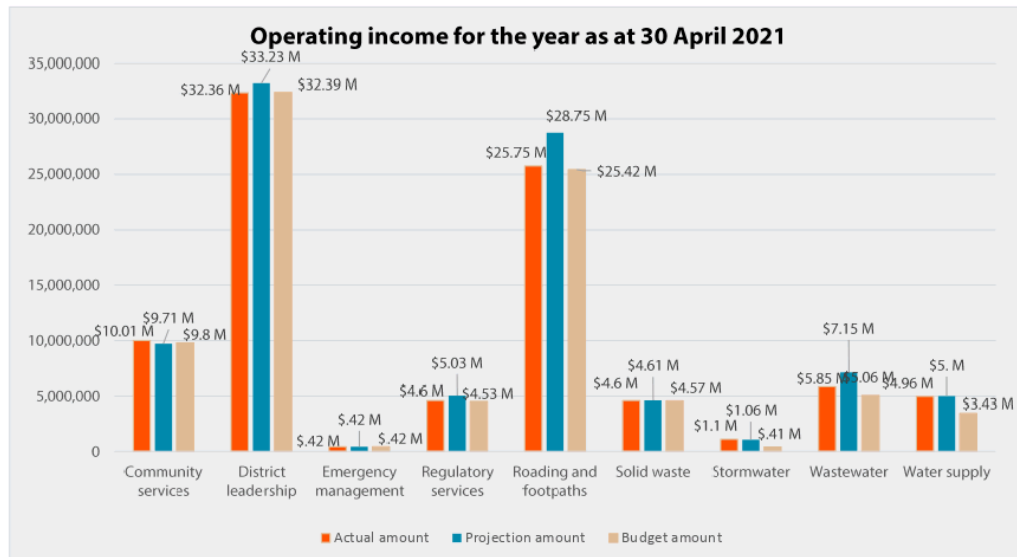
Abbreviation explanation

Abbreviation	Description
AP	Annual Plan
CAPEX	Capital expenditure
ELT	Executive leadership team
FYB	Full year budget
GDC	Gore District Council
GIS	Geographic information system
GMSE	GeoMedia smart client
GST	Goods and Services tax
ICC	Invercargill City Council
LED	Light emitting diode
LTP	Long Term Plan
ME	Month end
NZTA	Waka Kotahi NZ Transport Agency
SDC	Southland District Council
SIESA	Stewart Island Electricity Supply Authority
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars

Council monthly summary

Income

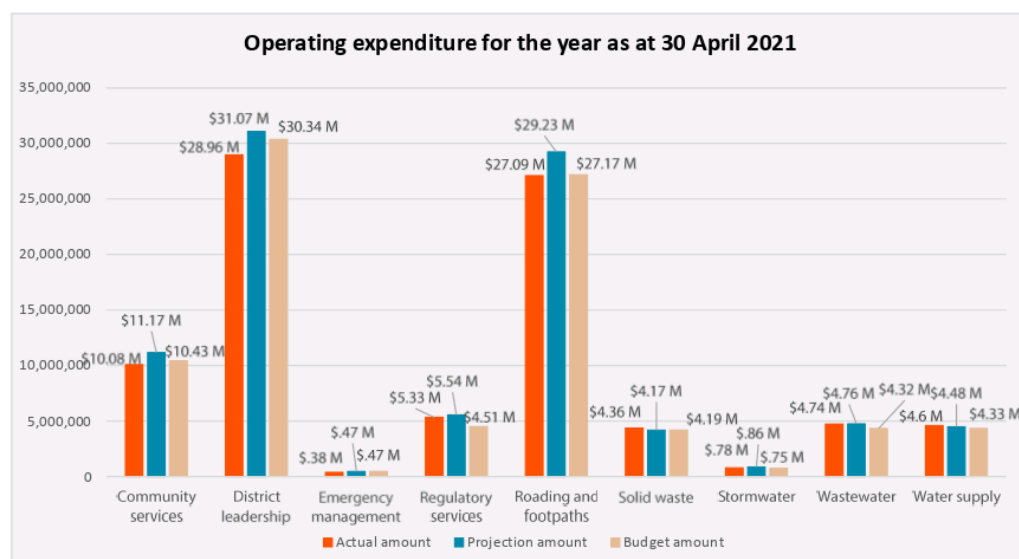
Operating income is \$5.3 million (6%) below projection YTD (\$89.6 million actual vs \$94.9 million projection).



- **district leadership** income is \$871,000 (3%) lower than projection. The main variance is \$1,021,000 lower than projected revenue from corporate services (including Representation and Advocacy) charged across the organisation, as the costs to be on charged are lower than projected. Milford Opportunities is \$119,100 higher than projection in the current financial year, the total income for the project has now been received and in line with the expected grant income for the project. Stewart Island Visitor Levy income is \$38,000 higher than projection due to higher than forecast visitor numbers
- **roading and footpaths** is \$3 million (10%) lower than projection, \$1.25 million relates to the timing of district wide work, and \$1.74 million relates to emergency works for the repair on the Lower Hollyford Road. The Lower Hollyford repair project is underway and expected to be \$500,000 lower than originally forecast, as this project is fully funded by Waka Kotahi the income will also be lower by \$500,000, the remaining \$1.24 million is a timing difference with completion of the project expected prior the 30th June
- **wastewater** income is \$1.3 million (18%) lower than projection, this relates to the timing of MBIE grant for the Te Anau Wastewater project for which \$1 million was received in the 2019/20 financial year, the balance of this grant will be received on completion of the project.

Expenditure

Operating expenditure is \$5.4 million (6%) below projection for the YTD (\$86.3 million actual vs \$91.7 million projection).



- **community services** are \$1.1 million (10%) lower than projection
 - community centres are below projection by \$199,842 (32%), we are awaiting applications from non-Council owned halls for rates collected on behalf of these halls for \$42,000 of this, reminders are sent quarterly, \$50,000 of the variance relates to projects which are on hold until the community boards determine the future of the halls at Fortrose, Clifden and Otapiri with the local community, the cost of the project at the Colac Bay hall was \$11,000 lower than forecast. There has also been savings in operating costs and internal work scheme across the District.
 - Council facilities costs are \$180,605 (7%) lower than projection, the main variance is a saving in lease costs for the Invercargill buildings due to the delay in moving, this saving may be used to cover other operational costs
 - library services are \$68,764 (5%) below projection due to staff vacancies and lower training and mileage costs as a result of the ongoing impact of Covid-19 restrictions
 - parks and reserves are \$275,526 (13%) lower than projection mainly due to the timing of various maintenance projects across the District, it is expected that projects of approximately \$27,000 will be carried forward to next year. Due to lower visitor numbers in Te Anau rubbish collection costs are below projection, with savings across the district expected to be approximately \$35,000 at the end of the financial year
 - public conveniences costs are \$98,611 (11%) lower than projection, this includes a variance of \$90,000 for cleaning, there are timing issues around the receipt of invoices from suppliers and an error in the timing of the projected costs around the start of the new contracts, this will result in a saving at the end of the financial year of approximately \$50,000

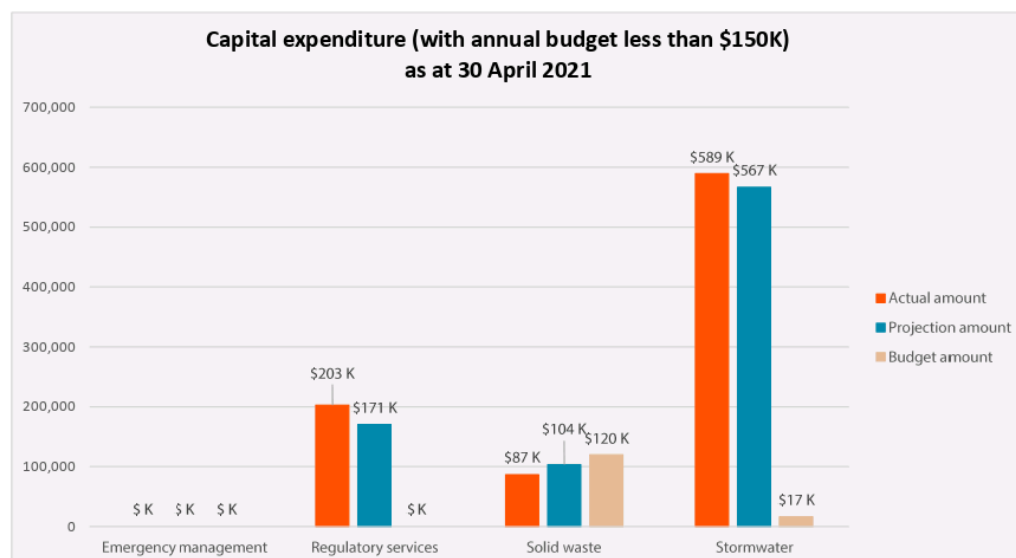
- SIESA costs are \$99,307 (7%) below projection due to the timing of the management fee invoice, along with lower than projected fuel costs as diesel prices continue to be less than budgeted, and timing of maintenance across generation and distribution
- Te Anau airport is \$53,522 (18%) below projection, due to an underspend in general maintenance costs, Part 139 Certification costs and management fees. Runway maintenance tasks including spraying, sweeping and crack sealing have been completed, further spraying and sweeping operations will be scheduled for the remainder of the year
- **district leadership** is \$2.1 million (7%) below projection
 - customer service is \$124,268 (14%) lower than projection, postage and staff costs are below projection due to the timing of postage charges, staff changes and minimal use of the casual budget at this time of the year
 - financial service costs are \$136,475 (7%) below projection, principally to the timing of the internal and external audits
 - governance is \$113,519 (19%) below projection due to staff vacancies in the first half of the year resulting in lower than anticipated staff costs.
 - information management is \$184,559 (8%) below projection, printing costs are \$47,000 lower than projection due to lower usage driven by a move to a paperless culture, software and licencing costs along with travel and training are below projection, with expected savings across the business unit to be approximately \$130,000 at the end of the financial year
 - water services costs are \$295,205 (15%) lower than projection, the main variance is staff costs (\$131,000) due to vacancies within the team, along with lower than projected consultancy costs (\$118,000), the consultancy budget is expected to be utilised during the remainder of the financial year
 - community leadership is \$139,476 (13%) below projection, mainly due to the timing of general projects
 - regional development funding costs are \$135,500 (28%) lower than projection, this is a timing difference due to late receipt of invoices
 - representation and advocacy costs are \$241,640 (12%) below projection, the main variances are general projects \$114,000 lower than projected and consultancy and contribution to shared services for consultant costs \$95,000 lower than projection
 - this also includes allocations of corporate overhead costs to district leadership of \$768,000 lower than forecast, which are offset by revenue noted in the income section above
 - three waters collaboration costs are \$112,570 (34%) higher than projection these costs are fully funded by contributions from the councils that form the collaboration group, this variance relates to the extension of the secondment and related costs
- **roading and footpaths** is \$2.1 million (7%) below projection
 - roading administration is \$243,918 (38%) below projection, improvements to time tracking systems compared to when the budget was developed has seen recoverable wage costs increase, this variance is \$129,000. Contribution to road safety southland is \$54,000 lower than projection due to the timing of receiving the invoice

Monthly financial report – April 2021

- special purpose relates to the Lower Hollyford project which is currently \$1.74 million (86%) lower than projection where there has been a delay in receiving the invoices for the work undertaken, it is expected that the cost of this project will be \$500,000 less than the original budget
- roading District wide is in line with projection, environmental maintenance is \$181,000 over projected budget, this is weather related and is anticipated to be a timing difference, sealed pavement maintenance is \$353,000 higher than projected in part due to the weather conditions earlier in the year, these costs are offset by emergency reinstatement being \$99,000 under projection. Emergency reinstatement work is on target to be completed by the end of the year. Network and asset management is \$111,000 under projection and has started to come back in line. Structure maintenance is \$160,000 below projection, structure maintenance work has now commenced and this is deemed to be a timing difference. Routine drainage has dropped and is \$107,000 under projection due to the time of the year.
- street works is \$151,506 (43%) below projection, there have been savings to date in relation to maintenance across the district, it is expected that some of these savings will be utilised prior to the end of the financial year

Capital expenditure (CAPEX)

Capital expenditure is \$5 million (13%) lower than projection year to date (\$33.7 million actual vs \$38.7 million projection).

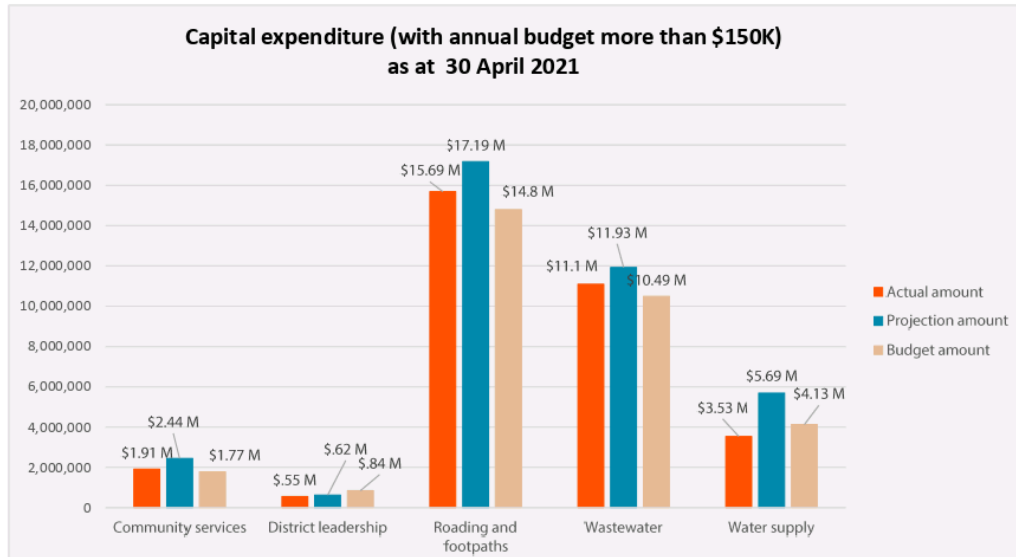


- **regulatory services** capital expenditure of \$5,859 is for an upgrade to Council's software system to host online applications for new regulatory fees, along with \$197,074 for new vehicles, the variance is due to the phasing of the full year projection
- **solid waste** actual capital expenditure of \$43,000 is for additional wheelie bins that have been supplied. The cost is being met from wheelie bin recoveries. \$44,000 relates to capital expenditure at

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the transfer station at Stewart Island, compared to projection of \$70,000, the balance is a timing difference

- **stormwater** is \$93,643 (19%) above projection, this relates to 3 waters stimulus projects funded from the stimulus grant and the variance is due to the phasing of the full year projection



- **community services** are \$530,617 (22%) lower than projection
 - Council facilities are \$139,801 (10%) lower than projection. The Invercargill office costs are \$289,000 below budget, phase one of the work was completed in May and waiting on the final costs, any excess budget will be requested to be carried forward to be used on phase two. The capital work at the Winton office has started and is currently \$149,000 overspent, this is a timing difference due to the phasing of the budget.
 - library services are \$43,705 (25%) below projection. With the refurbishment of the Winton library now underway this budget will be utilised prior to the end of the financial year to replace books lost to mould
 - public conveniences are \$170,961, the main variance is the cost of the new toilets at Wyndham, the preliminary work for this project is now underway with the cost of the renewal to be carried forward to next year
 - SIESA is \$95,174 (59%), this variance is due to the phasing of the budget with the generator replacement committed for this financial year
 - works scheme is \$58,000 lower than projection, the budget was to replace a vehicle, the replacement of the vehicle will be deferred to next financial year as it has not reached the end of its useful life
- **roading and footpaths** are \$1.5 million (3%) below projection
 - District roading is \$1.1 million (7%) lower than projected, with sealed road resurfacing \$1.2 million ahead of projection, footpath renewals (\$668,000), bridge renewals (\$583,000) and unsealed road metal renewals (\$482,000) are below projection. Traffic services (\$229,000) are below projection,

the work programme is expected to be completed by the end of the financial year. Drainage renewals are (\$220,000) below projection

- street works is \$112,035 (18%) below projection, the footpath renewals work has now been procured with the programmes submitted by the contractors showing that the work is to be completed by the end of June
- Around the Mountain cycle trail is \$257,000 (95%) below projection, \$67,000 of this is due to phasing of the project and \$190,000 for easements, signage and landscaping will be carried forward to next year
- **wastewater** is \$829,000 (7%) below projection, \$441,000 is a timing difference related to the phasing of the Te Anau wastewater upgrade project budget, this is currently expected to be completed within the financial year, assuming no further supply chain issues due to Covid-19, the balance relates to projects in Manapouri, Ohai and Riversdale that will be carried forward to next year
- **water supply** is \$2.2 million (38%) lower than projection, \$1.2 million of this relates to Lakefront Drive watermain renewal, with \$1 million of this expected to be carried forward to the next financial year, \$420,000 relates AC pipe replacement across areas of the district funded by the stimulus grant and the variance is due to the phasing of the projected costs

Council summary report

Southland District Council financial summary for the period ending 30 April 2021

Operating income									
	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community services	10,009,234	9,713,540	9,797,502	295,694	3%	12,524,306	12,711,306	187,000	1%
District leadership	32,357,802	33,228,493	32,391,394	(870,691)	(3%)	39,210,997	38,190,162	(1,020,835)	(3%)
Emergency management	417,289	416,196	416,196	1,093	0%	499,435	499,435	(0)	(0%)
Regulatory services	4,598,154	5,031,284	4,527,734	(433,129)	(9%)	5,964,360	5,360,101	(604,260)	(10%)
Roading and footpaths	25,751,556	28,747,421	25,419,147	(2,995,865)	(10%)	34,448,004	30,551,021	(3,896,983)	(11%)
Solid waste	4,604,605	4,608,295	4,574,397	(3,690)	(0%)	5,522,075	5,481,398	(40,677)	(1%)
Stormwater	1,103,233	1,058,295	408,295	44,937	4%	1,327,110	547,110	(780,000)	(59%)
Wastewater	5,854,467	7,147,550	5,055,883	(1,293,083)	(18%)	8,584,785	6,074,785	(2,510,000)	(29%)
Water supply	4,960,738	4,998,551	3,428,392	(37,813)	(1%)	6,535,530	4,148,304	(2,387,226)	(37%)
Total	\$89,657,078	\$94,949,624	\$86,018,940	(5,292,547)	(6%)	\$114,616,602	\$103,563,623	(11,052,979)	(10%)
Operating expenditure									
	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community services	10,082,575	11,170,458	10,433,645	(1,087,884)	(10%)	14,546,662	13,715,805	(830,857)	(6%)
District leadership	28,956,742	31,070,987	30,343,626	(2,114,244)	(7%)	39,953,942	38,976,808	(977,133)	(2%)
Emergency management	382,196	471,982	471,982	(89,786)	(19%)	499,435	499,435	(0)	(0%)
Regulatory services	5,333,218	5,543,279	4,508,631	(210,061)	(4%)	6,885,194	5,799,219	(1,085,975)	(16%)
Roading and footpaths	27,090,414	29,231,061	27,168,473	(2,140,647)	(7%)	35,377,639	32,903,715	(2,473,924)	(7%)
Solid waste	4,360,902	4,170,900	4,188,207	190,002	(5%)	5,239,147	5,259,916	20,769	0%
Stormwater	780,328	862,570	754,928	(82,242)	(10%)	1,034,236	905,067	(129,169)	(12%)
Wastewater	4,736,377	4,759,152	4,323,706	(22,775)	(0%)	5,700,131	5,181,109	(519,022)	(9%)
Water supply	4,602,592	4,484,130	4,328,880	118,462	(3%)	5,378,335	5,193,631	(184,704)	(3%)
Total	\$86,325,344	\$91,764,518	\$86,522,078	(5,439,175)	(6%)	\$114,614,721	\$108,434,705	(6,180,016)	(5%)
Net surplus/deficit	\$3,331,734	\$3,185,106	(\$503,138)	146,628	(12%)	\$1,881	(\$4,871,083)	(4,872,964)	(4%)
Capital expenditure									
	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community services	1,906,650	2,437,266	1,772,762	(530,617)	(22%)	4,120,659	3,258,909	(861,750)	(21%)
District leadership	550,295	619,528	840,283	(69,234)	(11%)	505,183	734,319	229,136	45%
Emergency management	-	-	0	0	0%	-	-	0	0%
Regulatory services	202,933	170,590	0	32,343	0%	277,824	73,116	(204,708)	(74%)
Roading and footpaths	15,689,763	17,187,591	14,804,477	(1,497,827)	(9%)	20,486,617	17,489,071	(2,997,546)	(15%)
Solid waste	86,644	103,530	119,978	(16,886)	(16%)	124,236	143,974	19,738	16%
Stormwater	589,477	566,667	16,667	22,809	4%	680,001	20,000	(660,001)	(97%)
Wastewater	11,097,365	11,926,803	10,492,300	(829,438)	(7%)	14,312,163	12,590,760	(1,721,403)	(12%)
Water supply	3,531,315	5,689,803	4,126,413	(2,158,488)	(38%)	7,319,243	5,074,805	(2,244,438)	(31%)
Total	\$33,654,442	\$38,701,779	\$32,172,880	(5,047,336)	(13%)	\$47,825,925	\$39,384,954	(8,440,971)	(18%)

Monthly financial report – April 2021

ACTIVITIES REPORTING UNDER GROUPS LISTED		
COMMUNITY SERVICES	DISTRICT LEADERSHIP	REGULATORY SERVICES
Community assistance (Includes Community Partnership Fund which supports local initiatives and projects, along with grants and donations)	Representation and advocacy (includes governance, Council and councillor costs, Council Elections and chief executive)	Building control
Parks and reserves	Community futures (District development services which includes community leadership, regional development funding and Stewart Island Visitor Levy)	Resource management
Cemeteries	District support (Includes the area offices and the operating costs for the communities)	Animal control
Community facilities (Includes community centres)	Customer and corporate support (includes people and capability, communications, strategy and policy, finance, information management)	Environmental health
Community housing	Forestry	
Library services		
Public toilets		
Airports		
Electricity supply		

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Statement of comprehensive income

Statement of comprehensive revenue and expenses for the period ending 30 April 2021					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	41,148,282	41,076,167	41,165,300	49,412,657	49,531,500
Other revenue	8,241,010	8,370,938	7,314,048	9,508,266	8,316,238
Interest and dividends	49,420	39,075	60,636	46,890	72,763
NZ Transport Agency funding	13,236,884	16,130,325	13,245,599	18,921,726	15,507,078
Grants and subsidies	8,478,416	9,582,152	4,345,696	12,091,009	5,305,740
Other gains/losses	304,774	26,111	26,111	(258,353)	(258,353)
Vested assets	0	0	0	0	0
Development and financial contributions	2,199	21,453	8,704	39,715	24,416
	71,460,986	75,246,220	66,166,093	89,761,910	78,499,382
Expenditure					
Employee benefit expense	13,158,920	13,302,901	12,665,712	16,072,687	15,279,127
Depreciation and amortisation	19,873,149	19,845,903	19,845,903	23,815,083	23,815,083
Finance costs	17,795	72,364	72,364	422,445	422,445
Other Council expenditure	35,079,389	38,839,946	34,085,253	49,449,814	43,853,810
	68,129,252	72,061,114	66,669,232	89,760,029	83,370,465
Total comprehensive income	3,331,734	3,185,106	(503,138)	1,881	(4,871,083)

Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in the Council summary report on page 10 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary report) matches the total comprehensive income (as per the statement of comprehensive income).

The presentation of the statement of comprehensive income aligns with Council's Annual Report. The Annual Report is based on national approved accounting standards. These standards require us to eliminate internal transactions. Council is also required to report by activities. A number of Council functions relate to a number of activities, eg finance. To share these costs, an internal transaction is generated between the finance business unit and the activity business units. Within the Annual Report, Council also prepare activity funding impact statements. These statements are prepared under the Financial Reporting and Prudence Regulations 2014. This regulation requires internal charges and overheads recovered be disclosed separately. The Council summary report is a summary of what these activity funding impact statements will disclose for income and expenditure at year end.

Statement of financial position

Council's financial position as at 30 April 2021 is detailed below. The statement of financial position below only includes Southland District Council and SIESA financials. This means that the statement of financial position for 30 June 2020 differs from the audited Annual Report which includes Venture Southland and Wastenet financials.

Southland District Council Statement of financial position as at 30 April 2021		
	Actual 30-Apr-21	Actual 30-Jun-20
Equity		
Retained earnings	722,718,196	719,386,462
Asset revaluation reserves	837,648,066	837,648,066
Other reserves	41,811,957	41,811,957
Share revaluation	3,576,565	3,576,565
	<u>1,605,754,786</u>	<u>1,602,423,050</u>
Represented by:		
Current assets		
Cash and cash equivalents	1,562,150	11,498,789
Trade and other receivables	9,047,101	10,682,710
Inventories	126,512	126,512
Other financial assets	2,514,058	2,017,930
Property, plant and equipment	-	-
	<u>13,249,821</u>	<u>24,325,942</u>
Non-current assets		
Property, plant and equipment	1,591,147,364	1,576,652,956
Intangible assets	3,244,620	3,618,162
Forestry assets	12,260,000	12,260,000
Internal loans	33,575,408	35,338,083
Work in progress	353,959	713,532
Investment in associates	944,624	944,624
Other financial assets	1,589	2,105
	<u>1,641,527,564</u>	<u>1,629,529,462</u>
Total assets	<u>1,654,777,385</u>	<u>1,653,855,404</u>
Current liabilities		
Trade and other payables	11,601,261	9,379,639
Contract retentions and deposits	501,854	449,867
Employee benefit liabilities	1,529,737	1,984,447
Development and financial contributions	1,779,798	1,745,776
Borrowings	-	2,500,000
Provisions	14,000	14,000
	<u>15,426,650</u>	<u>16,073,729</u>
Non-current liabilities		
Employment benefit liabilities	18,631	18,631
Provisions	1,910	1,910
Internal loans - liability	33,575,408	35,338,084
	<u>33,595,948</u>	<u>35,358,625</u>
Total liabilities	<u>49,022,599</u>	<u>51,432,354</u>
Net assets	<u>1,605,754,786</u>	<u>1,602,423,050</u>

Statement of cash flows

Statement of cashflows for the period ended 30 April 2021	
	2020/2021
	YTD Actual
Cash flows from operating activities	
Receipts from rates	37,233,915
Receipts from other revenue (including NZTA)	35,206,719
Cash receipts from interest and dividends	49,420
Payment to suppliers	(32,701,585)
Payment to employees	(13,613,629)
Interest paid	(17,795)
GST general ledger (net)	231,595
Net cash inflow (outflow) from operating activities	26,388,640
Cash flows from investing activities	
Receipts from sale of PPE	304,774
(Increase)/decrease other financial assets	(495,612)
Purchase of property, plant and equipment	(34,007,984)
Purchase of forestry assets	-
Purchase of intangible assets	373,542
Net cash inflow (outflow) from investing activities	(33,825,279)
Cash Flows from financing activities	
Increase/(decrease) term loans	(2,500,000)
Increase/(decrease) finance leases	-
Net cash inflow (outflow) from financing activities	(2,500,000)
Net increase/(decrease) in cash and cash equivalents	(9,936,639)
Cash and cash equivalents at the beginning of the year	11,498,789
Cash and cash equivalents at the end of April	1,562,150

Cash and cash equivalents and other financial assets

1. At 30 April 2021, Council had no term deposits
2. At 30 April 2021, SIESA had \$2.07 million invested in seven term deposits as follows:

SIESA investments - term deposits				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	\$ 200,000	0.85%	4-Nov-20	4-May-21
BNZ	\$ 250,000	0.89%	2-Dec-20	2-Jun-21
BNZ	\$ 350,000	0.87%	25-Jan-21	26-Jul-21
BNZ	\$ 350,000	0.90%	23-Feb-21	23-Aug-21
BNZ	\$ 370,000	0.95%	7-Apr-21	7-Oct-21
BNZ	\$ 250,000	0.87%	2-Feb-21	2-Nov-21
BNZ	\$ 300,000	1.00%	7-Apr-21	7-Apr-22
Total	\$ 2,070,000			

3. Funds on call at 30 April 2021:

Funds on call				
	Amount	Bank	Account	Interest rate
SDC	\$ 844,464	BNZ	Funds on call	0.05%
	\$ 0	Westpac	Funds on call	0.05%
	\$ 10,000	BNZ	Operating bank acc	0.05%
	\$ 494,854	BNZ	Restricted funds acc	0.05%
SIESA	\$ 210,792	BNZ	Funds on call	0.05%
Total	\$ 1,560,110			

Council's Investment and Liability Policy states that Council can invest no more than \$10 million with one bank. Investments and funds on call, comply with the SDC Investment Policy.

4. Reconciliation to statement of financial position:

	Amount
Cash and cash equivalents	
Note 1 - SDC Investments	\$ 0
Note 2 - SIESA Investments	\$ 2,070,000
Note 3 - Funds on call	\$ 1,560,110
Total cash and cash equivalents	\$ 3,630,110
Add other financial assets	
Cash on hand	\$ 2,040
Loan advances - developers contributions	\$ 1,589
Loans - community	\$ 33,236
Civic Assurance shares	\$ 12,572
Milford Sound Tourism shares	\$ 398,249
Total other financial assets	\$ 447,687
Total cash and cash equivalents and other financial assets	\$ 4,077,797
Per the statement of financial position	
Cash & cash equivalents	\$ 1,562,150
Other financial assets - current assets	\$ 2,514,058
Other financial assets - non current assets	\$ 1,589
Total per statement of financial position	\$ 4,077,797

Management report

Record No: R/21/5/25815
Author: Dianne Williams, Mayoral Support
Approved by: Cameron McIntosh, Chief executive

☐ Decision

☐ Recommendation

☒ Information

Chief executive update

1. Long Term Plan (LTP) 2021 – 2031 - Councils are required by legislation to produce a LTP at least every three years. These documents cover the next 10 years plans and budgets and in the case of infrastructure, look out 30 years.
2. The LTP is a complex document to produce over an 18-month period. It has been particularly frustrating to be advised in the final weeks of the process that Waka Kotahi NZTA would not be contributing the expected funding for the roads and bridges programme. The removal of \$15 million from the programme over the next three years has caused a significant adjustment to the LTP and I am grateful to all staff who have put in extra hours to get it done.
3. The LTP is extensively audited during its production and I am also grateful to Audit NZ for their willingness to accommodate the last-minute changes to schedules.
4. Over the coming months, staff will work with Waka Kotahi NZTA to ensure that Southland's needs are being understood. The roading and bridge's network is critical to the NZ economy and it is essential that the investment in the asset is maintained.

Environmental Services

5. Work towards the establishment of governance for Predator Free Rakiura (PFR) is ongoing and will continue throughout June. Representatives from the Department of Conservation, Ngai Tahu and the PFR Leadership group intend to meet to establish key bottom lines for all parties as the project transitions into a governance structure. The meeting will also focus on establishing an agreed governance structure and legal entity structure. The intention is for this meeting to be held as soon as possible once all parties become available.
6. Once the aforementioned meeting is held, the intention is for the proposed structures to be discussed with key representatives from Environment Southland, Southland District Council, and potential philanthropic investors. The purpose of this will be to enable any potential issues to be identified and discussed.

Museum update

7. Over the last few months the roving museum officer (RMO) has begun an inventory of collections at Lumsden – including some interim housing and triage. Assistance has been given to Otautau Museum (ongoing) including collection housing and supply of materials and a project brief for SBHS museum inventory work.

8. When based in Waikaia, work was begun on the Switzers (Waikaia) Museum Inc. their 'bottle' collection – the basis for a 'story' this museum will develop over time as their bottlehouse is now the only one remaining in Australasia. Significant material received in to this museum during our RMO's time in Waikaia reveals there were items relative to 'Balmoral' station at Waikaka and the 'Chinese' mission and textiles including the flying suit of Wattie Stirling DFC (WWII).
9. Continued work with Project ARK on registration documentation – Collection Management Policy development for Te Hikoī, Riverton including liaison with Ōraka Aparimu Rūnaka and storage work on arms and Maori textile storage is continuing alongside RMO research on their founding collection – ie material left to the WESA by George Lewis MacLaclan in the 1930s comprising of general ethnographic and Maori material – mainly weaponry. The RMO will be carrying out further work on this collection as it encompasses many of the issues that museums large and small face with historic collections in the face of changing attitudes towards local, regional and international significance alongside colonialism and imperialism.

Environmental health

10. The hearing date for the proposed new Riverton bottle store has been set for 28 July. Public objections have been received, meaning that a hearing is required to determine the application.
11. The appeal to an abatement notice for rooster noise in Wairio is with the Environment Court, the next step is mediation, scheduled for June.
12. The team is excited now that Lyndsay Philp has joined us for a term. Significant projects expected to be completed include developing online applications for health and alcohol licensing, and reviewing systems to improve efficiency.

Animal control

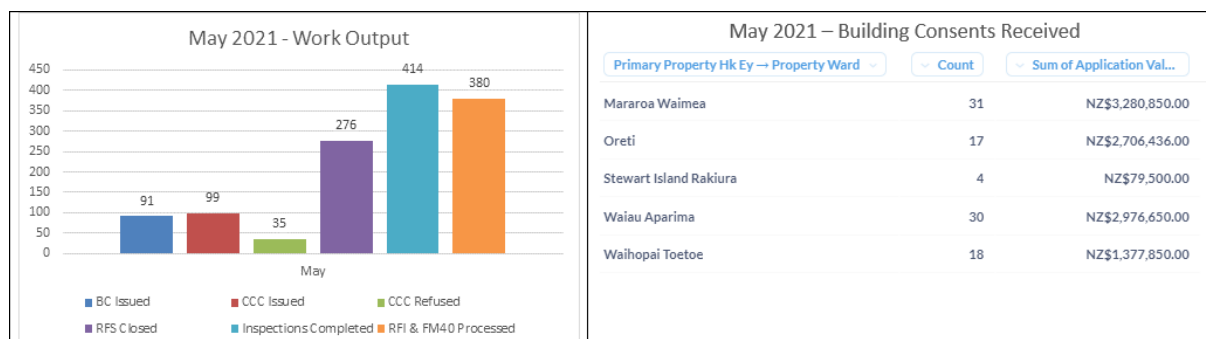
13. Bruce Miller has been appointed as an animal/noise officer for Stewart Island. Jill and Stu will visit the island in June and carry out educational property visits for most households on the Island.
14. Dog registrations will be underway in early June. Staff will endeavour to work with GDC and ICC and see if the three councils can change to a one-tag-for-life next year, and be as aligned as practicable in doing so.

Building

15. Council achieved 100% compliance for both building consents and code compliance certificates for the month of May 2021. Council continue to receive a high volume of consents with 97 consents received during May 2021 (42.6% more than were received in May 2020).
16. The team obtained full IANZ approval / clearance of all SNC and GNC's from the February 2021 audit by the due date of 17 May 2021. Conversations with IANZ and MBIE have commenced regarding Council's next assessment date.

19 May 2021 Council approved a submission to the 2021 Building Code Update Consultation which was successfully submitted to MBIE before the due date of 28 May 2021.

17. Recruitment for the vacant building co-ordinator team leader and building co-ordinator roles will commence in June 2021. The final BCO role has been filled with the successful applicant due to commence with Council on 5 July 2021. No technical roles remain vacant.



Community and Futures

Community leadership

Collective opportunities – Museum day workshop

18. Staff attended a museums workshop organised by Heritage South. The purpose of the workshop was to explore ways that stakeholders could act collectively for the benefit of museums in the fields of tourism, education and museum best practice.
19. Guest speakers included; Amie Young, destination development manager at Great South, Jo Massey, Southland's roving museum officer and Senga White, research librarian at the Invercargill library. The workshop was facilitated by Karyn Owen from Te Hikoi Museum.

Board meetings with their communities

20. On 6 May, staff supported the Oreti Community Board at a community meeting in Limehills. The meeting canvassed several issues of interest to the community including levels of service, the community centre, roading, drainage, war memorials and rates.
21. On 10 May the Oreti Community Board had a community meeting in Browns. The meeting covered several areas of interest to the community including trees around powerlines, future options for the community hall, sewerage system, levels of service, future projects in Council's Long Term Plan and rates.
22. On 12 May staff supported the Ardlussa Community Board to facilitate a meeting with their community in Waikaia about the mountain bike trails project in the Waikaia forestry block. The community was largely supportive in principal of the project and next steps include the formation of the independent trust to drive this community-led initiative going forward.
23. On 23 June, the Ardlussa Community Board will be holding a community meeting at the Balfour hall. This is to engage with the local Balfour community about a proposed pump track project, and to also discuss the future of the festive lights in Queen Street, Balfour. The board will hear any other concerns or queries from the community.

Amplify Arts Expo

24. Amplify Arts Expo was a day-long expo on 8 May run by Arts Murihiku. It provided an opportunity for artists to display, share, perform and talk about their art and engage with new people. There were exhibits, live performances and demonstrations throughout the day. SDC had a stand alongside ICC and other funders to showcase the arts funding we have available. We had a number of staff and councillors in attendance throughout the day and it was a great chance to connect with the arts community.
25. Lots of positive feedback was received from visitors to the SDC stand with many taking up the opportunity to share their own artwork with us on the “Doodle-Do Southland” canvas that was provided as part of the SDC stand.

Milford Opportunities

26. A significant milestone is about to be reached with the public release of the Milford Opportunities Project’s Masterplan. The final version of the plan has been approved by the project’s governance group and planning is underway for the release to happen in early July.

Business events workshop with Great south

27. Staff attended a workshop coordinated by Great South for stakeholders around the development of a Business Events Strategy for the region.

Catlins Tourism Strategy

28. Staff attended a Great South co-ordinated workshop with Destination Planning Ltd who are leading a review of the Catlins Tourism Strategy.

Leadership Academy

29. The next Leadership Academy facilitated by Commerce South commenced on Tuesday, 8 June in Lumsden. At the time of writing this update approximately a dozen applications to partake in the academy had been received. The final session and graduation is scheduled for Tuesday 20 July. The next Leadership Academy in the Southland district is scheduled to be held in Otautau in June 2022.

Welcoming Communities

30. The Southland Newcomer Leadership Scholarship was developed by staff from Invercargill City Council, Southland District Council, and Gore District Council who identified that there is an opportunity for newcomers to hold leadership positions within Southland’s business, community and not-for-profit sectors. The scholarship enables eligible applicants to access funding to participate in the Southland Chamber of Commerce’s Leadership Academy. We have had great uptake from newcomers from ICC and GDC areas but fewer numbers from SDC. Feedback has indicated that one reason for this is that many of the District’s newcomers work in the dairy sector and unless the course runs on their scheduled day off, they have little time and energy to partake. Staff are looking at ways around this and will continue to publicise the scholarship in hope of greater uptake from the SDC area.
31. Additionally, staff are working alongside Southern REAP to investigate the possibility of running an extension to the “drive my life” programme aimed specifically at newcomers as feedback from the police and other stakeholders have indicated that many newcomers are driving unlicensed or not

driving at all which is inhibiting them from fully engaging with their local community. Southern REAP and SDC staff are currently working with the Office of Ethnic Communities to obtain funding for this project.

Community Partnership Fund

32. All boards have had their final community partnership funding rounds close for the 2020/2021 financial year. Staff are in the process of providing a report at each community board's June meeting which will provide community boards the opportunity to decide their funding dates for the 2021/2022 financial year and make any changes to their criteria.

Policy and Strategy

Bylaw and policy work

33. On 14 April Council adopted a Procurement Policy that will come into effect on 1 July 2021. Staff are currently completing a procurement manual that will help ensure staff implement the objectives and policy positions outlined in the policy. The new policy will be available on Council's website on 1 July 2021.
34. 30. At the 10 May 2021 meeting, Council decided to keep the same Alcohol Licensing Fee-Setting Bylaw in place for the financial year starting 1 July 2021, to ease the effects of Covid-19 on alcohol licensed premises. This means that the fees paid by licensees will be identical to what is in the current bylaw. The 30% discount to application fees will be maintained. Southland is the only council in New Zealand that we are aware of that provides this discount. All other fees will be as stated in the central government regulations. On 30 June 2022, the current bylaw will be revoked. This means that starting 1 July 2022, the 30% discount will be removed, and all fees will be as stated in the central government regulations.
35. Staff are currently reviewing Council's Asset Management Policy. A draft policy was circulated to activity managers for feedback in late May 2021. It is intended that a new policy will be in place in early 32. July 2021. Review of the Fraud Policy is underway, and it is intended to be adopted by Council in August. Staff are also in the very early stages of reviewing both the Signs and Objects on Roads and Footpaths Bylaw and the Reserves Management Policy. Staff feedback regarding a draft Sensitive Expenditure Policy will be sought in early July.
36. Council staff have prepared a submission on a discussion document on drones produced by the Ministry of Transport/Te Manatu Waka. The discussion document is about enabling drone integration. The Community and Strategy Committee endorsed the draft submission on 1 June 2021.
37. Council staff have also been working with Mayor Tong and members of the Mayoral Forum to provide feedback to Great South on their draft Statement of Intent for 2021-2022.
38. Review of the Stewart Island/Rakiura Visitor Levy Bylaw and Policy is underway, and it is intended that pre-consultation with stakeholders will take place in July and August.

Corporate risks

39. Risk management reporting is underway for the June 2021 quarter. Staff and ELT have updated the quarterly risk register, and the quarterly reports will be presented to the Finance and Assurance Committee and Council when they meet in June 2021.

40. At a series of workshops this quarter, staff and ELT have undertaken the annual review of Councils' priority strategic risks. The revised risks will form the draft risk register to be presented to the committee when it meets in June 2021 and to Council for adoption.

Long Term Plan

41. After receiving all the feedback from public submissions and hearings during April, Council deliberated on the issues and options for the LTP in May. The next stage involved developing the full document for it to be audited. In May, the Finance and Assurance Committee endorsed the release of the draft to Audit NZ. Once the document has been audited then the final document will be presented to Council for adoption on 23 June 2021.

Interim performance report

42. The final interim performance report period ends at on 30 June. The results will then go into the Annual Report 2020/2021.

Services and Assets

Stewart Island Electrical Supply Authority (SIESA)

43. One "red-tag" pole has been replaced by PowerNet at 399 Horseshoe Bay Road. PowerNet completed work on time, under original work instruction, despite setback with helicopter availability.
44. Replacement engine and generator unit is due for delivery in August 2021.
45. PowerNet has prepared a draft 10 year works programme with significant renewal investment identified in initial years. Significant elements requiring replacement or investigation include power transformers, airbrake switches, distribution transformers and 400V switchboard. The details and phasing of the final programme are subject to refinement, substantiation and confirmation over coming weeks.

Forestry (IFS)

46. Purchase and planting of seedlings in Waikaia is pending for the remainder of this 2020/2021 season.
47. Thinning and pruning in Gowan Hills and pruning in Dipton is pending for the remainder of this 2020/2021 season.

Around the Mountains Cycle Trail

48. Flood repairs and culvert replacement work by The Roding Company is practically complete.
49. Six yearly structural inspections of the bridges on the trail are complete with minor items identified.
50. Pre-development project work to address the Centre Hill erosion has commenced and SDC is working with Landcorp to identify suitable solutions.
51. Initial draft of proposed Around the Mountain Cycle Trail trust deed has been drafted. Formation of trust is pending recommendation from Services and Assets Committee and decision from Council.

Te Anau Manapouri Airport

52. Due to a backlog of work at CAA toward the end of 2020, and therefore a delay in the Safety Management System (SMS) audit, an exemption to the SMS was obtained through to 30 September 2021. SMS and certificate renewal audit is scheduled for 25 August.
53. Investigative test pits and ground water monitoring is being planned in preparation for design and construction phases of runway surface renewal in FY2021/2022 and FY 2022/2023.

Property

54. With staff on extended sick leave and the upswing in workload, this has meant that many requests for work or input into projects have had to be prioritised to best achieve Council's overall objectives. The down side to this however is that a significant amount of work is being added to the uncompleted list of actions which is not sustainable given the ongoing requests for staff input on many different fronts.
55. Work that is underway is the rent review and renewal of Riverton Harbour Endowment farming leases which happen every 21 years. This is at the stage of Council valuers completing their task to advise the lessees of the new rentals. The draft leases with Landcorp for the lands at Kepler are at their final stages awaiting resolution of water allocation and flows being confirmed.
56. Numerous internal enquiries regarding what is allowed on Council property are being received and processed. This is an important role given the many differing land status, to ensure the asset managers are undertaking work on Council property and in accordance with the many restrictions that may, or may not, exist with each status.

Strategic water and waste

Asset management

57. Electronic data updates have continued and information released to Council's consultant to commence the 2021 valuation process.
58. Dashboards have been developed for various data improvement processes.
59. Asset maturity assessment work is continuing across the services and assets teams.

Resource consent renewals

60. There are currently 10 wastewater consents being reviewed and planned for renewal that are required to be completed within the next eight years. The major communities' consents include; Winton, Riversdale, Edendale/Wyndham, Manapouri, Stewart Island and Balfour. The two consents for Riversdale wastewater operations have been completed and will be lodged shortly. All other projects have been allocated dedicated consultants, with Winton being the most progressed of all schemes, but is currently on-hold.
61. For water consents there are nine being reviewed that require renewal within the next two years, including major communities and schemes of Manapouri, Te Anau and Eastern Bush potable supplies. Consultants have been nominated for each of these projects and processes are underway to prepare these applications.

Stimulus

- 62. Work continues with the Stimulus programme, and 2020/2021 LTP capex programme packages with eight projects completed, another seven underway.
- 63. There are seven projects currently under design and two projects with completed design awaiting allocation to one of the panel contractors.
- 64. We are confident that the programme will be delivered on time, in line with our forecasted programme as we are using the Stimulus contracting panel (made up of four local contracting companies) for our delivery. Our use of external professional resource for quality assurance, quantity surveying/ price evaluation and contract engineering is proving efficient and valuable.

Operations and maintenance contract 10/01

- 65. The day to day operational and maintenance in water and waste is progressing well with good performance and relationship with Downer, the provider.
- 66. We have a number of ongoing small projects and general operational matters that we are working to get closed out and work completed across water, waste and stormwater before year end, and we have a list of repairs in hand that we will start in the new financial year.
- 67. We are tracking very well with close out of our RFSs which is very pleasing, and we are endeavouring to improve our dialogue with the ratepayer posting the request.
- 68. We are also working more efficiently with inter department issues so collectively we can close out matters to a reasonable standard and in a reasonable timeframe.

Project delivery team (PDT)

- 69. The 2020-2021 year works programme is nearly completed with a forecast spend of over \$40m. A great achievement for the organisation.
- 70. The 2021-2022 works procurement planning is complete and ready for adoption as the LTP is signed off.
- 71. The 2021-2022 works scoping is well underway across all activities.
- 72. The key Winton library project has now been awarded to a building contractor and will be completed before Christmas.
- 73. TAWW project is well on track for commissioning in July this year.
- 74. The \$13m three waters stimulus project is also well on track to be completed in March 2022 as per programme.

Community facilities

- 75. Staff have been working through the preparation of the scope for the projects that will be delivered next financial year. The locally funded projects will be worked through and agreed to with the respective community boards through workshops and then approved at their June meetings. The intention is that then we are in a position to start procuring this work starting on 1 July 2021.

- 76. The contractor undertaking the District tree assessment has spent 40 hours collecting data. This equates to 5,587 data points which is around 140 per day. This exceeds their initial estimate and has identified the fact that we have far more trees across the District than we were aware of.
- 77. The INFOR IPS application is now operational having gone through development and testing. The community facilities data has been imported into the application and staff are working through identifying any gaps in the data. We are now in a position to start adding additional condition information.
- 78. The end of financial year is now looming with financial and staff reporting ramping up. Staff are also still working to complete delivery of outstanding projects and identifying ones that need to be carried forward.

Strategic transport

National Land Transport Plan

- 79. The transport team have continued to work and provide input into the Regional Land Transport Plan and refine the transport programme including budgets which have been included into the funding application to Waka Kotahi NZTA as part of the National Land Transport Plan.
- 80. This is all part of Council's bid to obtain its share of Waka Kotahi NZTA funding for the period 2021-2024. The next three-year funding cycle sees an increase in the funding requested.
- 81. Council has received indicative funding approval for roading and bridge continues programme which covers Council's maintenance and renewals programme. The amount of indicative funding provided by Waka Kotahi is around \$15m lower in total over the three-year period. This will have an impact on renewals programmes over the first three years of LTP 2021-2031. The detail implication of this on works programmes is being worked through but it will see a reduction in the renewals programme planned over the next three years.
- 82. Council has already raised concerns with Waka Kotahi along with the economic and social importance Southland's road and bridge network provides to Southland and New Zealand. Councils will continue to lobby both Waka Kotahi and government at all levels for appropriate levels of investment required for a safe and sustainable transport network.

District wide roading programme

- 83. The 2020/2021 programme is the final year of the three-year Waka Kotahi NZTA approved funding programme. Any budgets from Waka Kotahi NZTA which are not fully utilised during this financial year cannot be carried forward into the next funding period (2021-2023). This makes 2020/2021 a critical year for achieving works programmes and maximising approved funding. Currently the overall programme is well on track to achieve all renewals and capital works programmed including scoping and designs works for the 2021-2022 year.
- 84. All pavement rehabilitation works have been completed as scheduled for the 2020-2021 year. This also included the sealing of Ellis Road which was damaged as part of the February 2020 floods.
- 85. The pavement rehabilitation survey and design works are progressing well for the next season with the procurement of the physical works planned for mid July.

86. Bridge renewals programme is able to continue through the cooler winter months with all bridge replacement work still on track to be completed as planned for the 2020-2021 season.

Customer Delivery

Customer Support

87. This month we have answered 3427 calls in the contact centre and we have also taken over the general email from knowledge.
88. Dog registration season is now here and we have put a lot of work into refining the dog registration process and training staff. We had three training days in the middle of month when we split all the CSP's throughout the District into three teams to enable the same training. This year an RFS will be created for all dog changes (one per owner). Although this initially creates more work, there are a couple of significant benefits.
89. The major one is the ability to share the workload over this busy time throughout the District. By creating the RFS and sharing a dashboard with the team, any of the CSP's can complete the work. This is a big change for the team but one that has great potential for managing/sharing our workload more efficiently in the future throughout the District. The other benefit with this change will be the ability to measure the work we are doing, especially over dog registration.
90. We have trialed a new approach with our customers who own multiple dogs. Several stations were contacted so we could update their details prior to their annual registration forms being posted. This will make the re-registration process much easier for them.
91. We also attempted to contact all owners with more than six dogs and updated their changes over the phone. This proactive approach was really well received and is definitely something I'd like to expand on next year.
92. Work has continued on the RFS review and we now have completed the changes for animals, building, resource management, customer service and finance. The changes that we have made have simplified the process, making them quicker to create and easy to complete. They now have clearer timeframes and more flexibility to suit the varied nature of the requests. I will continue to work with all teams to promote the value of the RFS from a customer perspective as I believe there is a lot of opportunity here to improve the customer experience.
93. Cheques have been phased out over the past couple of months and we no longer accept them. We have been continuing to inform our customers about the different payment options but it is not clear yet whether this will result in additional cash payments over the counter.
94. Nicole Moffett has joined us in a casual position but will work more hours June and July, as will Jenny Winchcombe.

Knowledge management

95. LIM numbers remained steady for the month of April with 41 LIM's being lodged. May has slowed down slightly with 27 LIM's being lodged. We haven't seen a slowdown like this for months and this is the first sign of winter. The number of property file requests currently sits between 45-50 a week.
96. Application integration between Pathway and Records Manager has been implemented for Environmental Services (Dogs) in May and is currently being imbedded into the organisation. NAR integration has been tested and will be implemented with the upgrade from Records Manager to Content Manager.
97. Other work in the team includes the receiving and processing of archival information from the Winton library into archives. Information inventory cataloguing is progressing well and has started with the property files in the Safe at Forth street and is expected to take another two months to complete which will then expand out to the remainder of the organisation. The LIM optimisation project has been complimented by the electronic lodgement of LIM's due to be implemented this month, further work with the LIM optimisation project will get underway in the coming months.

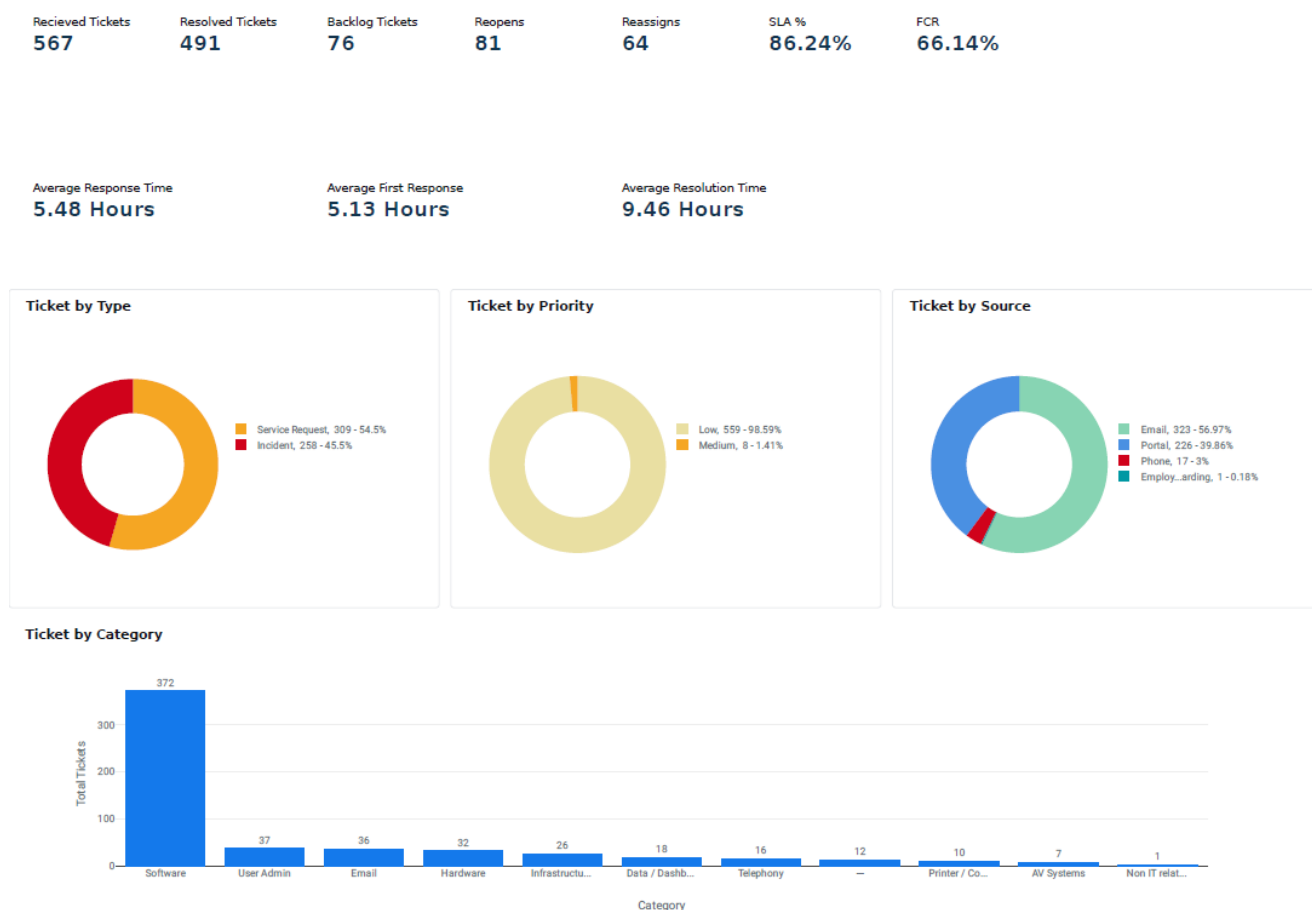
Libraries

98. A major focus this month for our District libraries team has been the clearing out of the Winton library to prepare the site for its refurbishment to begin. Possibly not the best time of year weather wise to work in a building without heating but due to the amount of physical work needing to be done we found it wasn't long before you were warm. During the original clean-up process done by contractors in PPE, disposing of materials at risk of contamination, most small items from offices, cupboards, drawers and some shelves that needed to be taken down were deposited in 20 large 1m squared crates. Emptying all these crates, disposing of rubbish and old material, boxing up close to 20,000 collection items, dismantling over 60 bays of shelving and shifting furniture. Sorting out removal and storage of items has made for a busy couple of weeks. The end is now in sight with the refurbishment to start within the next couple weeks.
99. On the programming front there has been a surge in numbers at all of our programs across the District. Our digital classes focusing on basic computer skills have been booked out across the district and have large waiting lists for future classes. Our children's programming like our brick club have grown in numbers at every location, many to maximum attendance numbers. We have the winter reading program, targeting adult readers but open to all ages, about to start with many prizes donated by Paper Plus Winton and Wheelers Books.
100. Our RFID (radio frequency identification) project is almost ready to begin. RFID tags have now been shipped to us and we are just awaiting a second conversion table to arrive in New Zealand from Australia before we can begin tagging our collections.
101. It's almost dog registration time and our staff have busy getting up to speed with the recent changes to the dog registration process. With the removal of cheques as a payment option we expect some changes to how many of our multiple dog owners have paid in the past, with the possibility of increased cash being received across the counter.

Business solutions

Service Desk: 1 January 2021 – 22 April 2021

102. Another busy month with the majority of tickets related to supporting the numerous software systems that we operate. We have had resourcing challenges during May as reflected in the increase of average resolution time.



103. The decommissioning of our old Citrix environment continues with approx. 80% of staff no longer needing to access this. A new remote access method has been created to address issues that some staff have encountered with slow internet connections. This method will initially be trialed by the building team.
104. There were a number of new processes created in pathway which are currently wait for final sign off by the departments. These include debt collection and arrears, BWOF and building fees. There has been a redesign of the ePathway online system to provide a more modern feel and better align with SDC styles.
105. The team has also been working hard on tidying up the pathway property data in preparation for integration with IPS, and to allow a better customer experience when using the online search function.
106. Environmental health was moved to its new office space in Forth Street, with customer services planned to move in June.

107. We are developing a Cyber Security Strategy with the help of a third-party security specialist and have been working with ICC, ES and CDC on a shared services initiative for user training and cyber security tools.
108. A draft disaster recovery (DR) plan has been completed and will be presented to ELT for feedback and are in the planning stages to perform a simulated DR test using our Datto recovery product.

Finance

Revaluation

109. All properties within Southland District get revalued every three years, last time was 2018 so it is time again in 2021 to be revalued Council's valuer Quotable Values will undertake the revaluation process finishing with an audit at the end of October this year. The notices go out to property owners in November and objections due by 15 December 2021. The new rating values will be used to set the rates for the 2022/2023 financial year.

Recommendation

That Council:

- a) **Receives the report titled "Management report" dated 17 June 2021.**

Attachments

There are no attachments for this report.

Milford Community Trust - Statement of Intent 2021-2024

Record No: R/21/5/24365
Author: Simon Moran, Community Partnership Leader
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To seek endorsement of the Milford Community Trust's Statement of Intent 2021-2024.

Executive Summary

- 2 The Milford Community Trust has endorsed the attached Statement of Intent and is seeking Council endorsement of it.
- 3 The impacts of COVID-19 on the tourism operators that fund the Milford Community Trust continues to affect both revenue and the recreation centre project.
- 4 It is recommended that the Council endorse the Milford Community Trust's Statement of Intent 2021-2024.

Recommendation

That the Council:

- a) **Receives the report titled "Milford Community Trust - Statement of Intent 2021-2024" dated 27 May 2021.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) **Endorses the Milford Community Trust's Statement of Intent 2021-2024.**

Background

- 5 At its meeting on 2 March the Milford Community Trust discussed the attached Statement of Intent 2021-2024 and it was subsequently endorsed by all Trustees.

Issues

- 6 The ongoing impacts of COVID-19 on the tourism industry continues to affect the revenue of the Trust as it has again decided not to invoice operators for the remainder of the 2021 calendar year. This includes the first six months of the 2021-2024 Statement of Intent. That decision has significant implications for both the revenue stream and the key capital project which is the construction of the recreation centre that has been deferred.

Factors to Consider

Legal and Statutory Requirements

- 7 The Statement of Intent is a legally mandated document that the Trust must produce annually that covers a rolling three year period. The Local Government Act 2002 section 64 details the requirements for a statement of intent for council controlled organisations.

Community Views

- 8 There is no requirement to specifically consult with the community on the Statement of Intent.

Costs and Funding

- 9 The costs and funding outlined in the Statement of Intent are borne by the Milford Community Trust which receives its funding by directly invoicing the operators in Milford.

Policy Implications

- 10 There are no policy implications.

Analysis

Options Considered

- 11 The Milford Community Trust is required to produce a Statement of Intent and Council's only options are to either endorse it or not endorse it.

Assessment of Significance

- 12 The activities and work programme in the Statement of Intent do not trigger any of the significance policy criteria.

Recommended Option

- 13 That Council endorses the Milford Community Trust's Statement of Intent 2021-2024.

Attachments

- A Milford Community Trust - Statement of Intent 2021-2024 [↓](#)



MILFORD COMMUNITY TRUST

STATEMENT OF INTENT 2021 - 2024

STATEMENT OF INTENT

1. Introduction

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

The Trust Deed defines Milford as the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. It defines the Milford community as being the residents of Milford, the holders of concessions from the Crown operating at Milford and Iwi.

The purpose of this Statement of Intent (SOI) is to:

- Set out the proposed activities of the Trust.
- Provide an opportunity for stakeholders to influence the direction of the organisation.
- Provide a basis for accountability of the Trustees to their stakeholders for the performance of the organisation.

This Statement of Intent covers the three years from 1 July 2021 to 30 June 2024. This statement is updated annually.

2. Objectives of the Trust

The objectives of the Trust are:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To consider and report on all matters either referred to and/or delegated to it from time to time by the Department of Conservation and the Southland District Council and on any matter of interest or concern to the Milford community.

- (f) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.
- (g) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

3. Statement on the Trust's Approach to Governance

Establishment

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford in accordance with the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust was incorporated under the Charitable Trusts Act 1957 on 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

The Trust reports to the Southland District Council.

Trust Structure

In accordance with Section 9 of the Trust Deed, the Trust is governed by a board of seven Trustees. Current representatives from stakeholder groups are shown in the table below:

Designation	Name	Term Expires 30 June
Mararoa-Waimea Ward Councillor, ex-officio appointment	Ebel Kremer	Oct 2022
Interim Chair		Dec 2021
Milford Community Association elected representative	Brad Johnstone	2023
Milford Community appointee	Tony Woodham	2024
Milford Community appointee	Steve Norris	2024
Milford Community appointee	Rosco Gaudin	2023
Milford Community appointee	Tim Holland	2024

Trust Operations

The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings. The Trustees also undertake to meet the regulatory and stakeholder requirements for governance, reporting and planning, particularly the local government reporting requirements and recognition of the National Park and World Heritage Area status of the Milford Sound *Piopiotahi* area.

Resources Available to the Trust

Standing Orders, a Code of Conduct for Trustees and administrative support are available from Southland District Council.

Significant Policies

Financial Delegations Policy
Suspected Fraud Policy
Sensitive Expenditure Policy

Where appropriate, further policy guidance is obtained from relevant council's and other statutory authorities and reviewed and updated as necessary.

4. The Nature and Scope of the Activities to be Undertaken

Vision

The Trust's vision is:

The long-term sustainability of Milford Sound Piopiotahi, with a community focus.

Strategic Goals

The primary goals of the Trust are to:

- Provide leadership and governance for the Milford community in Milford Sound *Piopiotahi*.
- Advocate for the general benefit of the Milford community.

Within the over-arching vision and strategic goals, the more specific focus areas for 2021 – 2024 are:

Planning:

- Determine the future direction of the Trust.

Communication:

- Maintain relationships with the community and Milford infrastructure providers.
- Provide clear information to concessionaires regarding intentions and implementation of Trust policies.
- Consult with the community and concessionaires to develop a strategic project plan for the Trust to deliver for the benefit of the community.

Advocacy:

- Advocate, as required, on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, Iwi and other authorities.
- Advocating for better planning to address specific issues: highway safety, control of illegal camping, toilet facilities, community facilities, coordinated emergency response, and recognition of the area's World Heritage status.

Planned Activities/Services

2021/22:

- Advocate with, and assist, other organisations for strategic improvements in community planning and development in Milford Sound.
- Determine the future direction of the Trust.
- Facilitate the construction of the Milford recreation centre once project is approved by Department of Conservation.

2022/23:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Maintain oversight of the management of the Milford Recreation Centre.

2023/24:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Maintain oversight of the management of the Milford Recreation Centre.

5. Ratio of Total Assets: Equity

Total assets are defined to include cash, investment and bank balances, accounts receivable, investments, prepayments, fixed assets (net of accumulated depreciation), intangible assets (net of accumulated amortisation), loans (none), etc.

Total equity is defined to include accumulated funds and retained earnings.

6. Significant Accounting Policies

The following accounting policies have been adopted by the Trust.

Revenue Recognition

Concessionaires Fees

Revenue is recorded when the fee is due to be received.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest

Interest revenue is recorded as it is earned during the year.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Term Deposits

Term Deposits with Banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight line basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Recreational Pad	3%	Diminishing Line
Buildings	2%	Straight Line

Income Tax

The Trust is exempt from income tax as it is a Charitable Trust registered with the Charities Commission.

Loans

Loans are recognised at the amount borrowed from the lender, less any repayments made.

Budget Figures

The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

7. Key Performance Targets

These are agreed by the Trust and made available to the public, by inclusion in Southland District Council's Long Term Plan (LTP).

Level of service	Key performance indicator	Actual	Target			Confirmation source
		19/20	21/22	22/23	23/24	
Maintain a structure that facilitates local decision making.	Number of Milford Community Trust meetings held annually.	4	2	2	2	Agenda/minute records on file.
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	0	1	1	1	Agenda/minute records on file which note meeting location

8. Information to be reported to Council

In each year the Trust will comply with all reporting requirements under the Local Government Act 2002 (particularly Sections 66 to 69 of that Act). In particular, it will provide:

- A draft Statement of Intent detailing all matters required under the Local Government Act 2002 by 1 March each year for consideration prior to commencement of the new financial year.
- A half yearly report by the end of February each year (specific dates as set by Council).
- An annual report by the end of September each year (specific dates as set by Council).

Copies of the Trust's reports are forwarded to the major stakeholder authorities, being the Southland District Council, Department of Conservation and Environment Southland.

9. Key Issues

- The future direction of the Trust
- Decide whether or not it is feasible to proceed with the development of a recreation centre building.

10. Activities for which Other Investment is sought

The value of the annual concession to be charged will continue to be reviewed each year. For 2021/2022, the total amount being sought from concessionaires is \$150,583 excluding GST. Any surplus funds will be held by the Trust in its bank account for future project funding.

Included within the Forecast Expenditure of the Trust is Management and Administration costs of \$34,094 (excluding GST).

The operational and project costs are those which the Milford Community Trust considers will provide benefit for all concessionaires at Milford and should be recovered from the Milford concessionaires through the Implied Concession Activity Fee, apportioned as per the Department of Conservation apportionment of cost schedule. The costs indicated above in the supporting forecasted accounts are funded from the annual implied concession activity fee and monies held.

Future budgeted costs are indicative only and will be reviewed annually by the Trustees.

Other Project Funding:

In addition to the above operational and project costs, there are also costs associated with other significant projects that fall either directly or indirectly under the influence of the Milford Community Trust but have all or a majority of proposed funding through means other than apportioned implied concessionaires fees. There may also be a portion of public good associated with these projects.

In this Statement of Intent the Trustees are forecasting to have sufficient cash to fund the anticipated cost to build the recreation centre.

In accordance with sections 3.3 and 3.4 of Southland District Council Investment and Liability Management Policy, Milford Community Trust has the ability to approach Southland District Council to borrow funds, in the instance the Trust has insufficient cash to fund the recreation centre project.

11. Estimate of Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be valued at \$100. This value shall be reassessed by the Trustees on completion of the annual accounts or at any other time determined by the Trustees. The method of assessment will use the value of stakeholders' funds as determined in the annual accounts as a guide.

12. Other Matters

No distribution is intended within the period of this Statement or succeeding years, noting the Trust's status as a charitable organisation.

Any subscription for, purchase or otherwise acquiring shares in any company or other organisation requires the prior approval of the Trustees.

**MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2021-2024
Prospective Statement of Financial Performance**

Account Description	Actuals 2019/2020	Forecast 2020/2021	Budget 2021/2022	Budget 2022/2023	Budget 2023/2024
<u>Income</u>					
Concessionaires Income	112,938	75,292	75,292	150,583	150,583
Grant	-	-	-	-	-
Trustee Fees Forgiven	3,000	-	-	-	-
Interest	9,994	-	-	-	-
	125,931	75,292	75,292	150,583	150,583
<u>Expenses</u>					
<u>Management/Administration</u>					
Accommodation and Meals	-	500	500	500	500
Administration	44	44	44	44	44
Advertising	38	600	600	600	600
Audit Fees	4,208	4,316	4,451	4,750	5,000
Bank Fees	40	40	40	40	40
Catering Expenses	(3)	500	500	500	500
Chairperson's Fees	10,000	10,000	10,000	10,000	10,000
Depreciation - Recreational Pad	1,502	1,457	1,428	1,399	1,371
Depreciation - Recreational Centre	-	-	-	-	-
General Expenses	346	500	500	500	500
Operations and Maintenance of Rec Centre	-	-	-	-	30,000
Legal Costs	832	-	-	-	-
Mileage	-	1,500	1,500	1,500	1,500
Project Development and Planning	3,030	5,000	5,000	5,000	5,000
RNZ Licence	-	740	370	370	370
Room Hire	(7)	200	200	200	200
Trustees Fees	3,000	6,000	6,000	6,000	6,000
Insurance	2,825	2,900	2,958	3,017	3,078
	25,856	34,297	34,091	34,421	64,703
<u>Grants</u>					
	-	-	-	-	-
	-	-	-	-	-
Total Expenses	25,856	34,297	34,091	34,421	64,703
Net Operating Surplus/(Deficit)	100,075	40,994	41,201	116,162	85,880

Capital Projects

<u>Project</u>				
Recreation Centre	-	-	-	50,000
	-	-	-	50,000

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2021-2024
Prospective Statement of Changes in Equity

	Actuals 2019/2020	Forecast 2020/2021	Budget 2021/2022	Budget 2022/2023	Budget 2023/2024
Balance at 1 July	363,512	463,587	504,581	545,781	661,943
Net Surplus / (Deficit)	100,075	40,994	41,201	116,162	85,880
Capital Funding					
Equity at end of year	463,587	504,581	545,781	661,943	747,823

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2021-2024
Prospective Statement of Financial Position

	Actuals 2019/2020	Forecast 2020/2021	Budget 2021/2022	Budget 2022/2023	Budget 2023/2024
Equity					
Accumulated Funds	463,487	504,481	545,681	661,843	747,723
Trust Capital	100	100	100	100	100
	463,587	504,581	545,781	661,943	747,823
Represented by:					
Current Assets					
Accounts Receivable	119	100	100	100	100
Accrued income	2,545	-	-	-	-
Bank Account - 00	819	5,000	5,000	5,000	5,000
Bank Account - 25	17,024	10,000	10,000	10,000	10,000
Term Deposit - Recreation Centre	110,000	-	-	-	-
Term Deposit - Surplus Funds	300,000	451,861	494,502.90	563,933.87	115,161.65
GST Recievable	-	-	-	-	-
	430,506	466,961	509,603	579,034	130,262
Non Current Assets					
Recreational Pad	48,573	47,116	45,688	44,289	42,918
Recreational Centre	-	-	-	-	550,000
Recreational Centre - WIP	-	-	-	50,000	-
	48,573	47,116	45,688	94,289	592,918
Total Assets	479,079	514,077	555,291	673,323	723,180
Current Liabilities					
Accrued Expenses	7,798	5,000	5,000	5,000	5,000
Accounts Payable	2,507	-	-	-	-
GST Payable	5,187	4,496	4,510	6,380	(29,644)
	15,492	9,496	9,510	11,380	(24,644)
Non-Current Liabilities					
	-	-	-	-	-
	15,492	9,496	9,510	11,380	(24,644)
Total Liabilities	15,492	9,496	9,510	11,380	(24,644)
Net Assets	463,587	504,581	545,781	661,943	747,823

Tourism Infrastructure Fund Applications

Record No: R/21/6/33186
Author: Simon Moran, Community Partnership Leader
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To ask the Council to retrospectively endorse the applications that were made to the Tourism Infrastructure fund for projects in the Te Anau Basin and for Stewart Island/Rakiura.

Executive Summary

- 2 The latest round of the Tourism Infrastructure Fund (TIF) opened on 12 April 2021 and applications closed on 30 April 2021. It was stated that a priority for this round was going to be on those areas hardest hit by the impact of Covid-19 on the tourism sector and that included Fiordland along with the Mackenzie, Kaikoura, Queenstown Lakes and Westland districts although applications could still be made by all local authorities.
- 3 Due to the short application time a workshop was held with Councillors to understand what projects were considered priorities to apply for.
- 4 All applications have a local funding component that needs to have been endorsed by Council. Although many of the projects are listed in the draft 2021-2031 Long Term Plan (LTP) the timing of the application round means that funding won't be formally approved until such time as a decision is made on the adoption of the LTP which will be on 29 June 2021.
- 5 The applications were submitted, and as at the time of writing staff are waiting to hear back from Ministry of Business, Innovation and Employment officials regarding the progress of the applications.

Recommendation

That the Council:

- a) **Receives the report titled “Tourism Infrastructure Fund Applications” dated 18 June 2021.**
- 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) Formally endorses the Southland District Council applications to the Tourism Infrastructure Fund.
- e) Agrees in principle the local co-funding component of the applications as set out for those projects in the 2021-2031 Long Term Plan subject to approval by Council on 29 June 2021.
- f) Agrees that the project funding set out in the 2021-2031 Long Term Plan for Manapouri toilet, walkway, carpark, boat ramp, gabion baskets and the Te Anau toilets and boat ramp, can be pooled (combined into one funding allocation) to meet the Tourism Infrastructure Fund co-funding requirements for the bundle of Fiordland projects, including the Frasers Beach projects that are not in the 2021-2031 Long Term Plan.

Background

- 6 The latest application round for the TIF was opened on 12 April 2021 and closed on 30 April 2021. Whilst being open to applications from across the country it was stated that of particular interest to the Minister were those projects which were from the five areas where the impact on the tourism sector has had the biggest economic impact – Fiordland was identified as one of those five areas.
- 7 The tight timeframes of these funding application rounds means that it is often not possible to follow the typical order for getting applications approved by Council prior to submitting the application before the deadline. This time has been no exception and Council has therefore only been able to have a workshop with staff to discuss priorities before the applications were prepared, consequently it is being asked to formally receive and endorse them retrospectively.

8 The projects for which applications were made are as follows:

- Te Anau wastewater
- Manapouri area projects
- Te Anau boat ramp and toilet
- Ulva Island wharf
- Observation Rock – Stewart Island/Rakiura

9 The full applications are attached to this report.

Issues

- 10 The main issues are whether or not Council is comfortable with the applications and the co-funding requirement and whether or not it is comfortable with the ‘pooling’ of the project funding set out in the LTP to improve levels of service for the associated infrastructure and to facilitate the leveraging of that funding to maximise benefits for the community.
- 11 If the project funding set out in the LTP for Manapouri toilet, walkway, carpark, boat ramp, gabion baskets and the Te Anau toilets and boat ramp, can be pooled (combined into one funding allocation) then that enables Council to meet the Tourism Infrastructure Fund co-funding requirements for the bundle of Fiordland projects.
- 12 The importance of being able to ‘pool’ the funding is that it provides flexibility to undertake the wider range of projects than was anticipated in the LTP - the Frasers Beach projects that are not in the LTP. The reason why the applications and the LTP don’t align is because the opportunity of another TIF round occurred well after the LTP was drafted and put out for consultation.
- 13 If the Council agree to recommendation (f) then, if it is successful with the Fiordland applications, that will allow staff to proceed with their delivery without needing to come back to Council with another report asking for the same thing.

Factors to Consider

Legal and Statutory Requirements

- 14 There are no legal and statutory obligations specifically related to the decision that is being sought from Council.
- 15 The legal obligations are created if Council is successful in getting the applications accepted by the TIF Assessment Panel and subsequently enters into a funding agreement with MBIE.

Community Views

- 16 Most projects have been included in the draft LTP and have therefore already been consulted on with Council being aware of any specific feedback. The Frasers Beach bundle is not in the LTP but they are matters that have been, both previously and recently, raised by the then Manapouri Community Development Area Subcommittee and other community members.

- 17 Both the Fiordland and Stewart Island/Rakiura Community Boards have been supportive of the approach associated with this round of TIF applications.

Costs and Funding

- 18 As stated above the applications are looking to use the funding envelope set out in the draft LTP to provide the co-funding required to support the application. The exception to this is the Te Anau Wastewater application because the argument being made there is that through district funding the community is already contributing significantly more than 50% of the cost of the project (approximately 75%) and that should be considered co-funding.
- 19 To be clear, no further local co-funding is being sought than what is already set out in the draft LTP.

Policy Implications

- 20 There are no policy implications

Analysis

Options Considered

- 21 The options for consideration are to
- endorse the applications as submitted;
 - reduce the number of applications; or
 - not endorse the applications submitted
- 22 When considering the options it is worth noting that, as alluded to in the 'legal and statutory' section above, there is no obligation to proceed with any project even if it is approved by the TIF Assessment Panel. The Council would still need to enter into a funding agreement that will contain contract detail such as milestones, timing and funding obligations.

Analysis of Options

Option 1 – Endorse the applications as submitted

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• If the applications are successful there is an opportunity to enhance the experience both visitors and locals get from the district's open spaces and facilities.	<ul style="list-style-type: none">• None - no further action is required until we receive notice of the outcome from the TIF Assessment Panel.

Option 2 – Reduce the number of applications

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> Potentially allows some resources to be focussed elsewhere. 	<ul style="list-style-type: none"> Some issues that have been identified as benefitting from the work proposed in the applications would be delayed The Manapouri experience is not as high as it could be in the facilities and open spaces SDC is responsible for. The potential to leverage existing funding proposed in the LTP could be lost.

Option 3 – Not endorse the applications submitted

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> None – most of the projects are in the LTP already and will be fully funded (locally/district) if the LTP is approved 	<ul style="list-style-type: none"> Some issues that have been identified as benefitting from the work proposed in the applications would be delayed The Manapouri experience is not as high as it could be in the facilities and open spaces SDC is responsible for. The potential to leverage existing funding proposed in the LTP could be lost.

Assessment of Significance

- 23 What is being proposed does not meet the ‘significant’ threshold of any of the significance policy tests. With the exception of the Frasers Beach and Observation Rock projects the other projects have been identified in the draft LTP and have therefore already recently been consulted on by Council.
- 24 The Observation Rock project has been widely discussed with the community board and the Department of Conservation and the community is aware of it as it has received a \$70,000 grant from the Stewart Island Visitor Levy which has community representatives on the Allocation Committee.

Recommended Option

- 25 Option 1 – Endorse the applications as submitted.

Next Steps

- 26 Staff will advise MBIE officials of Council's decision.

Attachments

- A Te Anau wastewater application [↓](#)
- B Manapouri area applications [↓](#)
- C Te Anau boat ramps and toilet application [↓](#)
- D Ulva Island application [↓](#)
- E Ulva Island application (Appendices) [↓](#)
- F Observation Rock application - Stewart Island Rakiura [↓](#)
- G Letter to MBIE stating Council's project priorities [↓](#)



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



TOURISM INFRASTRUCTURE FUND

Application Form

April 2021

Tourism Infrastructure Fund

Completing this form

This form is designed to be completed in association with the 'Guidance for Applicants' document. If you need any assistance with completing this form, please contact the TIF secretariat on tif@mbie.govt.nz.

Please complete the form in full, and submit it electronically to tif@mbie.govt.nz. Completed proposals must be received by the TIF secretariat no later than 5pm on the deadline date. All deadlines are available on the TIF website and are subject to change.

MBIE reserves the right to accept late proposals in the following situations:

- if it is MBIE's fault that the proposal was received late
- in exceptional circumstances, where MBIE considers that there is no material prejudice to other applicants. MBIE will not accept a late proposal if it considers that there is risk of collusion on the part of an applicant, or the applicant may have knowledge of the content of any other proposal.

There is no scope within the TIF process to assess out-of-round applications (including for feasibility studies). Applications submitted to the TIF Secretariat between funding rounds will be returned to the applicant for resubmission at the next funding round.

Proposal checklist

Before you apply be sure to complete the following:

- ☐ Check the TIF website to ensure you have downloaded the most recent version of each document.
- ☐ Read the 'Guidance for Applicants' document available on the website.
- ☐ Read the supporting information on the TIF website

When filling out this form please ensure:

- ☐ All answers are typed into the space provided for each section in font no smaller than size 10 point.
- ☐ You provide the information required for each question. This is outlined clearly within the TIF 'Guidance for Applicants' document.
- ☐ You have read and understood the declaration details outlined in Section 4 and have signed the declaration.

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Once you have completed this form, email a copy to the TIF secretariat at tif@mbie.govt.nz and ensure that you attach any supporting information you wish to provide.

Note: There is a 20MB size limit for emails. For larger applications, please separate them into different emails.

Evidence

When MBIE assesses proposals against the eligibility and/or the assessment criteria, we will consider whether the evidence provided supports the claims, as well as the quality of that evidence. Where questions ask for evidence to support claims, it is highly recommended that you provide reference sources that attest the accuracy and quality of the evidence.

MBIE will assess the application using the information provided by the applicant.

Section 1: Eligibility and project overview

1.1 Eligibility checklist

Do you meet AT LEAST one of the eligibility criteria below:	<input checked="" type="checkbox"/> Yes
Annual tourism revenue in your territorial authority less than \$1 billion	<input checked="" type="checkbox"/> Yes
Visitor to rating unit ratio of 5 or more	<input type="checkbox"/> Yes
Local Government Finance Agency lending limits have been reached	
Project eligibility:	
Is your project for publicly-available infrastructure used significantly by visitors?	<input checked="" type="checkbox"/> Yes
Is your project for new facilities or enhancements?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not for the development of new attractions, accommodation or commercial activities?	<input checked="" type="checkbox"/> Yes
Have you ensured your project will not compete with local private commercial activities?	<input checked="" type="checkbox"/> Yes
Are you seeking co-funding of \$25,000 or more?	<input checked="" type="checkbox"/> Yes
Is your project financially sustainable?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not receiving NZTA funding?	<input checked="" type="checkbox"/> Yes
NOTE: If you do not answer 'Yes' to the project eligibility questions above, your project is unlikely to be eligible for TIF co-funding.	<input checked="" type="checkbox"/> Yes

1.2 Project overview

a. Is your project addressing a need that is current or anticipated?	<input checked="" type="checkbox"/> Current <input type="checkbox"/> Anticipated
b. Will your project deliver visitor benefits and also benefits to your local community?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
c. Is TIF co-funding critical to the project starting, happening sooner, or being of better quality [Tick all relevant boxes]	<input type="checkbox"/> Starting <input checked="" type="checkbox"/> Happen sooner <input checked="" type="checkbox"/> Better quality
d. Is your proposed co-funding the maximum you can commit to the project, and in monetary form only?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
e. Do you have certainty of land access over the expected life of the proposed infrastructure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f. Does your organisation have systems in place to ensure the proposed project complies with health and safety regulations? (You will need to demonstrate this prior to contracting)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
g. Do your procurement processes require all external contractors involved in construction projects to have valid health and safety processes/plans in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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Section 2: Proposal and applicant key details

Please enter answers in the right-hand column.

2.1 Proposal key details	
Name of project [A short title that describes your proposed project.]	Te Anau Wastewater
Short description of proposed project to be co-funded	<p>In 2018, Council applied for, and was granted \$5m from the TIF for this project. At this time, the upgrade of the Te Anau Wastewater system was estimated to cost between \$14.5m and \$23m and Council had allocated \$14.5m in their Long Term Plan. The preferred option as identified in this application and the business case (refer to <i>Attachment 3</i>), was a centre pivot irrigation system for the purposes of land treatment, particularly the removal of nutrients and pathogens (Option 2). It was noted though that there was need to further investigate Option 3 which was a sub-surface drip irrigation system. Subsequently a further business case was developed exploring Option 3, alongside comprehensive community consultation and on 23 October 2018, Council confirmed their decision to proceed with Option 3. This resulted in the total project cost increasing to \$27m. Council proposed to cover this increased cost in part with a local targeted rate which would collect \$1.5m from Te Anau ratepayers over 30 years.</p> <p>Subsequently, the project gained consent and construction began. To date, the project is tracking according to its milestones and budget and is estimated to be completed by the end of 2021.</p> <p>The Fiordland region has been one of the worst impacted regions as a result of borders closing and a dramatic decrease in visitation. What has been more concerning is the very slow recovery of the region compared to elsewhere in the country – the isolation of the region and its high dependence on international visitors are contributing factors. It is estimated that 85% of local businesses were critically</p>

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	<p>impacted and today, only 15-20% of tourism businesses in Te Anau are operating. During COVID, approximately 1000 people left the region and this is now hampering the ability of businesses to recover with a resulting skilled labour workforce challenge.</p> <p>There will continue to be demand to visit this very special part of the world and the choice to not proceed with developing fit for purpose infrastructure is not an option for our Council. This place is a significant and iconic destination – the only gateway to NZ’s largest national park, launching pad for 3 of NZ’s 9 Great Walks and the gateway to NZ’s most iconic international destination – Milford Sound Piopiotahi. However, the situation remains that the Te Anau wastewater scheme has to be nearly six times larger than that needed to cater for the permanent population because of visitors to the town.</p> <p>If this application is successful, Council will not proceed with the proposed \$1.5m targeted rate to be collected from Te Anau ratepayers. By securing funding to pay off this loan it means that ratepayers will not have to take on this additional financial burden on top of what they are experiencing with other rates increases and of course the effects of COVID. Financial relief may also have a flow on effect which could and allow employers to increase their casual hours and their rate of recovery.</p>
Estimated total cost of project	\$27m
Amount of TIF co-funding sought – this must exceed \$25,000 (excl. GST)	\$1.5m (note previous TIF allocation of \$5m approved 2018)
Is this a discrete project or a bundle of projects?	<input checked="" type="checkbox"/> Discrete project <input type="checkbox"/> Bundle of projects

2.2 Applicants’ key details	
Applicant Organisation name	Southland District Council (SDC)
Applicant address, including postcode	P O Box 903, 15 Forth Street

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Contact person	Invercargill 9840
Job title or Role	www.southlanddc.govt.nz
Contact phone	
Contact email address	Cameron McIntosh
	Chief Executive Officer
Contact postal address (including postcode)(if different to applicant address)	0800 732 732
	cameron.mcintosh@southlanddc.govt.nz

Section 3: Project Description

3.1 Problem definition and need for additional infrastructure

3.1.1 Briefly describe the challenge(s) you are facing as a result of current or anticipated visitor growth that underpin this application. Where possible, please provide qualitative and/or quantitative evidence to indicate the scale of challenge(s).

BACKGROUND 1: Area of High Significance & Value

Te Anau, with a resident population of about 2500, lies on the eastern shores of Lake Te Anau and is one of Southland's most popular locations for tourism. Known as the Gateway to Fiordland National Park and Milford Sound Piopiotahi, visitors are drawn to Te Anau for its spectacular scenery and in 2014, readers of New Zealand Wilderness Magazine voted it as the best place in New Zealand for tramping opportunities. Fiordland National Park is home to 3 of New Zealand's 9 Great Walks.

The Te Anau and Manapouri townships are bordered by the Fiordland National Park which was officially constituted in 1952 and covers over 1.2 million hectares. It is by far the largest of New Zealand's 14 national parks and also one of the largest in the world and was declared a UNESCO World Heritage Area in 1986.

Fiordland National Park contains the majority of the largest area of unmodified vegetation in New Zealand and as such is a significant refuge for many threatened native animals, ranging from dolphins and bats to reptiles, insects, and birds. Among the birds are several endangered species endemic to New Zealand such as the takahē, mōhua (yellowhead), and the critically endangered kakapo, the only flightless parrot in the world. The vulnerable Fiordland crested penguin and southern brown kiwi are also almost exclusively found within the park.

Fiordland contains some of the oldest rocks in New Zealand and lying close to the alpine fault where two plates of the Earth's crust meet, the area has been folded, faulted, uplifted and submerged many times. Current day examples of this underpin much of what attract visitors to the area for example, Te Anau Caves which feature a limestone grotto of glow-worms and an underground waterfall, Lake Hauroko (New Zealand's deepest lake) and Milford Sound Piopiotahi which is widely accepted as one of New Zealand's most iconic destinations with images representing New Zealand well known around the world.

Lakes Te Anau and Manapouri (and the Upper Waiau River that connects them), are Ngai Tahu statutory acknowledgement areas under the Ngai Tahu Claims Settlement Act 1998 and are identified in the regional water plan as natural state waters. Fiordland (Ata Whenua) was well known to the Māori, and many legends recount its formation and naming. Demigod Tuterakiwhanoa is said to have carved the rugged landscape from formless rock. Few Māori were permanent residents of the region but seasonal food-gathering camps were linked by well-worn trails. Takiwai, a translucent greenstone, was sought from Anita Bay and elsewhere near the mouth of Milford Sound Piopiotahi.

BACKGROUND 2: Rapid and Unsustainable Visitor Growth before COVID-19

In the Southland Murihiku Destination Strategy 2019 – 2029, *Summary of community survey findings* the number one "favourite thing to do/places" was Fiordland and in particular, visiting Milford Sound Piopiotahi and Doubtful Sound.

The area has significant international appeal and uniqueness and as such attracted close to 1 million people per annum before COVID-19. This rapid growth in numbers and visitation resulted in negative impacts on the local environment, community and visitor experience becoming

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evident and this was compounded by Queenstown's rapid growth. In particular, infrastructure which was created for a community with a population of 2500 was not fit for purpose to meet the needs of visitation in the area of 1 million people. Three quarters of all visitors to Fiordland were from overseas and Queenstown was a key access point for visitors to the region.

BACKGROUND 3: Impact of COVID-19

Te Anau has been the most affected visitor destination as a result of COVID-19 with an average reduction in spend of -55% (See Attachment 1 for further comparisons to RTOs and regions). What has been more concerning is that Te Anau has not recovered well or at a level similar to other parts of the country once lock down restrictions were lifted. It is thought that this is due to a combination of factors including its isolation and distance to the main populations (which is a barrier to weekend visitation for the domestic market) as well as the fact that it had primarily attracted international visitors pre COVID-19 and did not have a strong domestic market.

Please see Attachment 1 for more visitor insights and trends relating to tourism.

BACKGROUND 4: Milford Opportunities Project

It is expected that Fiordland and the experiences it offers will continue to be of high value to international visitors once borders fully reopen (particularly to long haul travellers). It is also accepted that no one wants to return to the previous way people experienced Milford Sound Piopiotahi in particular, which did not benefit the local community and iwi, did not provide a world class visitor experience and did not support enhancement of the natural environment.

With this in mind, the Milford Opportunities Project (a multi-agency approach) has been considering how the issues caused by the pre COVID-19 visitor experience to Milford Sound Piopiotahi can be addressed. The public has been asked for their comment on, infrastructure issues, transportation constraints and amongst other things, the potential for that 'experience' to be more focussed on starting from Te Anau (including Manapouri which is in the wider Te Anau basin) than Queenstown. Feedback was generally positive although people would like to see it develop in a co-ordinated way rather than being done in an ad hoc manner.

It is likely that further development of the basin as the visitor hub for Milford Sound Piopiotahi and the wider Fiordland experience will be a recommendation of the project's governance group to government. Subject to the Ministers of Tourism and Conservation agreement, a paper would then be taken to cabinet for its consideration. The project team has a meeting in mid May with the relevant Ministers of Tourism, Conservation, and Transport. A public release of the Milford Opportunities Project Masterplan is expected around June this year.

The TIF projects put forward for the Te Anau basin will all contribute to the long term improvement of services for visitors to the area and align with the Project's aims.

KEY PROBLEM 1: The visitor contribution to wastewater flows is HIGH and the community currently meets all of these operational costs

Visitors travelling to and through Te Anau generate a significant amount of waste. This is strongly linked to the popularity of Milford Sound Piopiotahi. Virtually all of Milford Sound's 850,000 (Attachment 1 - Fiordland destinations – Milford and Doubtful Sounds*) annual visitors pass through Te Anau and many take the opportunity to stop in Te Anau to use the toilets on their way to and/or from Milford Sound Piopiotahi. While there is a current hiatus in visitor numbers, it is expected that numbers will rebound in the future as the international borders reopen.

* The numbers are for adult fare paying passengers (pax). It is recognised that a further 10% needs to be added to account for children and free of charge passengers and an additional 5% for those visitors who visit Milford for other activities

such as Milford Kayaks and Dive Milford etc that do not take a cruise and are therefore not accounted for in the MST pax numbers

The community currently covers all of the operational costs relating to solid waste (locally rated) and wastewater (district rated).

The contribution of visitors to the wastewater flows has been calculated as part of the information that supported Council's resource consent application. Notice to Client 40 (Attachment 2) contains information provided by Stantec wastewater consultant Roger Oakley about how the wastewater flow predictions have been determined. Because people don't necessarily stay at commercial accommodation providers (eg. hotels/motels which is where the 'tourist' numbers are generated), it is the combination of the 'tourist' and 'holiday makers' (eg. BookaBach, Airbnb, etc) columns that gives the likely 'visitor' contribution to flows for the Te Anau wastewater scheme.

The key calculations from the report are:

- Pre COVID-19 when calculations were done, the 'visitor' contribution to the total wastewater flow is approximately **72%**; and
- By 2048 the 'visitor' contribution is expected to be nearly **85%** of the total wastewater flow.

Territorial Authority Rating Base – Southland District Council

The TA of Southland District Council is already identified as having a lower ratepayer base and is disproportionately affected by visitor growth, particularly evident in the Fiordland region.

The area has significant international appeal and uniqueness and as such attracted close to 1 million people per annum before COVID-19 (*refer Attachment 1- Fiordland destinations – Milford and Doubtful Sounds*).

Infrastructure which was created for a community with a resident population of 2,500 in Te Anau and 230 in Manapouri is not fit for purpose to meet the needs of visitation in the area of 1 million people (*refer Attachment 1*). For every local in Te Anau and Manapouri, there were 366 visitors or on any given day pre COVID, there were 3 visitors for every local.

KEY PROBLEM 2: Infrastructure must align with recommendations from the Milford Opportunities Project which will recommend further development of the Fiordland basin as the visitor hub for Milford Sound Piopiotahi and the wider Fiordland experience

With a view to best managing Milford Sound Piopiotahi, some draft concepts have suggested different way to access and travel through the park both by road and air. This could mean the possibility for a Park and Ride from Te Anau to Milford Sound Piopiotahi which would require a base of operations in Te Anau. There has been discussion around and consideration of the future of Te Anau/Manapouri Airport and potential to develop as a base for more air flights into Milford Sound Piopiotahi.

It is important to note that these are draft concepts and not confirmed. However, it is crucial to understand them and the subsequent implications on Te Anau they may have. In short, Te Anau would grow as the entry point to the Fiordland National Park and Milford Sound Piopiotahi and would see more visitors and potentially more overnight stays.

Infrastructure therefore needs to be fit for purpose to meet this transformational change.

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The second point is that the proposed site for the construction of the wastewater infrastructure (Kepler Block) is situated within 1 km of Te Anau Airport Manapouri. There needs to be consideration of the system here on the airport and users, particularly if there is a possibility of an increase in numbers.

3.2 Proposed infrastructure

3.2.1 Briefly describe the infrastructure you propose to construct, and how it addresses the challenge(s) you have identified above. Please also list the other options considered and explain why the proposed project is fit-for-purpose and offers value for money.

Summary of the Previous TIF Application in 2018

The previous application in 2018 suggested that this project could cost between \$14.5m and \$23m with \$14.5m in the [Long Term Plan](#) allocated towards the project. At this time, Southland District Council had identified the preference to construct a scheme at the Kepler Farm (on land the Southland District Council purchased) which was designated for land treatment and disposal of Te Anau's wastewater. Subsequently, a resource consent was approved based on the use of centre pivot irrigation for the purposes of land treatment, particularly the removal of nutrients and pathogens (Option 2).

The application detailed the investigation process that had been undertaken with three other options being identified including a sub-surface drip irrigation option (Option 3). The TIF subsequently granted \$5m and the remaining cost of the project was to be covered from a district wide rate.

Key Considerations since 2018

Community feedback has identified the preference for Option 3 which looked at sub-surface drip irrigation rather than above the ground centre pivot irrigation. This was for a number of reasons including:

- Perceptions on the impact on visitor use of the adjacent Te Anau airport Manapouri,
- The potential for pathogens to be carried in aerosol droplets from the centre pivot irrigators,
- The potential for groundwater flow to take the discharge to Lake Manapouri near to Frasers Beach, and
- Whether the increasing bar for discharges of wastewater would mean needing to do something to further enhance the scheme in the near future.

As a result, Southland District Council agreed to pursue Option 3, a sub-surface drip irrigation system and a new business case was developed which identified a total construction cost of \$26m (*refer Attachment 3 – Business Case*). It was agreed that the increased cost would not be solely covered by the district wide rate and all Southland District ratepayers. Subsequently, it was agreed that ratepayers in the Te Anau community would directly contribute \$1.5m through a targeted rate collected over the next 30 years.

Council subsequently was granted resource consent to develop Option 3 on 2 December 2019 after a non-notified consent process. SDC was asked to seek affected party approval from the key stakeholders including Fiordland Sewage Options Limited (FSO) which represented the largest group of community opposition to the CPI scheme. FSO were comfortable with signing off on the sub-surface drip irrigation scheme as they considered it addressed many of their concerns with the original centre pivot irrigation proposal.

It is important to also note that the Milford Opportunities Project has been underway in recent years with a key focus is to identify and progress the Fiordland basin becoming a hub for Milford

Sound Piopiotahi in an effort to improve overall management of the destination. This could mean even more increased numbers of visitors and pressure on infrastructure as visitors would possibly stop in the Fiordland basin and stay longer, rather than travel from Queenstown to Milford Sound Piopiotahi on a single coach day trip. Council has had to consider the longer term implications of these possibilities which further highlighted the need for improved infrastructure.

The Milford Opportunities Project identified that the Te Anau Airport Manapouri could have a key future role in the visitor experience offered as part of visiting the Milford Sound Piopiotahi area and wider Fiordland - more than was estimated prior. This also had to be taken into consideration considering the proximity of the Kepler Land block and this proposed waste water system to the airport (less than 1km from each other).

The information below was included in the original funding application to the TIF and has been updated to reflect recent changes as above.

Challenges

Both the original business case (submitted in the 2018 application) and the new business case which further explored Option 3 as above (*Attachment 3*) align with identifying the problems, challenges and key drivers to improve the infrastructure.

The drivers are:

- a long-term sustainable solution;
- an improvement in environmental outcomes; and
- discharge to land is the preferred final treatment stage.

The investment needs are:

- The expiry date of the present consent to discharge to the Upukerora River is 30 November 2020.
- Recent 2017 amendments to the National Policy Statement – Freshwater Management mean that gaining even short-term additional consents for the existing discharge may not be possible.
- An upgraded or new scheme needs to meet environmental standards acceptable for a long-term consent of at least 25 years. This needs to be in place by the expiry date of the present consent to discharge to the Upukerora River.
- The existing wastewater treatment and disposal facility is unlikely to be capable of treating to a sufficiently high quality to allow future long-term discharge to water. The existing facility has limited ability to be adapted to improve environmental performance, but existing infrastructure has the potential to be reused as part of the overall solution if appropriate.
- The existing scheme can cope with higher flows and loads without any major loss of performance, with only minor upgrades needed (provision of more aeration). Such upgrades will not improve performance to a level that would allow a long-term consent for discharge to water to be granted.
- Any existing or new processes, or process units, must have capacity to adapt, in a reasonably cost-effective way, to higher flows and loads.
- A new scheme is needed that takes into account the requirements of the community as well as the key stakeholders. This includes recognising the two key themes of Iwi, being removing direct discharges to water, and continuous improvement.
- Any new scheme should have upgrade options to further reduce nutrient contribution to the Waiau Catchment, beyond whatever limit is consented for the initial long-term consent.

Proposed Infrastructure and Options

The region's planning framework states that discharges to land is preferred over discharges to water. Therefore, Southland District Council purchased the Kepler Block, designated the land for the discharge of wastewater and has been granted two resource consents. The first consent was on the basis of the use of centre pivot irrigation for the purposes of land treatment, particularly the removal of nutrients and pathogens. The second consent (approved on 2 December 2019) was for sub surface drip irrigation as per Option 3 below.

The consent for the current discharge from the Te Anau wastewater treatment plant to the Upukerora River expired in November 2020 and a short-term consent of three years has recently been granted to enable the final stages of construction of the Te Anau Wastewater scheme at the Kepler block and it's commissioning.

The design of treatment and disposal options for the Kepler Block must have the capacity to handle flows and loads resulting from the expected visitor, population, and business growth in Te Anau beyond the life of the current consent.

The Kepler scheme for the land treatment and disposal of Te Anau's wastewater has been granted a 25 year resource consent and is designed to have capacity to allow for predicted growth until at least 2041. The business case also assesses the potential for the scheme to be developed to provide further capacity beyond 2041.

The four options being considered are:

- **Option 1:** This is the scheme allowed by the resource consents. It continues to use the existing oxidation ponds near Te Anau prior to further land treatment and disposal at the Kepler Block by centre pivot irrigation.
- **Option 2A:** This is Option 1 with an additional level of treatment using membrane filtration sized to treat base flows up to 2,200 m³/day at the WWTP.
- **Option 2B:** This is Option 1 with an additional level of treatment using membrane filtration sized to treat peak flows up to 4,500 m³/day at the WWTP.
- **Option 3:** This is Option 2B with subsurface drip irrigation at the Kepler Block instead of centre pivot irrigation. It has been granted resource consent.

Council also undertook two processes to consider where there might be land appropriate for siting the disposal field. Given the area needed, the original processes looked specifically at Landcorp farms within the Te Anau basin. As a result of that assessment, it was determined that the purchase of a portion of the Kepler Farm adjacent to the Te Anau Airport Manapouri was the most appropriate land. That decision was subsequently questioned by the community in recent times and Council advertised for Registrations of Interest (ROI) from landowners who felt their properties would meet the published criteria to potentially be suitable for the disposal of treated wastewater.

As a result of the ROI a further eight properties were investigated and two of the properties showed some potential to be considered for further investigation from a geomorphological perspective. However, neither were of a size capable of dealing with slow rate irrigation of the volumes of wastewater that are estimated as a result of future growth in the numbers of visitors and residents.

Therefore, the preferred site is the portion of the Kepler Farm adjacent to the Te Anau Airport Manapouri.

Progress on Project Implementation since 2018

Once Council approved overall funding of Option 3, construction began in 2019 with the project projected to be finished by end of 2021. As of April 2021, all elements of the project are on track according to the programme and budget.

- A key milestone has been the completion of the 19.6km pipeline from the Te Anau Membrane Treatment facility to the Kepler subsurface discharge field which started construction in July 2019 and was completed in June 2020.
- The membrane treatment facility will be finished in August 2021 and
- Construction of the Kepler subsurface disposal field is 80% complete and while it did have some delays as a result of covid-19, it is now on schedule to be completed on time.

More information on each component is listed below.

Membrane treatment and additional storage

Construction began at the Membrane treatment facility 5 October 2020 and construction has been constant since this date with no construction delays due to Covid 19. The project is now some 7 months into construction period and is ahead on overall construction programme by 8 days. The project has experienced several days with the supply of hardware, but due to early procurement of key items these delays will not affect the final planned completion date. The project forecast is tracking well to budget and is calculated to be completed within the allocated budget.

The planned completion date for construction is August 2021 for this portion of the project, with construction currently at 85% complete

Discharge consent

The current discharge consent extension has been approved which will expire in December 2023, so with construction being completed in August 2021, the current discharge consent will still have over 2 years before the expiry of the current waste water discharge consent.

The new subsurface discharge consent has been approved and is ready to commence when upon full commissioning of the project programmed for October 2021.

Pipeline

The 19.6km pipeline from the Te Anau Membrane Treatment facility to the Kepler subsurface discharge field started construction in July 2019 and was completed in June 2020, the line is ready and waiting for the completion of the Te Anau Membrane filtration plant and the Kepler subsurface discharge field before being placed into service.

Kepler subsurface disposal field

Construction began on 5 October 2020 and has been constant since this date with no construction delays due to Covid 19. The project is now some 7 months into construction period and is ahead on overall construction programme by 3 days.

Construction is currently 80% complete, delays have been observed due to Covid 19, with two key items still remaining on back order, but there has been confirmation these items are now in transit and due into New Zealand in the month of May 2021, with the result of no current foreseeable delays to the project completion.

The project forecast is tracking well to budget and is calculated to be completed within the allocated budget.

3.2.2 Please demonstrate that the proposed project has the support of the local community (e.g. has gone through some type of consultative process), and has support from the local economic development agency or regional tourism organisation.

Please Note: During the project recipients will be asked to keep the Ministry aware of any subsequent consultation process which could result in the project either not proceeding or requiring significant change from the original proposal.

Extensive Community Consultation and Resource Consent Processes

Consultation and discussion with the community and key stakeholders has been happening since 2005 and was fully detailed in the 2018 TIF application. Wastewater schemes do not generally receive universal support and this proposal is no different. There has been mixed community views with some that want Council to get on and get a scheme constructed and a portion that is not in favour of the Kepler site or centre pivot disposal option. As detailed above, this did result in Council investigating and going with Option 3.

To ensure that the community's concerns were able to continue to be heard and considered Council created the Te Anau Wastewater Disposal Project Committee which is made up of Te Anau basin community members, the Mayor and a Councillor, and an independent member. After further examination, questioning, and technical investigations the committee recognised that the Kepler site is the only viable land for the disposal field and consequently made that recommendation to the Council which resolved as such.

Please refer to Attachment 4 and 5 which are letters of support from the Deputy Mayor of the Southland District Council and Chair of the Community Board. Both have led community consultation alongside Council staff.

Long Term Plan and Council Prioritisation

This project has been discussed in-depth and confirmed by the Fiordland Community Board and therefore included in the Southland District Council LTP. There were no objections to these projects as part of the Long-Term plan consultation and submission process.

At its recent meeting on the 2nd April 2021 the Council considered a paper on the TIF applications and the associated funding and *this project was prioritised over all others*.

Regional Tourism Organisation Support

Great South, which looks after the two regional tourism organisations for Southland (Visit Southland and Visit Fiordland) and is also the Economic Development Agency, supports and endorses this project, please refer to Attachment 6.

Support at from Central government has been widely acknowledged for the Fiordland area, which has been one of the hardest hit regions impacted by COVID-19. Support by way of investment to ensure visitor related infrastructure in Fiordland can continue to be improved over this uncertain time will ensure the visitor experience for kiwis and international visitors when they return is improved.

3.2.3 List all the benefits that you expect will flow from your proposed project (focusing particularly at the visitor benefits).

This project is about an important piece of infrastructure that supports the fundamental needs of visitors and the community, particularly in relation to what they expect in the way of services and on their perceptions of the place and the visitor 'product'.

At its most basic level the benefit is that visitors and residents can go about their lives toileting, taking ablutions, or washing and the disposal of the wastewater that is generated is managed appropriately and the effects minimised.

It is about dealing not only with the issue now but providing for the growth of visitor numbers and their needs into the future. This will enable Te Anau to grow as a regional destination in its own right over time and also in support of Milford Sound Piopiotahi.

Expectation and Environment

In this day and age, visitors have an expectation that they will have modern toilet facilities at towns like Te Anau and that the resulting wastewater will be managed appropriately. This project allows discharge of treated wastewater to land and is a significant improvement on the current discharge of treated wastewater into the Upukerora River which flows into the Fiordland National Park/Ngai Tahu Statutory Acknowledgement Area/Te Wahipounamu South West New Zealand World Heritage Area/natural state waters of Lake Te Anau.

Visitor Perception

The greatest benefit and consequently the greatest risk is to New Zealand's tourism brand. The Milford Opportunities project has found through the public surveys they have undertaken that the current perception of the way wastewater is managed is noticed by visitors. In the case of this area, it is suggested that visitors go away from Te Anau, and their trip to Milford, with the view that New Zealand is not 'clean and green' or '100% Pure'. It is seen as unacceptable for some that discharge of treated wastewater into a river, into a national park actually occurs.

Negative perceptions of our brand impacts New Zealand tourism particularly when it is related to iconic visitor destinations such as Milford Sound Piopiotahi. The use and prevalence of social media as a way of communicating a visitor's views on a place, activity, or issue means that this is an issue that needs particular care and attention.

Link to other Strategic Programmes

The benefits from this proposed project tie in with the [Southland Regional Development Strategy 2015-2025](#) which identifies improving tourism experience and opportunities as the second challenge as being the diversification of the regional economy. This is being implemented through the Milford Opportunities Project which is supported through the representation of a number of government agencies on the governance group including DOC, NZTA, MBIE, business representatives as well as Ngai Tahu and the Mayors of both Southland and Queenstown.

Milford Opportunities Project is considering a number of visitor related projects that will improve the Milford experience. These projects are broad ranging and include looking at ways to develop and promote Te Anau as the gateway to Fiordland and enhance the Milford journey which will tie in with the drive toward the regional distribution of visitors.

Southland Murihiku Destination Strategy 2019 - 2029

The [Southland Murihiku Destination Strategy 2019 – 2029](#) was a key outcome from the Southland Regional Development Strategy 2015 – 2025. The strategy is our region's destination management framework which demonstrates strong alignment to the New Zealand-Aotearoa Government Tourism Strategy. The strategy demonstrates strong alignment with the 16 Destination Management components as identified by MBIE in their Best Practice guidelines.

Amenities, Services and Infrastructure are a key focus of the Strategy to manage current and support future growth. This project is a critical piece of infrastructure that supports the

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fundamental needs of visitors and the community, particularly in relation to what they expect in the way of services and on their perceptions of the place and the visitor 'product'.

It is about dealing not only with the issues now but providing for the growth of visitor numbers and their needs into the future. This will enable Te Anau and the Fiordland Basin to further grow as a regional, national and international destination in its own right over time and will have significant benefits in terms of visitor enjoyment of a specific site.

3.3 Funding the project

3.3.1 Briefly describe the current financial situation of your organisation and why TIF co-funding is required for the proposed project.

To support your application, please provide the following information:

- How the proposed project will be funded if TIF co-funding is not received (from debt, cash flow, or some other source)
- If funded from rates, what will be the impact be on ratepayers? Will the impact be on a specific group or general ratepayers? If this will impact on a specific group, please identify the financial impact and which group this will be.
- Brief analysis of the Council's unallocated reserves (what are these, forecast levels, and proposed use over the period of the LTP)

On paper Southland District Council has a strong financial position with \$1.58 billion in net assets on its balance sheet at 30 June 2020. However, the majority of the value is associated with infrastructure assets that are not easily realisable on the open markets (roads, water, wastewater and stormwater) totalling \$1.57 billion. Council's actual cash position is in the order of \$11 million but that is needed to maintain cash flow between rates instalments.

As has been stated elsewhere in this application, the fact that the burden of paying for this significant infrastructure catering for a large visitor contribution falls on a relatively small and financially constrained number of ratepayers is one of the reasons for this application for cofunding. Those same ratepayers are responsible for paying for the operational and capital costs for a further 18 wastewater schemes across the district.

All infrastructure investment requires the Council taking on debt which generally means there is often an attractiveness to 'least cost' options. If some funding assistance can be found then it may enable Council to more readily consider options that provide greater environmental benefit even though they are more expensive i.e. invest in 'additionality' to the proposed wastewater scheme.

Annual Plan/Long Term Plan information

The [long term plan 2018-28](#) was adopted with the inclusion of \$14.7 million for the completion of the upgrade to the Te Anau wastewater discharge; this was based on estimates to complete the project with discharge to land via centre pivot irrigation. The project was to have \$342,000 funded from development contributions with the remainder funded by a loan that was to be repaid over 30 years. The loan repayments were to be funded through the district wastewater rate.

Update on Project from the 2018 TIF Application

On 23 October 2018 Council was presented with a business case comparing the costs and benefits of discharge to land by either centre pivot irrigation of subsurface drip irrigation. At the meeting Council passed the following resolutions;

- g) Notes that the capital costs of the four options outlined in the Te Anau Wastewater Scheme – Kepler Block business case have increased since the last business case was presented in December 2017 and that the cost of the different options now range between \$17.6M (Option 1 – Centre Pivot Irrigation) and \$22.2M (Option 3 – Slow Rate Drip Irrigation).
- h) Notes that Council has received notification that it will receive, subject to finalisation of appropriate contract conditions, a contribution of \$5M from the Tourism Infrastructure Fund towards the cost of implementing the Te Anau Wastewater Scheme and that this allocation is not conditional on a particular discharge method.
- i) Notes that the financial analysis included at section 5.3 of the business case suggests that rates are at or nearing what is recognised as an affordability threshold for a number of communities in the Southland district and that as a result Council should be cautious about pursuing options which increase rates above other viable options
- k) Approves the updated final business case and determines that it wishes to proceed with the implementation of Option 3 – subsurface drip irrigation as the discharge method.
- l) Determines, in accordance with section 10 of the Local Government Act 2002 that option 3 represents a cost effective way of providing good quality infrastructure given:
- That for a solution to be effective it needs to meet the needs of the community in a manner that is seen as appropriate by the community itself and in this regard notes that it has received strong submissions from members of the Te Anau and Manapouri community expressing a strong preference for the discharge method to be by way of sub-surface drip irrigation.
 - The potential for the environment surrounding the Kepler block to continue to change in the future as the Te Anau Manapouri Airport, and surrounding area, continues to develop both in terms of its level of usage and as further development occurs over time
 - The desirability of ensuring that the risk of adverse environmental effects are minimised to the greatest extent possible.
- m) Agree that a targeted rate be levied on the Te Anau and Manapouri wastewater ratepayers to fund Option 3 up to a maximum of \$1.5million and this be funded by way of a 30 year loan.
- n) Determines in accordance with Section 80 of the Local Government Act 2002, that its decision to approve Option 3 is inconsistent with the 2018 Long Term Plan given that:
- i) Subsurface drip irrigation is not the preferred method of discharge identified in the 2018 Long Term Plan
 - ii) Projected costs of the project at \$22.2 million are significantly higher than the budgeted cost of \$14.7 million
 - iii) The \$5 million of revenue projected to be received from the Tourism Infrastructure Fund was not included as projected revenue
 - iv) The provision of grant revenue for the wastewater activity is not provided for in the Revenue and Financing Policy.
 - v) The decision to fund up to \$1.5 million of the cost of option 3 from Te Anau and Manapouri wastewater users is not provided for within the Revenue and Financing Policy
- o) Determines that it is making this decision due to the strong preference of the Te Anau and Manapouri communities for a subsurface drip irrigation discharge method
- p) Determines that as a result of making this decision it will be updating the 2019/20 Annual Plan budgets and 2021 Long Term Plan financials to recognise the changes in the financial costs, revenue, the subsurface drip irrigation discharge method and the funding of a portion of the cost from the Te Anau and Manapouri waste water users.

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Following the installation of the delivery pipeline from Te Anau to Kepler, it was determined that the original cost estimates in the business case were insufficient. A confidential report was put to Council on 7 May 2020 resulting in the following resolutions:

- d) *Notes the differences between the Business Case Estimates and Tendered Prices for packages 4A and 4B.*
- f) *Determines that the project must be completed in order to ensure that Council has a consented discharge option that will allow the Te Anau wastewater scheme to continue to operate.*
- g) *Agrees the approval of an unbudgeted expenditure of \$4.7 million to fund the completion of the project and that this is funded from a 30 year loan repaid through the district wastewater rate.*

This report to Council also included a separate budget for an extension to the existing consent the current budget approved by Council of \$27 million.

Currently this is to be funded by:

- \$340,605 - development contributions
- \$5,000,000 - Tourism Infrastructure Fund application in 2018
- \$1,500,000 - 30 year loan funded by ratepayers in Te Anau and Manapouri
- \$2,000,000 - three water services reform through the Department of Internal Affairs
- \$18,159,395 - 30 year loan funded by district wastewater ratepayer

The \$2,000,000 contribution through the three water reform was to reduce the rates impact through year 1 of the proposed long term plan. It was proposed for accelerated procurement and construction of specific project items. This will benefit wastewater ratepayers across the Southland District.

Funding - if nothing received from TIF

This application requests \$1.5m in further support from the TIF. It is proposed that if successful, it will mean Council does not need to establish the proposed \$1.5m 30 year loan to be funded by ratepayers in Te Anau and Manapouri as detailed above. This removes the burden of repayment of this loan from a relatively small number of people who are continuing to pay the costs associated with visitors as well as shoulder increased district wastewater and other rates.

With only 21,000 rating in the Southland District, the ratio of visitors to residents (based on the number of visitors to Milford in 2017/18) the ratio is 40 to 1. Even using the guest night figures for the district the ratio is 36 to 1.

Both Te Anau and Manapouri (and surrounding rural areas) are within the Fiordland Community Board rate area. There are currently 5,197 ratepayers that pay the Fiordland Community Board rate paying a combination urban, semi urban and rural rate. A differential is applied to semi urban of 0.5 and to rural of 0.25 of the urban rate. The proposed urban rate for 2021/22 is \$239.30 GST incl (\$208.09 GST excl); for a total value of \$601,837 GST incl (\$523,337 GST excl).

In addition to district rates ratepayers in Te Anau and Manapouri are also subject to the Te Anau Airport Manapouri targeted rate. This is \$67.69 GST incl (\$58.86 GST excl) for a total value of \$195,692 GST incl (\$170,167 GST excl).

The loan repayments on the \$1.5 million will require an additional \$77,021 GST incl (\$66,975 GST excl) from a similar group of ratepayers. If the same 5,197 ratepayers that pay the Fiordland Community Board rate fund this loan it is an additional \$30.62 GST incl each.

If this application is successful it would remove the burden of the repayment of this loan from the Te Anau and Manapouri ratepayers.

At the same time the wastewater ratepayers in Te Anau/Manapouri will need to pay the increases in the district wastewater rate. The district has 19 wastewater schemes and there is increasing pressure to upgrade the individual schemes to meet higher environmental standards and to ensure that discharge is in line with Southland water and land plan.

In 2019-20 the district wastewater rate was set at \$437.64 (incl GST). The draft long term plan 2021-31 has proposed increases for the district wastewater rate of 33.27% in year 1 (the impact of funding construction for the Te Anau upgrade). In years 2-10 it varies from 0.53% to 12.59% depending on the requirements for upgrades and consenting across the district.

Along with increases to district wastewater many of these ratepayers are also subject to the district water rate. In 2019-20 the district water rate was set at \$484.54 (incl GST). The draft long term plan 2021-31 has proposed increases of 0.60% and 16.97% to ensure that appropriate monitoring is occurring across the districts 10 potable and two treated rural schemes and that they are all brought up to appropriate standards.

The independent inquiry into Local Government rates suggested that the trigger for exceeding rates affordability was 5% of household income. Work completed as part of development of the long term plan 2021-31 indicates that based on the 2019 rate year a number of our communities (including Manapouri) are already over this percentage with Te Anau being just below (see separate document

Unallocated Reserves

Southland District Council has \$41.8 million of reserves at 30 June 2020. A significant portion of these reserves are held for a community or specific asset class. These funds have predominately been loaned out to our communities by way of internal loans to assist with asset development across the district.

Council has three general reserves with a balance of \$11.3 million at 30 June 2020. The interest income from one of these general reserves (\$8.5 million) has traditionally been used to offset the roading rate, this is due to the reserve being created when the roading operation was sold. However, as part of the draft long-term plan 2021-2031 it is proposed that part of these funds will be used to fund some of the increased roading capital programme in the first four years. The expected balance at the end of 2030-31 is \$4.2 million. The other two reserves have a total balance at 30 June 2020 of \$2.8 million are intended to provide coverage in the event of unexpected costs (including a natural disaster). These two reserves are forecast to be \$2.7 million at the end of 2030-31.

There are currently four reserves specifically for use in Te Anau. All of these have been collected for purposes other than wastewater and are not available for use in relation to the current upgrade.

District wastewater has minimal reserves available to it at 30 June 2020. While Council has phased in funding of depreciation since the 2015-16 financial year, the funds generated through this process are currently being utilised in either the same year they are rated for or the one following. The LTP 2021-31 projects that this reserve will have a balance of \$1.6 million at 30 June 2031, this balance accumulates in years 7-10 where there is minimal capital work currently planned.

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Affordability

Te Anau has about 2000 permanent residents and the whole of the Southland District has only about 30,000 people. The district has 19 wastewater schemes and there is increasing pressure to upgrade to the local schemes to meet higher environmental standards. Council's wastewater schemes are district funded by the ratepayers serviced by reticulated wastewater schemes, therefore of the 21,000 rateable units only 47% (9,866) contribute to funding wastewater.

The draft 2018-2028 LTP has a further \$11.3 million of wastewater upgrades programmed over and above the proposed Te Anau wastewater scheme. Those costs will be borne by the same ratepayers and while some of the communities have a visitor component to their inflows none are currently to the same extent as Te Anau.

The district's wastewater ratepayers are already shouldering the costs of providing for visitors, for example, at Curio Bay the district ratepayers have already had to fund a new wastewater scheme that is exclusively used by the 100,000 to 150,000 annual visitors to the beach, camping ground, and the petrified forest. It cost about \$1 million in capital expenditure and its ongoing annual operating expenditure is in the order of \$60,000.

The independent inquiry into Local Government rates suggested that the trigger for exceeding rates affordability was 5% of household income. Work completed as part of development of the long term plan 2021-31 indicates that based on the 2019 rate year a number of our communities (including Manapouri) are already over this percentage with Te Anau being just below (see separate document)

Conclusion

The Te Anau wastewater scheme has to be nearly **six** times larger than that needed to cater for the permanent population because of visitors to the town.

The cost of the scheme will have to be met by less than half of the total rating units in the Southland District because they are the ones that benefit from being serviced by reticulated wastewater schemes and therefore pay the District wastewater rate.

In the Southland District 42% of households earn less than \$50,000 and 61% of the households earn less than \$70,000 so rates affordability is becoming a significant issue.

3.3.2 Describe what alternative sources of funding were explored before this co-funding request was made.

This project is intended to be funded through development contributions, existing wastewater reserves with the remainder funded by an internal loan. The internal loan will be repaid over 30 years and funded by the district wastewater rate.

Consideration has been given to trying to recover more development contributions, but limited amounts have been earned through this avenue in the past 10 years as Te Anau as it has not had any significant subdivision for some time.

In addition to the loan that ratepayers will be repaying for the capital construction costs associated with this proposal, it should be noted that they have already previously funded the \$4.5 million purchase of the Kepler land for the proposed disposal site and that this was partly funded using the development contributions held at the time.

No other funding sources have been investigated to date.

Tourism infrastructure funding is not a funding priority for community funders and even more so in today's COVID-19 funding environment.

3.3.3 Please list any other active TIF funded projects and provide an update on progress.

Please Note: strong preference will be given to applications from councils that have completed previously approved projects.

Active Projects

Southland District Council currently has two active TIF applications, the Southern Scenic Route and Te Anau Wastewater applications as outlined in this application.

The Southern Scenic Route application consisted of four separate projects -

- Waikawa Toilet Upgrade (complete)
- Te Anau Town Centre Toilet (complete)
- Monkey Island Camping Area Development (incomplete)
 - *There is some interpretation work to complete and the shelter to be replaced.*
- Clifden Bridge Camping Area Development (incomplete)
 - *There is some outstanding interpretation work to complete.*

Due to unforeseen issues with both of these pieces of the project Southland District Council have included the funding for the outstanding work in the first year of the Long-Term Plan.

Previous Completed Projects

Southland District Council have successfully received funding from MBIE via the Tourism Infrastructure Fund for previously completed projects:

- Lumsden Upgrade got TIF funding in 2017
- Real Journey's Manapouri Carpark got TIF funding in 2019

Knobs Flat Wastewater Disposal Upgrade

The TIF allocated funding towards an upgrade of wastewater disposal system at Knobs Flat in collaboration with Milford Sound Tourism. Milford Sound Tourism has since advised that they are not continuing with the project at this stage so have not picked up the funding.

3.3.3 Financials for proposed project Provide a breakdown of the tasks and associated costs required to complete the project. All costs should exclude GST. Use the 'insert row' function if you wish to add more milestones/tasks.

Marginal operating and maintenance costs for the first 2 years may be taken into consideration by the TIF Panel when assessing an appropriate level of funding, i.e. the additional operational and maintenance costs when the proposed project is completed.

Note: In most circumstances TIF co-funding will not be available of obtaining land access, resource consents, building consents, staff resourcing or on-going servicing of existing infrastructure.

Note: The TIF decision-making process could take up to 2-3 months from the closing date of applications. Please take this into account when planning your project timeline, especially if the project start date is contingent on TIF funding being secured.

Milestones and Project Tasks	Estimated Start Date	Estimated Completion Date	Total cost	TIF funding sought	Applicant co-funding	Key assumptions made in estimating costs
'Milestone one' - Disposal Field; Membrane Plant & Treatment Facility						
• Sub surface disposal field	5 October 2020	30 July 2021	\$6,174,653.21			Price is based on first principal pricing submitted by contractor
• Membrane Plant and treatment facility and additional storage	5 October 2020	30 September 2021	\$9,979,000.00			Project portion was competitively tendered on open market, value is contractor tender sum
• Project professional fees and consent applications	June 2017	December 2021	\$4,472,579.49			
Sub-Totals (do <u>not</u> include Annual operating / maintenance):						
<u>Annual</u> operating / maintenance cost only:						
'Milestone two' – Disposal Field Supply Pipeline						

• Disposal field supply pipeline	July 2019	June 2020	\$5,066,636.74			Cost incurred for full and final installation
•						
•						
Sub-Totals (do not include Annual operating / maintenance):			\$25,692,869.44			
Annual operating / maintenance cost only:						
'Milestone three' – Project Contingency						
• Contingency			\$1,324,489.56			
•						
•						
Sub-Totals (do not include Annual operating / maintenance):						
Annual operating / maintenance cost only:						
			Total Cost	TIF funding sought	Applicant co-funding	
Totals (do not include Annual operating / maintenance): (Must equate to the project cost detailed in Section 1.1)			\$27,000,000.00	\$6,500,000.00 (\$1.5m this app; \$5m already secured 2018)	\$20,500,000.00	
Total Annual operating / maintenance costs only:						

3.4 Risks and Mitigations

Overview

The Te Anau Wastewater scheme project has 96 live risks identified and can be viewed in full in Attachment ??, The top five are listed below. Due to the advanced nature of the construction programme the technical and procurement risks are currently being managed and will be revised or completed by the end of June 2021.

Current top five risks for the construction of the treatment plant.

Risk Area	Risk Description	Risk	Mitigation
Health and Safety	COVID 19 Flu Pandemic	Total shut down of all work sites	New Zealand to go into potential indefinite lockdown
Technical	Ramparts water scheme running low or out of water, preventing the Analyte operation to be performed	Inability to run Analyte machine	Place secondary bore on Kepler (if applicable site to feed plant or take water from Te Anau airport)
Technical	Dripper line emitters having failures of 1 in 1000	Dripper line emitters having failures of 1 in 1000	Have repair kits in New Zealand to perform emitter replacement
Procurement	Procurement issues with New Zealand import restrictions	Inability for contractors to provide key hardware items, causing delays and additional cost, or preventing completion of project	Upon award of contracts, key long supply items need to be identified, alternatives identified where possible, discussion with New Zealand import authorities as to possible delays
Procurement	International Logistics, devanning or Covid risk	Delays or restrictions in getting hardware out of International locations due to Covid 19 export lockdowns, risk of devanning and Covid contents	Early identification of potential delays with international suppliers, identify possible locally sourced alternatives

Section 4: Declaration by lead applicant

I declare on behalf of the applicant(s), that:

- I have read this form, and the Guidance for Applicants, and fully understand the procedures, terms, conditions and criteria for TIF co-funding;
- this application form outlines the basis on which this application is made;
- I have read, understand and accept MBIE's standard form contract, including the terms and conditions, a copy of which is attached as Schedule 1 in the Guidance for Applicants;
- the statements in this application are true and the information provided is complete and correct and there have been no misleading statements or omission of any relevant facts nor any misrepresentation made;
- I understand MBIE and its advisers may disclose to or obtain from any government department or agency, private person or organisation, any information about the applicant(s) or project for the purposes of gaining or providing information related to the processing and assessment of this application;
- the applicant(s) will, if requested by MBIE or its advisers in connection with this funding process, provide any additional information sought and provide access to its records and suitable personnel;
- I understand MBIE may undertake due diligence checks as needed to meet government requirements, and I consent to checks required being carried for those purposes;
- I consent to the public release, including publishing on the Internet, of the name of the applicant(s), the amount of grant sought, contact details of the applicant(s) and a general statement of the nature of the activity/project, and undertake to cooperate with MBIE on communications relating to this application;
- I understand MBIE's obligations under the Official Information Act 1982 and that, notwithstanding any relationship of confidence created as a result of this application, the provisions of this Act apply to all of the information provided in this application;
- the application involves an activity/project that is a lawful activity that will be carried out lawfully;
- the applicant(s) is not in receivership or liquidation nor will the project be managed by an undischarged bankrupt or someone prohibited from managing a business;
- where external providers are being employed as part of the project/activity, the relevant providers will not be employees or directors of the applicant, and nor do they have any other direct or indirect interest in the applicant, whether financial or personal unless specifically stated in the application;
- I am authorised to make this application on behalf of the applicants identified in section 1;
- I understand that MBIE may withdraw its offer of funding should the proposed project fail to be completed within the agreed timeline (detailed in Section 3.2.4).

MBIE-MAKING-IT-EASIER

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form April 2021

Signature of lead applicant This acknowledgment must be signed by a person with the legal authority to commit your organisation to a transaction (e.g. Chief Executive or Mayor)	
Name	Cameron McIntosh
Title	Chief Executive
Organisation	Southland District Council
Signature	
Date	30 April 2021

Section 5: Attachments

Attachment 1: Visitor Insights For Fiordland RTO

- A strong tourism industry impacted by COVID19 - DataVenture (Statistics New Zealand)
- Fiordland destinations – Milford and Doubtful Sounds – Milford Sound Tourism/ Great South
- Accommodation indicators – MBIE (Commercial Accommodation Monitor)
- Vehicle movements, travel directions and flows - Waka Kotahi New Zealand Transport Agency/ UberMedia
- Spend indicators - MBIE (Tourism Electronic Card Transactions)
- Future and anticipated growth – Tourism Satellite Account

Attachment 2: Stantec's Notice to Client – NTC 40

Attachment 3 – Business Case

Attachment 4: Letter of Support: Deputy Mayor of the Southland District Council

Attachment 5: Letter of Support: Chair of the Community Board

Attachment 6: Letter of Support: Regional Tourism Organisation

Attachment 1: Visitor Insights For Fiordland RTO

MBIE-MAKO-18514486

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form April 2021



APPENDIX A:

VISITOR INSIGHTS FOR FIORDLAND RTO

PREPARED 30 APRIL 2021

Regional Context

Prior to the impacts of the COVID-19 pandemic and the subsequent international border closure, Southland was experiencing high levels of visitor growth across the entire region. This was critical to key touring routes developed through the region, including the Milford Road corridor (i.e., travel from Queenstown to Milford Sound) and through the Southern Scenic Route. For the calendar year of 2019, the total Southland region achieved 3% growth in visitor spend, equating to \$692 million, with the Southland and Fiordland Regional Tourism Organisations (RTO) up 2% and 5% respectively. This was driven by a buoyant international and domestic markets.

Similar levels of growth can be observed across all visitor indicators monitored by Great South, with strong growth observed in the accommodation sector, key destinations such as Rakiura Stewart Island, Milford and Doubtful Sounds and vehicle movements. The COVID-19 pandemic has severely impacted visitor spend and destination development of the region. Following the national lockdown and when domestic travel was becoming available again, a strong rebound was observed in Southland RTO, with high numbers of domestic travellers. Such a rebound has not been observed in Fiordland RTO due to high reliance on international travellers.

Great South monitors key tourism destination indicators for Fiordland RTO (encompassing both Te Anau and Manapouri townships). Through this appendix, we provide insight into the historical, and anticipated growth challenges for Te Anau and Manapouri. Key indicators reviewed, include:

- Guest nights (commercial accommodation)
- Destination specific indicators (passengers through Milford Sound and Manapouri Terminals)
- Daily visitor counts (DataVentures/Statistics New Zealand)
- Regional visitor flows through Southland region (UberMedia)
- Regional (tourism) spend data

A strong tourism industry impacted by COVID19

Data supplied by DataVentures, provides a daily estimate of number of people within the RTO boundary. Based on this data, prior to COVID19 Fiordland saw around 2,000 international visitors per day during the peak tourism season¹, and a further 1,600 domestic visitors (outside of Southland). Unsurprisingly, with the closure of the borders, only international visitors remaining in the country visited this season, averaging 144 international visitors² a day. With disruptions to domestic travel (e.g., regional COVID lockdowns), the average number of domestic visitors fell to 1,350 per day for this season.

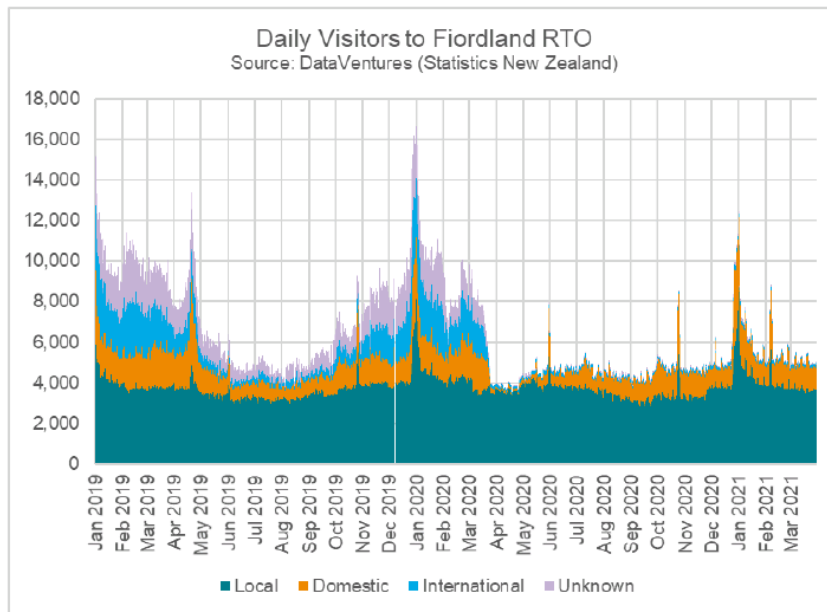
¹ November to March

² This number may be overestimating actual number of international 'visitors' (with migrant workers and New Zealanders returning home), however other data held by Great South shows a small number of international visitors still travelling around the region.

Southland Regional Development Agency

143 Spey Street, PO Box 1306, Invercargill 9840, Southland, New Zealand
Phone +64 3 211 1400 Email info@greatsouth.nz

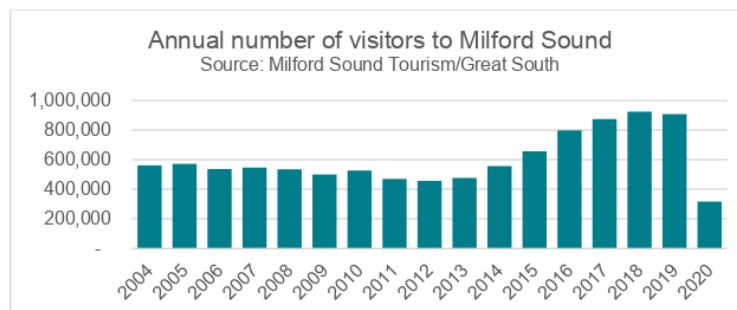
greatsouth.nz



Fiordland destinations – Milford and Doubtful Sounds

Milford Sound has experienced a high rate of visitor growth, averaging around 4% growth year on year for the past 16 years. However, since 2016, this increased to an average growth of 12% year on year. This was tracking towards 1 million visitors a year, with just over 900,000 visitors in 2019.

This increasing demand was heavily reliant on the international tourism market making greater than 50% of visitors to Milford Sound. With the impacts of the international border closure, and the closure of the Milford Road (with damage from the Fiordland floods), visitation to Milford Sound dropped to around 300,000 visitors in 2020, a 65% reduction.



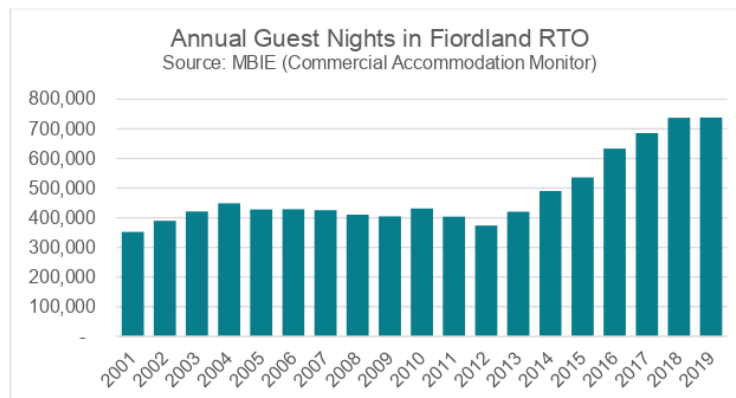
Data provided by Wayfare Group shows the number of visitors travelling across Lake Manapouri for the past 4 years. Travel across Manapouri is relevant both for cruises in Doubtful Sound, and some of the 'adventure' cruise travel through the southern fiords. Here, we see less of a marked impact of the closure of international borders, with only a 32% reduction in visitation during 2020, likely driven by high numbers of domestic visitors opting for Doubtful Sound/Southern Fiordland.

Calendar Year	Passengers Numbers	Change
2017	105,000	
2018	105,000	0.0%
2019	112,000	6.7%
2020	76,000	-32.1%

Accommodation indicators

Historical data held by MBIE through the Commercial Accommodation Monitor has shown a similar trend of growth through the Fiordland RTO boundary, with an average of 11.3% growth in annual guest nights, year on year between 2016 and 2018. This monitor was discontinued in late 2019³. Annual guest nights for Fiordland peaked at just over 730,000 in 2018.

The new metric adopted by MBIE (Accommodation Data Program) for June – December 2020 (6-month period), shows guest nights of just over 150,000 – less than half of what Fiordland used to see over a similar period.



Data held by TripTech, a platform showing visitation predominantly of the Free Independent Travellers, particularly international markets, also shows a marked drop in the number of visitors to the RTO area.

Period	Number of Nights	Change
Year End March 2020	21,391	
Year End March 2021	7,372	-65.5%

³ As the monitor concluded in September, an estimate is provided for October – December 2019

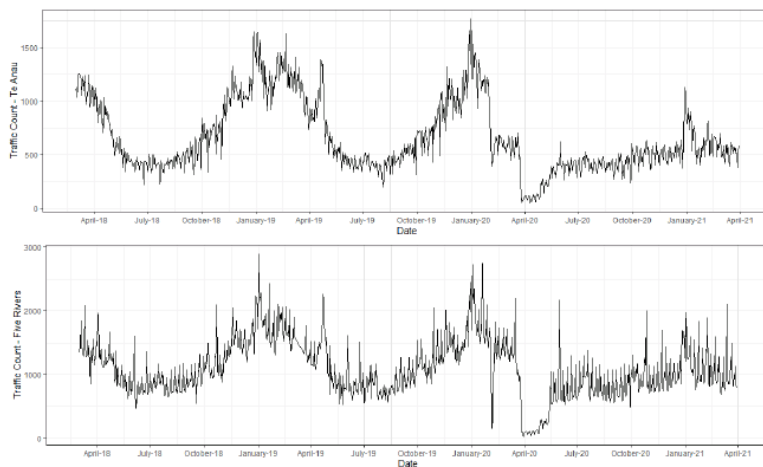
Vehicle movements, travel directions and flows

Data provided by Waka Kotahi New Zealand Transport Agency, shows general travel patterns through their permanent traffic monitoring sites at

- Te Anau – on the outskirts of Te Anau, on the Milford Highway (State Highway 94)
- Five Rivers – on State Highway 6

At both sites, the number of light vehicles has been monitored⁴, and both show a reduction in traffic as a result of the closure of international borders and less rental/self-drive travellers through the region.

In Te Anau, the maximum number of daily vehicles heading towards Milford Sound, was just over 1,500 (January 2020), but this has dropped around 33% to 500 vehicles a day from February 2020⁵ and has not recovered since. At the Five Rivers site, the number has dropped from a peak of just under 3,000 (January 2019) to just over 1,000 per day, a drop of 67%.

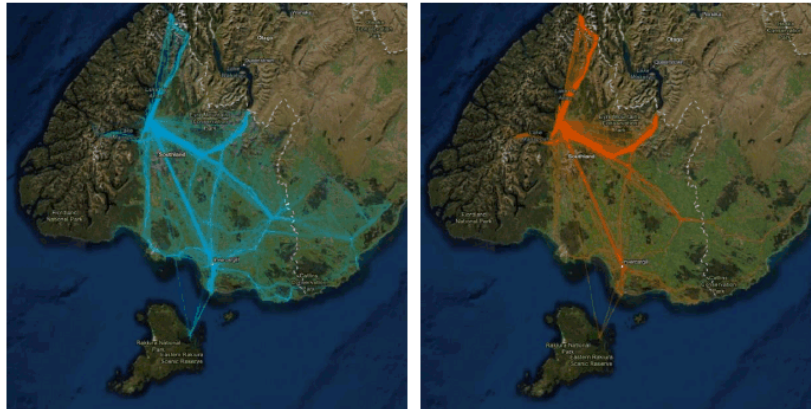


Great South has also reviewed route data of international and domestic (non-Southlanders) visitors, held by UberMedia for 2020, as a key insight into visitor flows. The figure presented below shows these patterns, with each line representing an independent traveller's route. Where their exact route is not known, a line is drawn between the two known points

This confirms the high numbers of international travellers on the Queenstown to Te Anau/Milford Corridor, as shown above through the traffic counts. It further shows the development of routes into Fiordland from the south, namely from Invercargill to Te Anau. Regardless, this shows a clear picture of Fiordland acting as a focal point of visitation to the wider Southland region, historically. Domestic travel, unsurprisingly, is more varied with more travellers opting for travel around the Southern Scenic Route (around the south coast).

⁴ Therefore, excludes the number of commercial buses, and trucks on the road.

⁵ Following the Fiordland Floods, and COVID border closures



Domestic Visitor Flows - 2020

International Visitor Flow - 2020

Note:

Where the travel route between two towns is unknown, a straight line is drawn between the towns. (e.g., between Te Anau and Invercargill). Data derived from UberMedia of 647 international travellers, and 1,371 domestic travellers

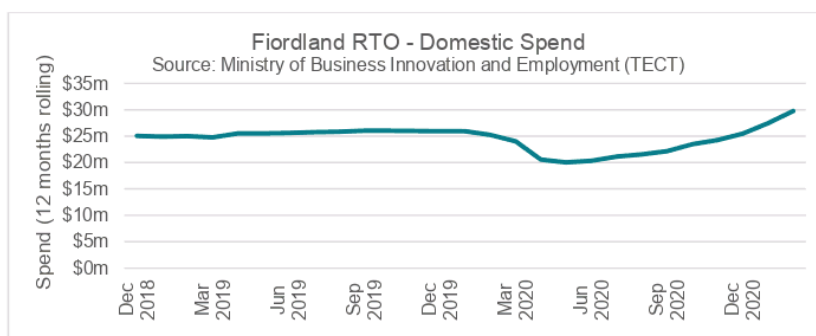
Spend indicators

Data provided by MBIE's Tourism Electronic Card Transactions (TECT) shows the proportion of electronic transactional spend through the regional tourism organisation area, by defined visitors. This provides an overall context of the impact of the COVID19 and associated closure of borders on the region.

The overall spend figure presented below shows Fiordland as the worst hit Regional Tourism Organisation area, when 12-month spend is compared to the previous year. As shown, Fiordland had a reduction in spend of 55%

	YE February 21	Change in Spend
Destination Fiordland	\$ 36m	-55%
Destination Queenstown	\$ 514m	-39%
Great South	\$ 204m	-9%

Through reviewing domestic spend for Fiordland, a stable trend (year on year) can be observed, with a slight increase in spend over the 2021 summer.



Future and anticipated growth

Forecasting undertaken by Infometrics suggests international tourism will return to about 80% by 2025. Our expectation is that Southland will achieve between 80% and 100% of current figures within this time, based on current indicators. The Tourism Satellite Account, for the Year End March 2020 (so prior to the impacts of the COVID 19 pandemic), estimated there would be 3.7 million international arrivals into New Zealand. 80% of this is 2.9 million international arrivals, similar levels to what was seen in 2015.



Adopting the assumptions of this model, then it is a fair assessment that Southland is likely to see the levels of demand for tourism infrastructure in 2025 that was seen in 2015. This includes:

- Approximately 500,000 guest nights across Te Anau and Manapouri and 20,000 guest nights freedom camping through the region.
- Approximately 650,000 visitors to Milford Sound, and 80,000 to 100,000 guests across Lake Manapouri

Summary

Based on this review, we find the following:

- Fiordland, and specifically Te Anau, Manapouri are a key part of the wider Southland tourism offering, with significant volumes of visitors opting to visit Fiordland tourism products. As such the area has had significant recent growth.
- With the closure of international borders, Fiordland has seen biggest reduction in spend on a percentage basis, nationally.
- However, domestic spend in Fiordland for the past two years has shown a slight increase.
- Visitors to Milford Sound have reduced 65% (YE Dec 2020) as a result of this closure. However Doubtful Sound visitation (through Manapouri) has only reduced by 32% (YE Dec 2020), this is due to the strong domestic offering of Doubtful Sound.
- Accommodation indicators show a similar picture, with strong growth in guest nights through until 2019, and the significant reduction (at least 50%) in 2020.
- Based on modelling undertaken by Infometrics, we expect visitation to return to 2015 levels within the next 4 years. Significant constraints on ageing infrastructures of this load with a strong domestic market and the return of these levels of tourism are expected.

Should you require any further context to this, please contact the undersigned.

Mat Darling
Great South Data Insights Analyst

Southland Regional Development Agency

greatsouth.nz

Attachment 2: Stantec's Notice to Client – NTC 40

NOTICE TO CLIENT



Page 1

DATE	24 November 2017	CLIENT	SDC Water and Waste Services
CONTRACT	Te Anau Wastewater - Upgrade	ADDRESS	PO Box 903
PROJECT NO.	80508131		INVERCARGILL
CONSECUTIVE NO.	40	ATTENTION:	Ian Evans / Simon Moran

P:_2012 Onwards\Southland District Council\80508264 Te Anau WWTP\C - Client Correspondence\CI - Notices to Clients\NTClient 40 Tourist Numbers\NTClient 40 Tourist Numbers.docx

Te Anau Wastewater Scheme. Effect of Visitors on Flows

This Notice is to respond to the request to provide information on the effect of visitors to Te Anau on the design flows. This response is based on the June 2013 MWH report "Te Anau Wastewater Flows Report" (the Report). This report was included as Appendix F of the Kepler Block discharge consent application.

The methodology for determining the flows of the Te Anau scheme was:

- Determine a breakdown of the present contributing flows, based on historical information. Appendix B of this report describes the Base Calculations used to build up a flow profile.
- Extrapolate these flows through to the year 2042, based on available statistical information.

Contributing Flows

Section 3 of the Report assesses the breakdown of historical flows in the categories of:

- Permanent Residents. Defined as the population which reside in Te Anau the whole year. This is effectively the population that calls Te Anau "home". Largely based on census data, a population of 1,887 was derived.
- Holidaymakers. Defined as vacationers who arrive in Te Anau and settle in holiday homes (excluding hotels, motels and lodges). Unoccupied dwelling numbers were obtained from census results.
- Tourist Accommodation. Defined as those staying in commercial accommodation. This was derived from a selection of commercial accommodation monitoring reports over the last 10 years for Fiordland.

Per Capita Wastewater Quantities

Section 2.4 of the Report also deduced that per capita flows differed between dwellings and tourist accommodation:

Source	Flows per Head (litres per person per day)
Dwellings	270
Tourist accommodation	154

Seasonality

Section 2.4 of the Report deduced:

- Winter base flow is due to the permanent population
- The summer base flow is due to permanents and tourists
- Peak flows are due to permanent residents, tourists and holidaymakers.

NOTICE TO CLIENT



Page 2

Wet Weather Flows

The Report allows for increased flows due to wet weather, as it is based on historical data.

Resident vs Visitor Flow

Referring to Appendix B of the Report, the design flows are made up as follows:

Source	Permanent Residents	Holiday Makers	Tourist	Total m ³ /day
Winter Base Flow	509m ³ /day	0	41	550
Winter Peak Flow	509	176	158	843
Summer Base Flow	509	294	200	1,003
Summer Peak Flow	509	895	388	1,792

Note, during the summer peak (Christmas holiday period) it is assumed that extra visitors are also staying with permanent residents. These people have been classified as holiday makers.

Growth

The Report was prepared in 2013, and used 2006 census data (the 2011 census was delayed until 2013 by the Christchurch earthquake). Very little growth occurred 2006 – 2013, with the assumption that the global financial crisis had a large, but temporary effect.

Appendix D of the report predicted the growth in summer and winter peak flows under a range of scenarios, as illustrated in the following graphs:

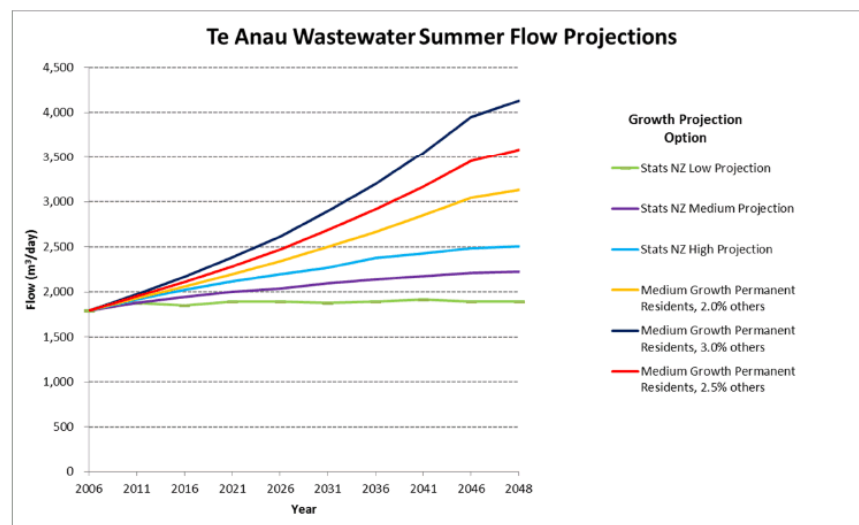


Figure 1: Increase in summer Peak Flows

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Page 3

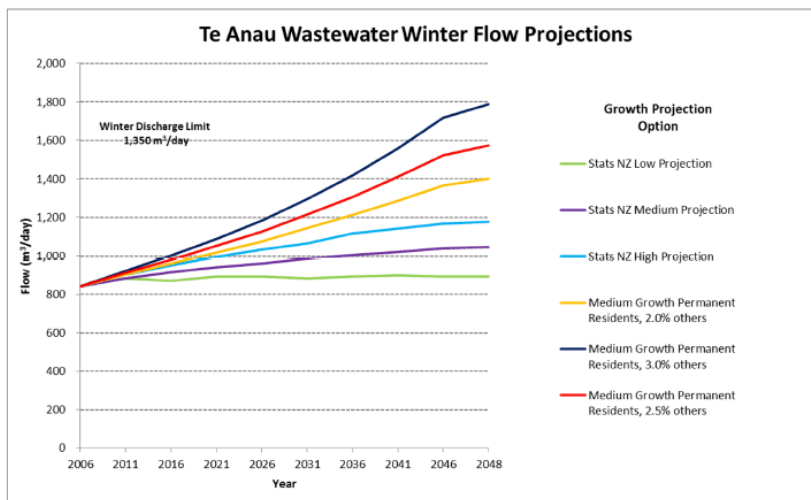


Figure 2: Increase in winter peak flow

Discussion of Flow Projections

The lower three lines on the graphs are projections based on Stats NZ data. This data is for normally resident population growth rates, and assume that visitor growth is in direct proportion. Over the 2006 - 2048 period the low, medium and high Stats NZ projections equate to 0.14%, 0.5% and 0.8% year on year annual growth of the permanent population.

By way of sensitivity analysis, higher visitor growth rates of 2.0 – 3.0% per annum were also assessed, in combination with the 'medium' permanent resident population growth projections. These are the higher three lines on each graph.

NOTICE TO CLIENT



Page 4

2048 flow Breakdown

A breakdown of the summer peak flows calculated for 2048, and shown in the above graph, is:

Source	Permanent Residents	Holiday Makers	Tourist	Total m ³ /day
Stats NZ low projection	539m ³ /day	947	411	1,897
Stats NZ medium projection	633	1,112	482	2,227
Stats NZ high projection	711	1,250	542	2,503
Med Growth permanent, 2.0% others	633	1,744	756	3,133
Med Growth permanent, 2.5% others	633	2,057	892	3,582
Med Growth permanent, 3.0% others	633	2,440	1,058	4,131

Roger Oakley
Stantec New Zealand Limited
emailed 24 November 2017

(for Client)

Roger Oakley
Reviewed by: Jack Boyd

Stantec New Zealand
Level 3, John Wickliffe House
265 Princes Street
Dunedin, New Zealand
Telephone: 0-3-477 0885
Facsimile: 0-3-477 0616

Attachment 3: Business Case

MBIE-MAKO-18514486

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

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TE ANAU WASTEWATER SCHEME KEPLER BLOCK BUSINESS CASE

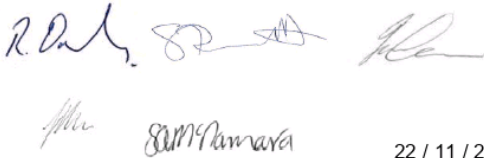


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QUALITY STATEMENT

PROJECT MANAGER		PROJECT TECHNICAL LEAD
Rima Krause		Roger Oakley
PREPARED BY	 Roger Oakley, Sue Bennett, Ian Evans, Simon Moran, Susan McNamara	
CHECKED AND REVIEWED BY	 Ian Evans (SDC), Simon Moran (SDC)	
APPROVED FOR ISSUE BY	 Rima Krause	
		22 / 11 / 2017
		22 / 11 / 2017
		22 / 11 / 2017

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REVISION SCHEDULE

Rev No	Date	Description	Signature or Typed Name (documentation on file).			
			Prepared by	Checked by	Reviewed by	Approved by
1.0	10 Oct 2017	Partial Working Draft for TAWWDPC	RO, SB	I Evans	S Moran	R Krause
2.0	10 Nov 2017	Working Draft for Council	RO, SB, IE, SM	I Evans	S Moran	R Krause
3.0	22 Nov 2017	Final Draft for Council	RO, SB, IE, SM	I Evans	S Moran	R Krause
4.0	6 Dec 2017	Final Draft for Council	RO, SB, IE, SM	I Evans	S Moran	R Krause

2 | Business Case: Te Anau Wastewater Kepler Block

Te Anau Wastewater Scheme - Kepler Block Business Case

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Executive Summary

Purpose of Business Case

The Business Case analyses the options available for the treatment and disposal to land of treated wastewater from Te Anau to a block of land known as the Kepler Block. It recommends a preferred option and provides a justification for approval of the project by Southland District Council (SDC). The option assessed were:

Option 1: This is the scheme allowed by the resource consents. It continues to use the existing oxidation ponds near Te Anau prior to further land treatment and disposal at the Kepler Block by Centre Pivot Irrigation.

Option 2A: This is Option 1 with an additional membrane filtration step sized to treat base flows up to 2,200 m³/day at the WWTP.

Option 2B: This is Option 1 with an additional membrane filtration step sized to treat peak flows up to 4,500 m³/day at the WWTP.

Option 3: This is Option 2B with Subsurface Drip Irrigation at the Kepler Block instead of Centre Pivot Irrigation.

Except for Option 2A, all options are designed for the predicted peak flow of 4,500 m³/day.

The consent for the current discharge of treated wastewater to the Upukerora River expires in November 2020.

The Business Case seeks formal approval to undertake a proposed upgrade of the Te Anau Wastewater discharge by discontinuing the direct discharge to the Upukerora River and replacing it with an alternative land based treatment and disposal method based on the option selected by Council.

The Business Case is being prepared to critically review the Kepler Block based options. It is focused on the irrigation to land for the purposes of further treatment and disposal at the Kepler Block to the north of Te Anau Airport Manapouri. If other options become available, they will be reviewed against the Key Constraints as outlined in the Business Case.

The Business Case comprises:

- the 'Strategic Assessment', which provides a compelling case for change
- the 'Options Assessment', which identifies the preferred option
- the 'Procurement Approach', which includes the 'Timeframe', and
- the 'Financing and Funding Arrangements'.

The design of treatment and disposal options for the Kepler Block or any alternative must have the capacity to handle flows and loads resulting from the expected population growth and business development in Te Anau beyond the life of the current consent.

The Drivers for the project are:

- a long-term sustainable solution;
- an improvement in environmental outcomes; and
- discharge to land is the preferred final treatment stage.

The Investment Needs of the project are:

- The expiry date of the present consent to discharge to the Upukerora River is 30 November 2020;
- Recent 2017 amendments to the National Policy Statement – Freshwater Management mean that gaining even short term additional consents for the existing discharge may not be possible.
- An upgraded or new scheme to meet environmental standards acceptable for a long term consent of at least 25 years. This needs to be in place by the expiry date of the present consent to discharge to the Upukerora River.
- The existing wastewater treatment and disposal facility is unlikely to be capable of treating to a sufficiently high quality to allow future long term discharge to water. The existing facility has limited ability to be adapted to improve environmental performance but existing infrastructure has the potential to be reused as part of the overall solution if appropriate.
- The existing scheme can cope with higher flows and loads without any major loss of performance, with only minor upgrades needed (provision of more aeration). Such upgrades will not improve performance to a level that would allow a long term consent for discharge to water to be granted.
- Any existing or new processes, or process units, must have capacity to adapt, in a reasonably cost effective way, to higher flows and loads.
- A new scheme is needed that takes into account the requirements of the community as well as the key stakeholders. This includes recognising the two key themes of Iwi, being removing direct discharges to water, and continuous improvement.
- Any new scheme should have upgrade options to further reduce nutrient contribution to the Waiau Catchment, beyond whatever limit is consented for the initial long-term consent.
- The present Long Term Plan budgets \$12.1 Million for capital expenditure for any new scheme, and solutions are sought that are aligned to this.

Preferred Option

Option 1 being the discharge of oxidation pond treated wastewater to the Kepler Block by Central Pivot Irrigation is marginally preferred over Option 2A. Option 1, through being consented, is determined to have effects that are less than minor, or ones that can be adequately mitigated. It also achieves the project objectives at least cost.

Option 2A comes a very close second with some improvements primarily in nitrogen removal, but at a cost of an additional \$2.9M.

Procurement Strategy

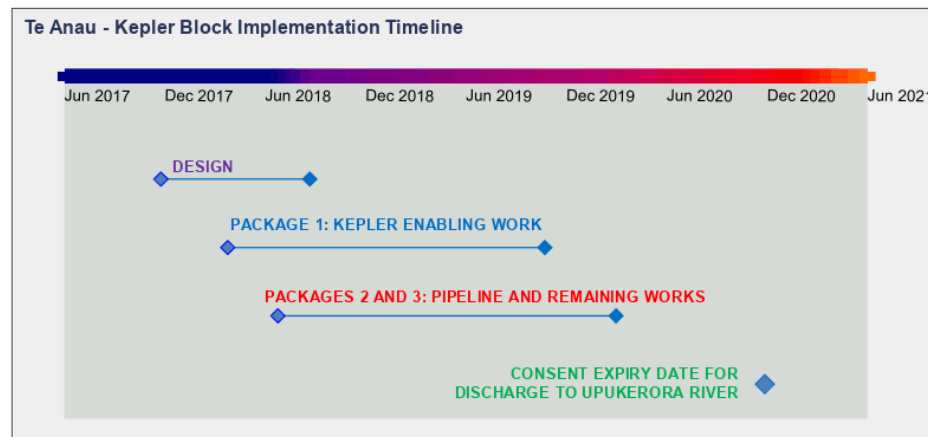
The Procurement Plan has been developed to comply with the SDC Procurement Policy. The works will be split into two packages:

- Package one: Kepler enabling works which is scheduled early to allow time for the establishment of the block prior to irrigation commencing

6 | Business Case: Te Anau Wastewater Kepler Block

- Packages two and three: Main construction works which will include a combination of separate design and tender for the standard elements of the pipeline and earthworks, and design-build elements for the mechanical/electrical and process elements such as centre-pivot irrigators and trickling filter.

Timeline



Financing and Funding

The capital work to be completed will be funded from available reserves accumulated from funding depreciation with the remainder funded by a 30 year loan. In 2018/19 the remaining loan will be \$4.4 million and in 2019/20 \$8.6 million.

The additional operational costs will be funded directly from the rates in the year that the cost is incurred.

8 | Business Case: Te Anau Wastewater Kepler Block

1 Introduction

1.1 Purpose

The Business Case analyses options available for the treatment and disposal of wastewater at the Kepler Block and provides a justification for approval of the project by Southland District Council (SDC) should that be deemed appropriate. It also provides a basis for future reporting of progress of implementation of the project.

1.2 Current Situation

The consent for the current discharge from the Te Anau Wastewater Treatment Plant to the Upukerora River will expire in November 2020.

The Region's planning framework states that discharges to land are preferred over discharges to water. Therefore, SDC purchased the Kepler Block, designated the land for the discharge of wastewater and was granted resource consents. These approvals were on the basis of the use of centre pivot irrigation for the purposes of land treatment, particularly the removal of nutrients and pathogens.

The Kepler scheme has a 25 year resource consent and is designed to have capacity to allow for predicted growth until at least 2041. This Business Case also assesses the potential for the scheme to be developed to provide further capacity beyond 2041.

There is currently \$12.1 million identified in the current Long Term Plan to construct and commission a new wastewater treatment and disposal scheme for Te Anau at the Kepler Block by November 2020.

1.3 Options Considered

The Business Case evaluates the Consented Scheme against three alternatives also based on land treatment at the Kepler Block. The options considered are:

Option 1: This is the consented scheme which continues to use the existing oxidation ponds prior to further land treatment and disposal at the Kepler Block by Centre Pivot Irrigation.

Option 2A: This is Option 1 with an additional membrane filtration step sized to treat base flows up to 2,200 m³/day at the WWTP.

Option 2B: This is Option 1 with an additional membrane filtration step sized to treat peak flows up to 4,500 m³/day at the WWTP.

Option 3: This is Option 2B with further filtration after the pipeline prior to Slow Rate Drip Irrigation at Kepler Block instead of Centre Pivot Irrigation.

1.4 Structure of Business Case

The structure of the business case is a modified version of the Treasury Template¹, reflecting the advanced nature of the project.

The Business Case includes the following stages:

- the 'Strategic Assessment', which provides a compelling case for change
- the 'Options Assessment', which identifies the preferred option
- the 'Procurement Approach', which includes the 'Timeframe', and
- the 'Financing and Funding Arrangements'.

¹ <http://www.treasury.govt.nz/statesector/investmentmanagement/plan/bbc/guidance>

2 Strategic Assessment –the Case for Change

2.1 History of Project

The SDC provides sanitary works for the reticulation, treatment and disposal of wastewater in eighteen (18) communities within its District. Te Anau is one such community, where the service has been provided since 1967. The SDC is the owner and operator of the Te Anau Wastewater Treatment Plant (Te Anau WWTP), which is located on land owned by SDC.

The original Te Anau reticulation and WWTP was commissioned in 1967 to service the town centre along the old state highway. Further expansion of the scheme occurred in the early 1970s as reticulation was extended to residential areas. In 1984, an additional oxidation pond was constructed at the treatment plant to cater for increased loading resulting from the continued growth in the town.

SDC held a permit from the Southland Catchment Board, pursuant to the Water and Soil Conservation Act 1967, to discharge treated wastewater to the Upukerora River and then to Lake Te Anau (Water Right No.91018).

In 1995, the SDC lodged an application for a resource consent under the Resource Management Act 1991² (RMA) to replace the Water Right with the Southland Regional Council (referred to as Environment Southland, ES). During public notification of the application, a number of submitters expressed opposition to the continued discharge of wastewater to the Upukerora River.

The submitters requested that SDC determine the suitability of the treatment plant site for land disposal. A number of investigations took place between February 2001 to July 2002 and as a result of these investigations, SDC concluded that the land at the Te Anau WWTP was not suitable for the discharge of treated wastewater³.

In 2004, SDC was granted a ten year resource consent for the continued discharge of treated wastewater from the Te Anau oxidation ponds to the Upukerora River, subject to a number of treatment upgrades being undertaken, including an inlet screen, aeration, wetlands and monitoring conditions. A further condition of the consent was that SDC investigate a long term strategy for the management of wastewater from Te Anau that looked to move away from a direct discharge to water.

In order to undertake the Strategy Review, SDC met with representatives of key stakeholders, which led to the formation of the Infrastructure Working Group (IWG). The IWG comprised the key interested stakeholders (as identified in Appendix 1) and had the objective of assisting the Council in developing the long term strategy for the wastewater. IWG met a number of times over the period 2005 – 2007.

² The RMA replaced the Water and Soil Conservation Act 1967.

³ The series of reports by MWH were included as Appendix A of the 2004 consent application as follows:

- Te Anau Sewage Treatment Plant: Site Investigation Report and Recommendations, April 2001
- Te Anau Sewage Treatment & Disposal System - Design Concept & Site Investigation Recommendations, December 2001
- Te Anau Sewage Treatment Plant: Hydrogeological Investigations, June 2002.
- Te Anau Sewage Treatment Plan: Conceptual Design Review, July 2002.

After reviewing alternative options for treatment and disposal⁴, the IWG identified that the land treatment and disposal of treated wastewater was preferred. They agreed that the parcel of land surrounding the airport, approximately 6 kms north of Manapouri township was the best option. This land is known as the 'Kepler Block' and was owned by Landcorp. The approach was confirmed by the Te Anau Community Board and Council in 2007 and the Kepler Block was purchased by the SDC in June 2008. The area purchased included areas to the north and south of the airport. The decision to proceed with the disposal of treated wastewater to land at the Kepler Block was reconfirmed by the Te Anau Community Board in 2010 and 2012.



Figure 1: Location of Relevant Sites

In 2012, after further meetings with the IWG, a consent application for the discharge to land of treated wastewater at the northern part of the Kepler Block was prepared and lodged in September 2013. The hearing before independent commissioners was held in July and November 2014. The decision on the

⁴ A compilation of the process undertaken by the IWG is given in "Te Anau Sewerage: Status Report on Improvement Strategy for Treatment and Disposal", by MWH, dated October 2007

granting of consents for Kepler Block was released in January 2015 and appealed by Fiordland Sewerage Options Inc (FSO) and two individuals. The appeal was referred to Court appointed mediation.

In May 2015, Council set up the Te Anau Wastewater Discharge Project Committee (the Committee) which was tasked with providing governance oversight around delivery of the project. A key first step in the process was to undertake a peer review of the consented option and compare how it ranked against any potential alternative option. The review undertaken by Pattle Delamore Partners (PDP) indicated no fatal flaws with the Kepler proposal. However, it did identify two potential sites that may warrant further scrutiny. These sites are known locally as the Smith Block and the Snee Block. Further work undertaken identified that the Smith Block would most likely be more suitable for treated wastewater irrigation.

During the appeal process, in 2016, both the Te Anau Community Board and the Manapouri Community Development Area Subcommittee formally resolved not to support the development of the Kepler option, but did not identify any viable alternative to the proposal.

Through the appeal all parties indicated a willingness to enter into Environment Court appointed mediation. This led to further work being undertaken by experts for both parties with a conferencing of experts undertaken in September 2016. While full agreement could not be reached either through conferencing and mediation there was a willingness between parties to continuing dialogue with a view to settling the appeal without the need to proceed to Court.

SDC and FSO reached an agreement on 21 December 2016 under which SDC agreed to investigate the use of a site referred to as the "Smith Block" for wastewater treatment and disposal. FSO agreed to withdraw its appeal. In the event that the Smith Block was not found to be a viable option, the agreement provided that SDC could implement the resource consents for the Kepler Block as the default disposal option. The consents for the Kepler Block are provided in Appendix 8.

As a result of this agreement, the appeal was resolved in December 2016 with consent issued in January 2017 as Discharge Permit 302625-01, effective 17 Jan 2017. SDC began to investigate the Smith Block as an alternative site for potential land treatment and disposal. During the investigation, it became clear that this site would not be a viable option because it was unavailable to SDC. SDC was then able to implement the consents at the Kepler Block.

The consent for the existing discharge to the Upukerora River expired in October 2014. A further short term consent for this discharge was sought to allow SDC time to complete the consent process for the Kepler Block and, if granted, implement the scheme. This short term consent was granted in December 2015 for a period of five years expiring on 30 November 2020.

In 2017, Council resolved to develop this business case for the Kepler Block. At the same time, SDC agreed to undertake one final request for landowners who would be willing to offer land to SDC if they believed that it met with a set of specified technical criteria. This public registration of interest process closed on 11 October 2017 and no suitable alternative land was found through this process.

2.2 Strategic Context

This section identifies the key parties involved and summarises the legislative framework for the project.

2.2.1 Organisational overview

The key stakeholders and organisations involved with the project are given in Appendix 1.

2.2.2 Local Government Act

As a local authority, SDC must act in accordance with the Local Government Act 2002 (LGA). In undertaking its functions under the LGA, it must comply with other relevant legislation, such as the Resource Management Act 1991 (RMA).

A more detailed summary of the specific provisions of the LGA, Council's Significance and Engagement Policy and the associated public law principles, as they apply to this Business Case, is provided in Appendix 6.

SDC must meet its responsibilities to deliver infrastructural services in an environmentally responsible manner and in a way that recognises and, as far as reasonably practicable, responds to the needs and wants of its communities. It is committed to the health and welfare of people, communities, culture and the environment within the District. This is demonstrated by the Council's Vision, Mission and Outcomes.

The Council's vision is given below, noting that SDC intend to review their vision and mission by the end of 2017:

To have thriving, healthy Southland communities.

The Council's mission is:

Working together for a better Southland.

The three outcomes the Council strives for are:

- a. Supporting Our Communities
- b. Making the most of our Resources
- c. Being an Effective Council

These statements describe the philosophy that guides the Council in decision making and guides the staff in planning and operational tasks.

Infrastructure Planning

Section 101B of the LGA requires 30 year planning of infrastructure. In total, the SDC's 30 year Infrastructure Strategy (2015-45) has a capital expenditure budget of \$1.15 billion.

SDC is also developing a long-term wastewater strategy (the Wastewater Strategy). The Wastewater Strategy is focussed on understanding current and future wastewater management challenges facing each scheme in the District and identifying efficient, effective and appropriate wastewater options that are cost-effective for the District to achieve sustainable management of the environment.

Long Term Plan

Section 93 of the LGA requires SDC to have a 10 year plan (LTP) in place at all times as it is the primary way SDC is held accountable to its communities. The plan describes the activities and service

levels Council intends to provide and sets out the accompanying budgets. It also highlights key issues the District is facing and the strategies intended to address these. The LTP must be consistent with the costs identified in the 30 year Infrastructure Strategy.

In the 2015-2025 LTP, SDC has budgeted to spend some \$15.1 million to improve wastewater discharges. The proposed upgrade for Te Anau represents the major portion of this budget being \$12.1 million⁵ of capital expenditure with an allowance of \$15.9M for Net Present Value⁶.

Wastewater is funded as a District activity by way of a targeted rate on all serviced properties across the whole District. Although scoring highly in accordance with Council's adopted prioritisation criteria, the Te Anau wastewater project still needs to be considered in the context of overall District spending.

In addition to the funding in the LTP, SDC has already incurred significant costs associated with the development of the Kepler Scheme, including the purchase of the Kepler Block in 2008, and resource consenting costs, which have been treated as either operating costs or as "Work in Progress (WIP)" on the Council balance sheet.

2.2.3 Resource Management Act

The purpose of RMA is to promote sustainable management of natural and physical resources. Figure 3 shows the hierarchy of planning documents that exist under the RMA, with lower order documents being required to be consistent with those above them⁷.

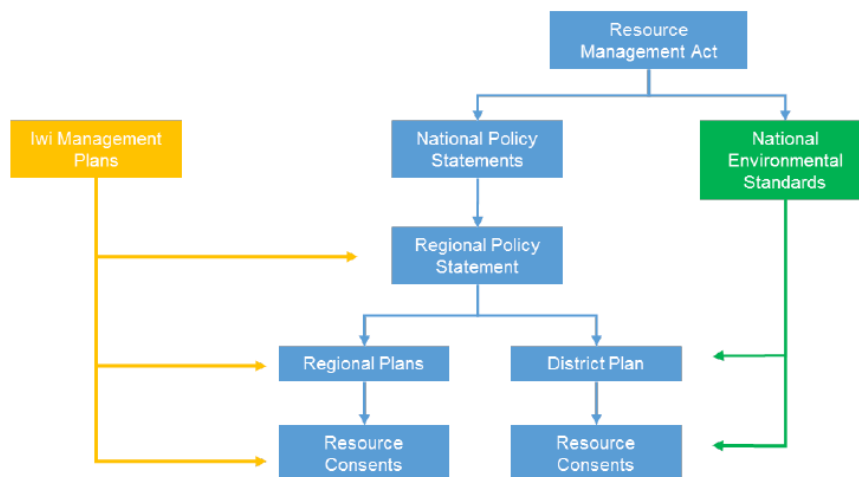


Figure 3: Hierarchy of Planning Documents

⁵ This was based on the previous cost estimate, which has been updated. As noted in Table 10 of this report, the current cost estimate for the consented option is \$14.5M.

⁶ This is calculated on the previously budgeted capital expenditure of \$12.1M being spent in year one, and a uniform series of operational expenditure cost of \$300k each year for 25 years at a 6% discount rate. The period and rate were agreed at a meeting with SDC on 21 August 2017, being consistent with their internal liability policy. The operational cost in the current estimate has increased as given in Table 11. The current spending profile for the project as given in Section 5, is for staged spending over the three years from 2017 to 2020, rather than all in the first year as assumed in the 2015/25 LTP.

⁷ Appendix 2 provides a summary of the planning documents that provide guidance to the project.

National Policy Statement for Freshwater Management

National Policy Statements are promulgated by Central Government and are a key tool to achieve the sustainable management purpose of the RMA. The National Policy Statement for Freshwater Management (NPS-FM) sets out the objectives and policies for freshwater management under the Resource Management Act 1991. It first came into effect in 2011 and was amended in August 2017.

The primary impacts of the NPS-FM on the Te Anau project are:

- The implementation of the "Limit setting process". Environment Southland is in the process of implementing this process which may require nutrient load reductions, either on an individual wastewater scheme basis or potentially at a catchment level for each of five main river catchments in the Southland region.

The consented Kepler Block option results in up to 50% reduction in the projected nitrogen load from Te Anau to freshwater through the cut and carry operation⁸, with other contaminants being largely removed through land treatment. This reduction in contaminant load represents the SDC response to limit setting for the Te Anau WWTP.

- The 2017 amendment to the NPS-FM required that when considering applications for discharge consents, the Regional Councils must now have regard to the health of people and communities as affected by their contact with fresh water (Policy A4). The 2017 amendment revised the standard from "secondary contact" to "contact".

This rule would apply to an application to extend the existing Te Anau wastewater discharge consent which expires in November 2020. This means that gaining a further short term consent for discharge to the Upukerora River to allow for the development of options that are not already consented will have become more difficult.

Regional Planning Documents

The regulatory framework in the existing and proposed Regional Planning documents provide strong direction to maintain or improve water quality. This is identified in a number of objectives and policies in the Regional Policy Statement, the Regional Water Plan and the Proposed Southland Water and Land Plan, which will replace it.

All of these documents also identify a preference for discharge to land over discharge to water. This direction is consistent with the relevant iwi plans and statements, which is in accordance with the RMA requirement that iwi plans be taken into account in plan making.

The discharge of wastewater to land is a discretionary activity compared to a discharge to surface water which is non-complying. Not only is non-complying a higher bar to meet but the strong policy direction in the regional plans and recent changes to the NPS-FM reinforce this need to significantly improve discharges to water. This means that any new consent to discharge to the Upukerora River may well be required to have a much higher level of treatment in order to even get a short term consent as decisions by Environment Southland will need to be consistent with the NPS-FM.

Furthermore, Lakes Te Anau and Manapouri are subject to a high level of protection because they are part of the Fiordland National Park, are Statutory Acknowledgement Areas and are recognised as Natural State Waters.

⁸ "Cut and carry" means that the harvest will be cropped, baled and removed from the site. This is the primary mechanism for the removal of nitrogen from the system.

Resource Consents

The option description in Appendix 4 includes a summary of the status of the required consents.

2.2.4 Growth Projections for Te Anau

It is important to consider the future growth projections for Te Anau because both the tourist and permanent resident populations are expected to grow by 50% over the next 25 years. It is assumed that the flows and loads for the scheme will increase in proportion to the increase in population as this is typically the case except where the type of influent changes i.e. there is a disproportionate increase in the type or volume of commercial or industrial wastewater.

The scheme needs to be designed for the expected peaks in wastewater flows. The projected increase in population based summer and winter peak flows⁹ are presented in Table 1 and Table 2 and shown in Figure 4 and Figure 5. The design flows for the project were developed from the 2041 projections including an allowance of 50% to provide for increased flows resulting from rainfall on the oxidation ponds and provision to rapidly draw down accumulated buffer storage in pond 1 after a significant rainfall event. The design flows are summarised in Table 3.

The peak flow of 4,500 m³/day has been used because it is considered to reflect the volume that is likely given the Stats NZ population projections to 2041. Figure 6, shows the recorded inflows received at the Te Anau wastewater treatment plant and the associated rainfall data. In 2016 there was a period of ten days where the inflow exceeded 2,500 m³/day, this does not include the volume of rainwater that falls on the ponds nor an allowance for increasing population.

⁹ These projections are documented in Appendix F of the Kepler Consent Application.

Table 1: Summer Peak Flows

Summer Peak		Flows (m ³ /day)									
Normally resident growth	Visitor growth (% per annum)	2006	2011	2016	2021	2026	2031	2036	2041	2046	2048
Stats NZ Low Projection	Stats NZ Low Projection	1792	1878	1850	1897	1897	1878	1895	1914	1896	1897
Stats NZ Medium Projection	Stats NZ Medium Projection	1792	1878	1944	2001	2038	2098	2135	2171	2208	2227
Stats NZ High Projection	Stats NZ High Projection	1792	1916	2019	2114	2199	2265	2374	2429	2485	2503
Stats NZ Medium Projection	2%	1792	1926	2059	2198	2337	2501	2667	2848	3046	3132
Stats NZ Medium Projection	3%	1792	1973	2166	2380	2612	2890	3196	3547	3950	4131
Stats NZ Medium Projection	2.5%	1792	1950	2112	2285	2468	2684	2913	3168	3455	3582

Table 2: Winter Peak Flows

Winter Peak		Flows (m ³ /day)									
Normally resident growth	Visitor growth (% per annum)	2006	2011	2016	2021	2026	2031	2036	2041	2046	2048
Stats NZ Low Projection	Stats NZ Low Projection	843	884	870	892	892	884	892	900	892	892
Stats NZ Medium Projection	Stats NZ Medium Projection	843	884	915	941	959	987	1004	1022	1039	1048
Stats NZ High Projection	Stats NZ High Projection	843	901	950	995	1035	1066	1117	1143	1169	1178
Stats NZ Medium Projection	2%	843	902	959	1018	1075	1144	1211	1285	1365	1400
Stats NZ Medium Projection	3%	843	921	1001	1089	1182	1295	1417	1557	1717	1788
Stats NZ Medium Projection	2.5%	843	911	980	1052	1126	1215	1307	1409	1524	1575

Table 3: Design Flows

Staging	Design flows for Options 1, 2A and 2B		Design flows for Option 3	
	Summer (m ³ /day)	Winter (m ³ /day)	Summer (m ³ /day)	Winter (m ³ /day)
Initially installed	4,500	2,000	2,250 ¹⁰	2,000
After upgrade in year 10	4,500	2,000	4,500	2,000

¹⁰ Based on the initially installed slow rate irrigation field being designed for expected lower flow and load in the early period of the scheme. This allows for some peak wet weather flows but will require the consent to be varied for Option 3 to allow for increased peak infiltration rate.

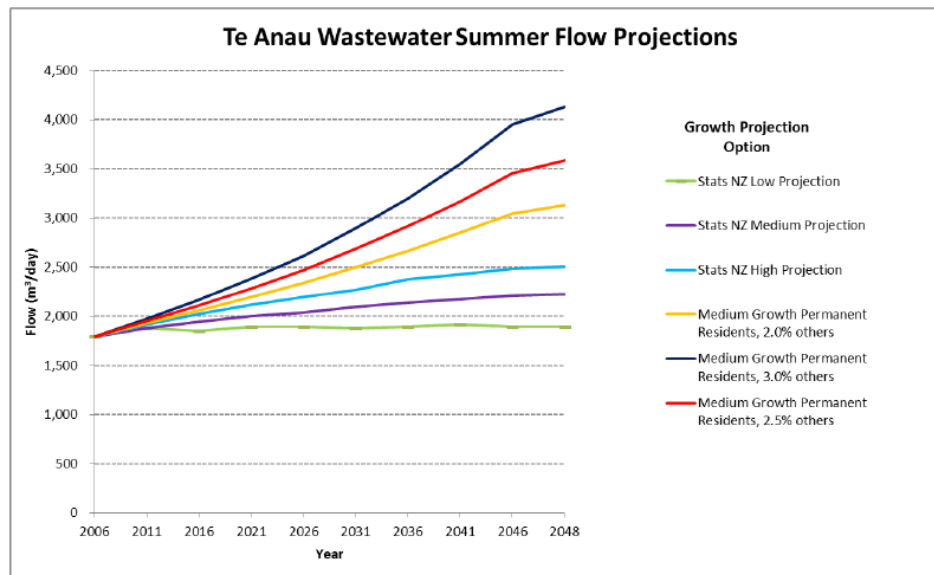


Figure 4: Increase in summer Peak Flows

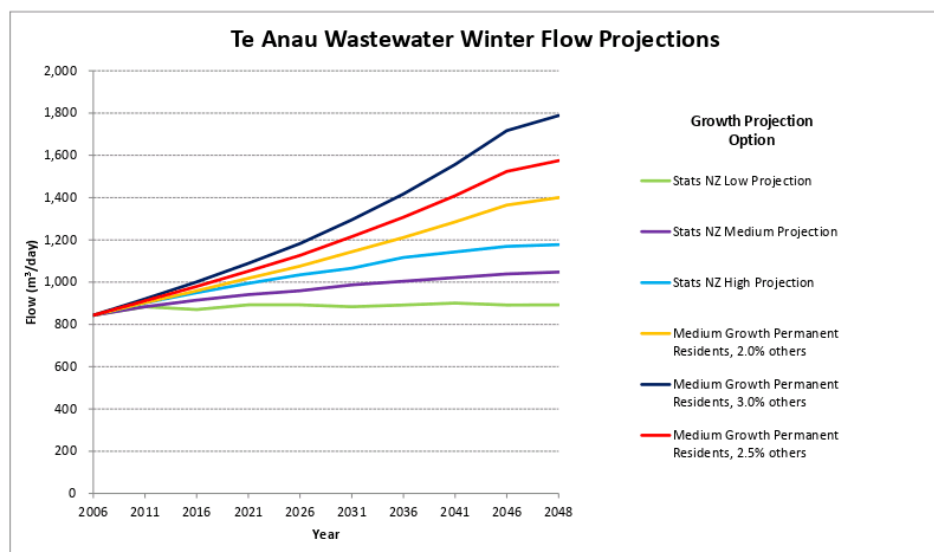


Figure 5: Increase in winter peak flow

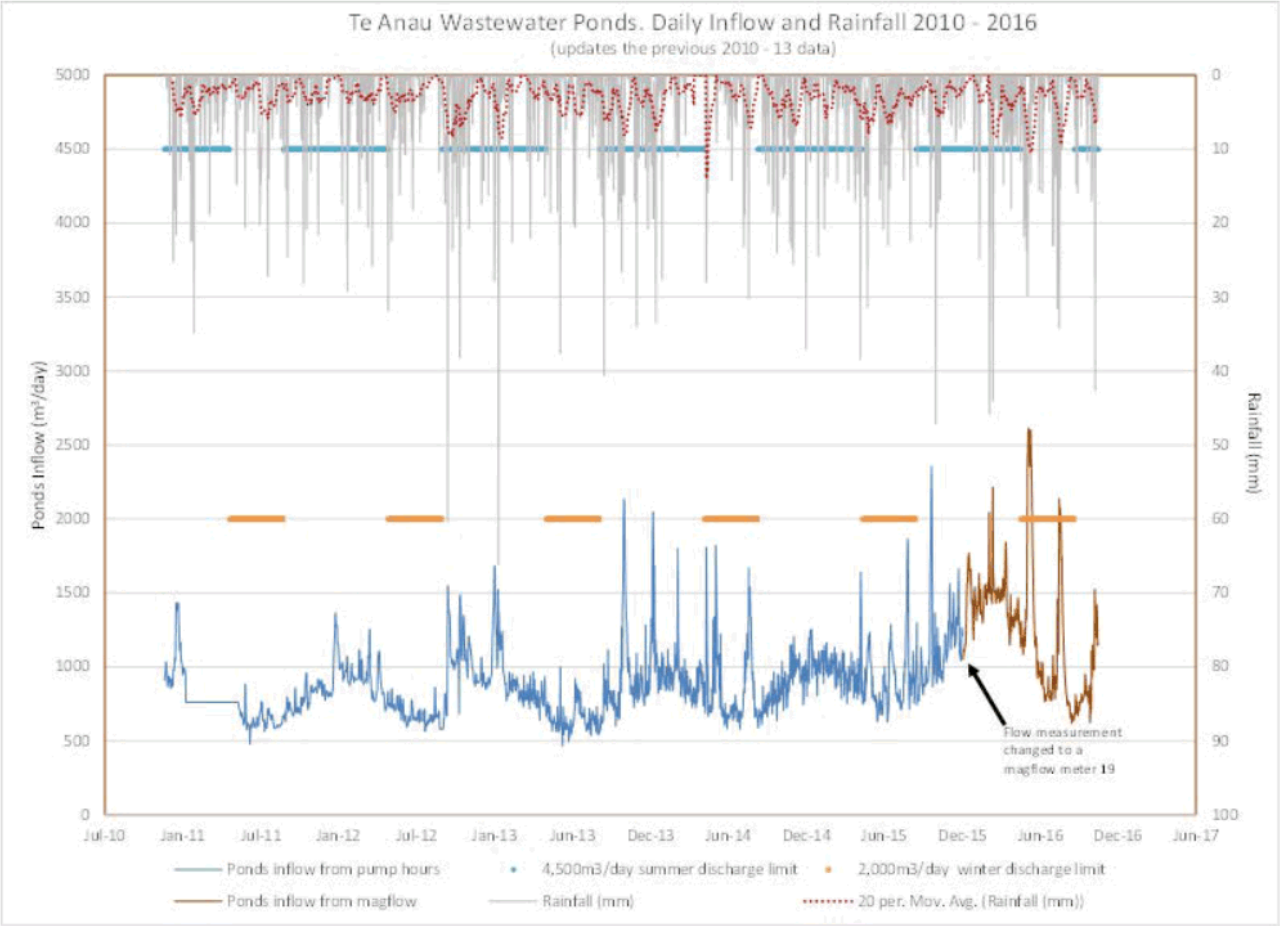


Figure 6: Recorded Pond Inflow and Rainfall

2.3 Drivers and Needs

There are always key reasons for the decision to make a change. This section explores the key 'Drivers' for change and the key needs/issues that have been identified.

2.3.1 Drivers

Driver One – A Long-Term Sustainable Solution is urgently needed

Environment Southland and key stakeholders have clearly signalled that continuation of the discharge to the Upukeora River is no longer acceptable.

Discharge Permit AUTH-20157778-01 expires on 30 November 2020. This consent was granted in the knowledge that SDC were in the final stages of the consenting for a discharge to the Kepler Block. It is unlikely a further extension of this timeframe will be granted.

Driver Two– An Improvement in Environmental Outcomes is required

The proposed Southland Water and Land Plan (pSWLP) requires the maintenance or improvement in water quality across the Region. Given the projected population increase in Te Anau with its associated increase in loads, a treatment upgrade to the existing discharge is required.

Driver Three – Discharge to Land is the Preferred Final Treatment Stage

The planning framework, iwi and other key stakeholders have stated a preference¹¹ for wastewater to be discharged to land.

In the long term, given the direction in the pSWLP, land based discharges will continue to be preferred, where practicable.

2.3.2 What is the Need?

Being clear about what the 'Drivers' are that influence the decision means that the 'Need' can then be defined.

Need One - Operate Within the Appropriate Statutory Framework

Council must have a consent in place for the sustainable long term disposal of Te Anau's treated wastewater.

The current consent expires in November 2020 and any planned upgrade must be operable by this date at the latest.

Need Two - Invest with Confidence

Given the scale of the investment, there should be high likelihood that a scheme can be consented and subsequently re-consented.

This longer term certainty will enable continued growth in Te Anau.

Recent 2017 amendments to the NPS-FM mean that gaining additional short term consents for the existing discharge might not be possible.

¹¹ As noted in their submissions on the various consenting processes undertaken.

Need Three - Recognise the Cultural Values of iwi

Ngai Tahu has a significant relationship with Lakes Te Anau, Manapouri and the Waiau River, as recognised by their Statutory Acknowledgement

The existing direct discharge to the Upukerora River or any other water body is unacceptable to iwi.

Need Four - Recognise the Social Values of the local and wider community

The local community has to live with the scheme and the wider community has to support it.

The values of the community and key stakeholders, are not met by the current discharge to the Upukerora River.

Need Five - Need to maintain and improve water quality

The pSWLP requires that water quality is maintained or improved and that discharge to land is preferred, where practicable.

The loads from the WWTP will increase with the increase in population. In the absence of a treatment upgrade, this would reduce water quality.

Need Six - Minimise effect on Natural State Water body¹²

The existing discharge is into a river that leads to a Natural State water body and Statutory Acknowledgement Area, Lake Te Anau, where no degradation of physical or chemical properties are accepted.

2.4 Investment Objectives

The investment objectives articulate the outcomes required for the project to address the drivers and needs identified in previous sections:

- **Investment objective one:** A solution with the ability to meet current environmental standards to give a high probability of obtaining long term resource consents (35 year, 25yr as a minimum), for wastewater treatment and disposal for the Te Anau community, with a high degree of certainty of reconsenting at the end of this first term.
- **Investment objective two:** A solution with treatment and disposal processes that are adaptable to being efficiently upgraded to achieve higher environmental standards in a cost effective way, should future discharge standards tighten. Section 3.3 describes the environmental requirements for the scheme.
- **Investment objective three:** A solution that has treatment and disposal processes that are adaptable to being efficiently upgraded, as future discharge flows and loads increase as shown in Figure 4 and Figure 5.

¹² Natural state waters (for water quality purposes) means waters within: areas defined as National Park managed under the National Parks Act 1980 (including land for the time being administered as if it was a national park pursuant to any statute or written agreement with the owners); and public conservation land managed under the Conservation Act 1987 and the Reserves Act 1977 where the overall water quality is largely unmodified or unaffected by human activities.

- **Investment objective four:** A solution that meets the cultural and social aspirations of Iwi and the community.
- **Investment objective five:** A cost effective solution based on +/- 50% of the Net Present Value of the consented Kepler Block option which has a 2015-25 LTP capital expenditure budget of \$12.1M

2.5 Current State and Future Needs

Table 4 provides a snapshot for each investment objective of where things are at (the current state) and what needs to be done.

Table 4: Current State and Future Needs

Investment Objective One	Meet current environmental standards to obtain a long term consent
Current State	Recent 2017 amendments to the NPS-FM mean that gaining even short term further consents for the existing discharge may not be possible. The expiry date of the present consent to discharge to the Upukerora River is 30 November 2020 (Discharge Permit 20157778-01)
What is Needed	An upgraded or new scheme to meet environmental standards acceptable for a long term consent. This needs to be in place by the expiry date of the present consent to discharge to the Upukerora River. Note. It is important that a new scheme has a high likelihood of being readily re-consented in 25+ years' time.
Investment Objective Two	A solution that is adaptable to being efficiently upgraded in the future to achieve higher environmental standards
Current State	Existing facility is unlikely to be capable of treating wastewater to a sufficiently high quality to allow future long term discharge direct to water. The existing facility has limited ability to be adapted to improve environmental performance but existing infrastructure has the potential to be reused as part of the overall solution if appropriate
What is Needed	An upgraded scheme that reduces nutrient contributions to the environment and can be further enhanced to meet higher standards in the future.
Investment Objective Three	A solution that is adaptable to being efficiently upgraded in the future to accept higher flows and loads
Current State	The existing scheme can cope with higher flows and loads without any major loss of performance, with only minor upgrades needed (provision of more aeration). However, such upgrades will not improve performance to a level that would allow a long term consent for discharge to water to be granted. Therefore, the existing facility has potential value as an element of a new treatment scheme.
What is Needed	Any existing or new processes, or process units, must have capacity to adapt, in a reasonably cost effective way, to higher flows and loads. Figure 4 and Figure 5 detail the range of predictions for flows up until 2048. As a minimum the worse-case projected flows must be able to be accommodated.

Investment Objective Four	A solution that meets the cultural and social aspiration of Iwi and the community
Current State	Iwi, Fish and Game, DoC, Guardians of the Lake and other stakeholders have formally expressed, through the 2004 re-consenting process, their objection to the discharge in its current form and expressed a preference for a direct discharge to water to cease in the future.
What is Needed	<p>A scheme that sufficiently takes into account the requirements of the community as well as the key stakeholders. This includes recognising the two key themes of Iwi, being removing direct discharges to water, and continuous improvement.</p> <p>Any new scheme should have upgrade options to further reduce nutrient contribution to the Waiau Catchment, beyond whatever limit is consented for the initial long-term consent.</p> <p>Recognition of the views on affordability of the scheme for the wider Southland District Community should be taken into account.</p>
Investment Objective Five	A cost effective solution
Current State	The present wastewater scheme is commonly used around the world as a cost effective solution for wastewater treatment with minimal operating costs.
What is Needed	<p>A cost efficient solution that takes into account capital and operating expenditure, and the likely cost, if required, of upgrades signalled in Investment Objectives 2 and 3. Cost effectiveness will be measured by comparing the capex and NPV of the various options.</p> <p>The present LTP budget is \$12.1Million capex, and solutions are sought that are aligned to this.</p> <p>It should also be noted that the consent for the Manapouri wastewater discharge to Home Creek expires in 2023 and that the consented Kepler scheme may be suitable as one of a number of potential solutions for managing the Manapouri discharge.</p> <p>Following changes to the National Policy Statement for Freshwater Management which come into effect from 6 September 2017 requiring consenting authorities to have regard to the health of people and communities affected by their contact with water, it is apparent that the current arrangement for Manapouri may not be able to be re-consented. It is therefore important that a number of viable alternatives preferably involving disposal to land are available for consideration.</p>

2.6 Key Constraints

The proposal is subject to the following constraints. Any option that does not meet these key constraints will not be considered further as a short-listed option.

Table 5: Key Constraints

Constraints	Notes
Must comply with consent limits under all flow and load fluctuations.	<p>A solution must stay within its consented parameters while facing reasonably predicted fluctuations in flow and load. These predictions are based on observations of flow fluctuation in the period 2010 – to date and expected increases in population.</p> <p>If consented parameters are not available, predicted parameters based on the Minimum Requirements of Table 8 shall be used.</p>

Constraints	Notes
Implement before 30 November 2020.	Discharge consent for present scheme expires in November 2020, with an understanding that extending it may prove a risky option, as increased standards may be imposed due to recent NPS-FM amendments, even for a short term consent to continue to discharge treated wastewater directly to the Upukerora River.
No direct discharge to water.	It is clear that a discharge to water option is highly unlikely to be consentable given that a viable land discharge option has been identified.
Ability to gain long term Consents	The maximum consent term under law is 35 years, with a 25 year term considered an acceptable duration noting that investment in a new scheme requires confidence that the scheme could be re-consented at the end of the current term to better reflect the expected life of the key infrastructure components of the upgrade.
For land disposal – require ability to purchase the land.	The wastewater scheme is a long term investment by SDC, and this requires certainty, both for the consented term, and for future development. Ownership of the wastewater disposal site is considered crucial to ensure that SDC have control over their activities.
Life of new infrastructure	Any proposal must have confidence that the infrastructure and sites can be used for a minimum of 35 years even if that is not initially reflected in the consent term.

3 Option Assessment

This section identifies the option that optimises value for money as defined by the evaluation criteria and subject to the Key Constraints. Currently, the business case concentrates on the options that may be available for the Kepler Block only, as a resource consent has been granted for that scheme.

The development of the business case is generally an internal process for an organisation and this is no different for a council such as SDC. The community have taken their opportunity to make their concerns known and these have been reflected in the criteria and their weightings used in the scoring process.

3.1 Representative Group

An internal group was set up to represent various viewpoints that are considered in a business case process. The group was comprised of:

Table 6: Representative Group Members

Person	Organisation	Background, and viewpoint to represent
Ian Evans	Southland DC, Strategic Manager, Water and Waste.	Owner
Simon Moran	Southland DC, Community Partnership Leader	Community (incl Iwi)
Sue Bennett	Stantec, Principal Environmental Scientist	Environmental
Roger Oakley	Stantec, Principal Civil Engineer	Engineering

The group developed the evaluation criteria based on Environmental, Cultural, Social and Economic values. The weightings for each criteria were then agreed and when scoring options, each member of the group scored separately, without reference to the others. The group then met to arbitrate and agree a final group score.

3.2 Evaluation Criteria

The Representative Group assigned the Investment Objectives to one of more of the four Key Values of Environment, Iwi, Social and Economic. These Key Values reflect the four bottom lines that are commonly used in the evaluation of options for infrastructure projects.

Initially, equal weighting was assigned to each Key Value. However, it was recognised that elements of iwi and social values are similar for this project and also are reflected in the other two values and hence equal weighting of each value would result in their over-representation in the final score. Therefore, relatively equal weightings of a third each were given to the Environment, Economic and the combination of Iwi and Social values.

Evaluation criteria were developed under each Key Value to ensure that each Investment Objective is appropriately evaluated. A relative weighting of each evaluation criteria within each Key Value was assigned to reflect the relative importance of each Investment Objective.

The resultant criteria and weighting is summarised in Table 7.

Table 7: Evaluation Criteria and Weightings

Key Values	Weighting of Key Values	Investment Objective	Evaluation Criteria	Weighting of Evaluation Criteria within Key Values
Environmental	32.5%	1	• Ability of scheme to obtain long term consents.	40%
		2	• Adaptability of scheme to meet increased environmental standards	30%
		3	• Adaptability of scheme to meet increased flows and loads.	30%
Iwi Acceptability	15%	4	• Extent to which scheme meets the aspirations of Iwi.	100%
Social Acceptability	20%	4	Extent to which scheme meets the social aspirations of the local community.	100%
Economic	32.5%	5	• Capex	60%
		5	• NPV ¹³ , Te Anau scheme plus Manapouri scheme ¹⁴	40%

3.3 Environmental Requirements

The environmental requirements are defined in terms of the key parameters for the discharge. While many parameters are able to be measured, the parameters were selected as being those that are of primary relevance to wastewater discharges. There are a range of outcomes that can be achieved for each environmental parameter. Table 8 allows the comparison of environmental outcomes for each option considered as follows:

- The minimum requirement is what is needed to deliver the essential or core outcomes (the must haves)
- The intermediate requirement is what is needed to deliver essential and desirable (may want to have) requirements, and
- The maximum requirement is what is needed to deliver the essential, desirable and aspirational (nice to have) requirements.

Desirable requirements may typically be considered if they represent good marginal value for money. The aspirational requirements (or “nice to haves”) are generally only considered further if they are affordable. No further value is recognised for outcomes higher than the maximum requirements because there is no additional environmental benefit.

¹³ NPV is calculated over 25 year life with a discount rate of 6% which is consistent with Council policy. The NPV cost is based on construction and operation only.

¹⁴ The Manapouri wastewater discharge consent expires in September 2024. Based on the Te Anau experience, an alternative to the current situation will be required. For the purposes of this Business Case, this has been considered to be either a connection to the Te Anau scheme or a stand-alone disposal to land based upgrade

Table 8: Environmental Parameters and Requirements

Environmental Parameters	Requirements			
	Minimum	Intermediate	Maximum	Out of Scope
Total Nitrogen loss to ground or surface water^{a, b, c} (average values)	7,730 kgN/yr.	3,865 kgN/yr.	1,930 kgN/yr.	<1,930 kgN/yr.
Odour	Valid confirmed complaints ^d detectable very occasionally (e.g. less than 3 per year) for short durations (e.g. 6hrs max)	As per minimum but complaints only once a year.	No complaints except if plant malfunction.	Never detectable
<i>E.coli</i> (in ground water)	not detectable at any existing water supply bore	not detectable at any existing water supply bore	not detectable at any existing water supply bore	No minimum
<i>E.coli</i> (at point of mixing with surface water)	<1,000/100ml DD after zone of mixing (Regional Water Plan standard for stock drinking water)	<100/100ml after zone of mixing ('swimmable')	<1/100ml after zone of mixing ('drinking')	No minimum
Phosphorus^e (at point of mixing with surface water)	8mgP/l	3mgP/l	0.5mgP/l	<0.5mgP/l

Notes:

- a) Options for direct discharge to surface water are excluded, refer to Section 2.6: Key Constraints.
- b) The Intermediate scope for Total Nitrogen (TN) discharge loading is based around discharge consent 302625-01 for the Kepler Block. Condition 7(e) states 'The modelled leaching of nitrogen from the North Block shall not exceed 32kgN/Ha/yr. based on a 5-yearly rolling average'. The North Block has an area of 120.8Ha, as defined in the land use designation. 32kg/Ha/yr. x 120.8Ha = 3,865kg/yr. This represents a reduction in nitrogen load to the aquifer of 50%. Minimum and Maximum Scope are selected as half or double this value.
- The minimum scope is based on no reduction in nitrogen load lost to water from the scheme. It is possible that a "no nitrogen load reduction" option could be identified that addresses the relevant environmental effects such that it could gain a consent, particularly if the scheme has significant support from the community. However, it is recognised that given the limit setting process which is underway, an option based on this minimum scope may be difficult to consent. This minimum scope has been established so as not to unduly limit the consideration of options.
- c) The above TN loadings are based on predicted flows and loads in 2041, the expiry date of the Kepler consent,
- d) As defined in the existing Kepler consents.

- e) Phosphorus limits are based on: 8mg/l, existing level in discharge from ponds: 3mg/l, expected reduction using slow rate irrigation: 0.5mg/l, expected reduction using membrane bioreactor.
f) Proposed discharge limits are a judgement, based on achieving long term consents (25yrs+)

3.4 Scoring Guidelines

To enable a consistent approach for individuals to score the Evaluation Criteria across multiple options, the following guidelines were agreed by the Representative Group for scoring each Factor out of 10:

Table 9: Scoring Guidelines

Evaluation Criteria Broad Description	Scoring Guidelines
<p>Investment Objective One</p> <p>Ability of scheme to obtain long term consents.</p>	<p>If 25 year consent granted, then score 10. Otherwise use:</p> <p>0 Meets the Minimum Scope of Table 8, detailing Environmental Requirements for key parameters. 5 Generally meets the Intermediate Scope of Table 8, detailing Environmental Requirements for key parameters. 10 Generally meets the Maximum Scope of Table 8, detailing Environmental Requirements for key parameters.</p> <p>Notes:</p> <ul style="list-style-type: none"> Consent term not included in above parameters, as it is inherent in them.
<p>Investment Objective Two</p> <p>Adaptability of scheme to meet increased environmental standards</p>	<p>0 Treatment processes only provide minimum requirements for a 25 year consent and cannot be efficiently reused as part of an upgrade. 5 Any treatment processes can be utilised in a future upgrade. 10 All existing treatment processes can be fully utilised in an efficient manner for a future upgrade. This is regardless of which of the environment parameters are being improved. (e.g. nitrogen or BOD).</p>
<p>Investment Objective Three</p> <p>Adaptability of scheme to meet increased flows and loads.</p>	<p>0 Can only cater for 2041 predicted flows 5 Can cater for greater than 2041 predicted flows with significant modifications to scheme 10 Can cater for greater than 2041 predicted flows with minor modifications to scheme.</p> <p>Notes:</p> <ul style="list-style-type: none"> Loads are assumed to increase in proportion to flows, excluding stormwater inflow and infiltration effects.

Evaluation Criteria Broad Description	Scoring Guidelines
Investment Objective Four Extent to which scheme meets the aspirations of Iwi.	0 Direct discharge to groundwater where minimal unsaturated zone. 5 Discharge to land in close proximity to a surface water body with minimal load reduction 10 Discharge to land with considerable contamination load reductions before discharge to water. Notes: <ul style="list-style-type: none"> The above scoring criteria are aimed at recognising the two key themes of Iwi, being removing direct discharges to water, and continuous improvement.
Investment Objective Four Extent to which scheme meets the social aspirations of the local community.	0 Significant residential or community activity within 2km, or known or anticipated objection. 5 Limited residential or community activity within 2km. Mixed anticipated community response. 10 No residential or community activity within 2km, or support of those within this radius. General community support.
Investment Objective Five Capital Expenditure	0 150% of Consented Scheme 5 Consented Scheme 10 50% of Consented Scheme
Investment Objective Five NPV, Te Anau scheme plus Manapouri scheme	0 150% of Consented Scheme 5 Consented Scheme 10 50% of Consented Scheme

3.5 Options Assessment

The options assessed are shown schematically in Figure 7 and are:

Option 1: This is the consented scheme which continues to use the existing oxidation ponds prior to further land treatment and disposal at the Kepler Block by Centre Pivot Irrigation (CPI).

Option 2A: This is Option 1 with an additional membrane filtration step sized to treat base flows up to 2,200 m³/day at the WWTP.

Option 2B: This is Option 1 with an additional membrane filtration step sized to treat peak flows up to 4,500 m³/day at the WWTP.

Option 3: This is Option 2B with further filtration prior to Slow Rate Drip Irrigation (SDI) at Kepler Block instead of Centre Pivot Irrigation.

A detailed description of these options and an assessment against the Key Constraints and the Evaluation Criteria are included in Appendix 4. The breakdown and basis of the cost estimate is given

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in Table 10. The estimated capital expenditure, operational expenditure and NPV estimates are included in Appendix 5.

The basis of the evaluation of each option is given in Table 11, a summary of the scoring is given in Table 12, and a graph of the components of the scoring for each option is given in Figure 8.

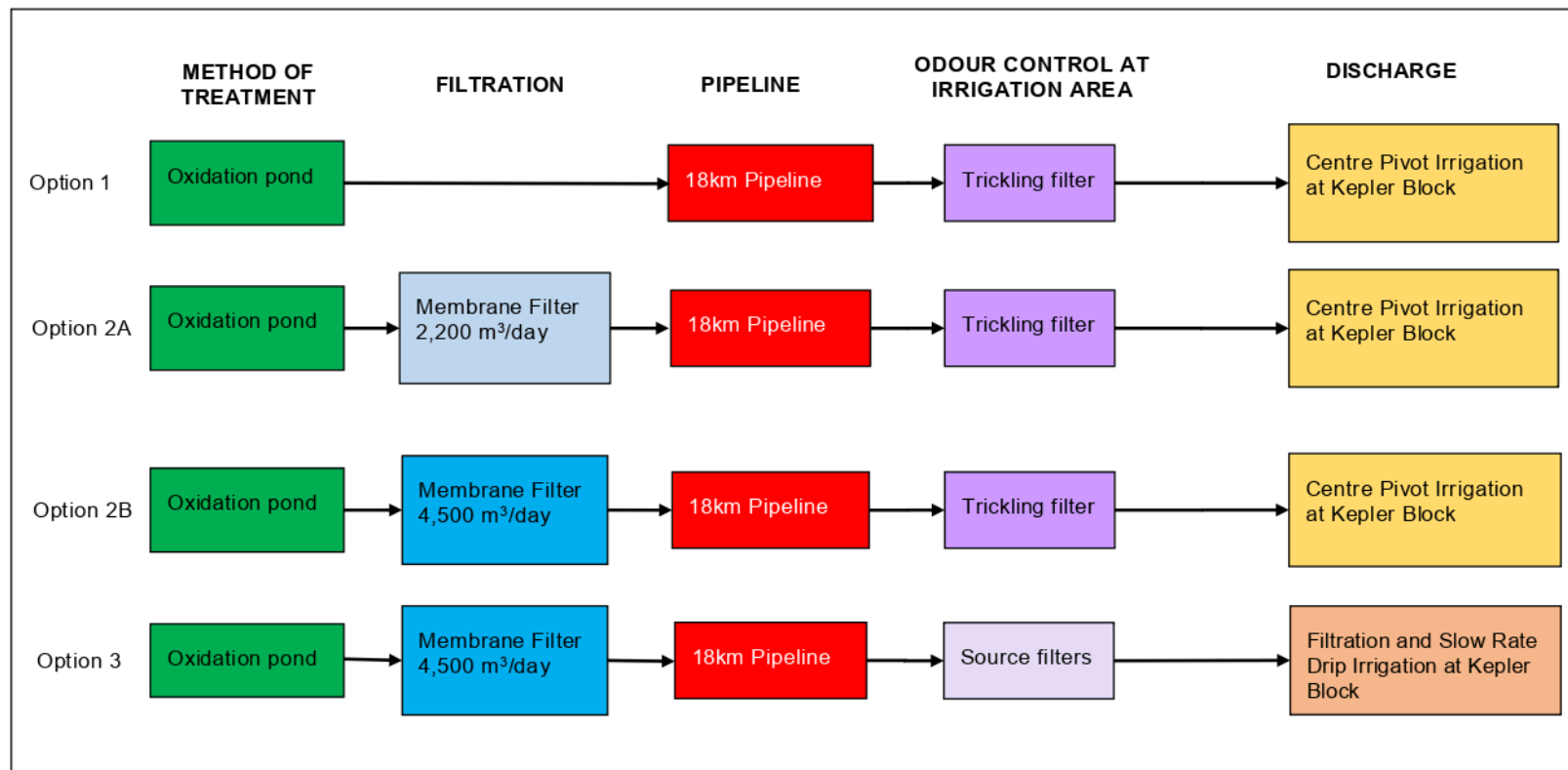


Figure 7: Schematic of Options Assessed

Table 10: Key Components and Basis of Capital Cost Estimate

Item	Cost (Millions)				Comment
	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3	
Preliminary and General	\$ 1.1	\$ 1.3	\$ 1.4	\$ 1.6	10% of contract amount
Pond development	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	Pond development involves raising of pond for storage, additional pipework and telemetry. Includes scope risk of 5%.
Membrane Filtration Plant	\$ -	\$ 2.0	\$ 3.5	\$ 3.5	All options are based on installation of full 2041 capacity initially. Costs based on estimate from Masons with 15% scope risk. Option 2A has smaller MF plant as MF not required for operational reasons and hence it is not required to cope with peak flows. For Option 3 (SDI), MF is required for operational reasons and hence must be sized for peak flows
Pipeline to Kepler, including pump station	\$ 70	\$ 7.0	\$ 7.0	\$ 7.0	Design based on 300mm pipework. Cost based on recent similar contract rates from Tasman District Council contracts with scope risk of 5%
Kepler site preparation (incl odour control)	\$ 2.4	\$ 2.4	\$ 2.4	\$ 0.7	Site preparation includes power supply to site, odour control for CPI options and shelter belt development and pasture preparation. Costs based on recent similar contracts with scope risk of 5%
Pivot Irrigators	\$ 0.5	\$ 0.5	\$ 0.5	\$ -	Cost is based quote from Waterforce for the supply of 3 irrigators with scope risk of 5%
Subsurface Drip Irrigation	\$ -	\$ -	\$ -	\$ 3.8	Cost is based on rate from Ecogent Ltd. Assumes installation of 37Ha in first year and replacement in year 20, and install second 37Ha in year 10. Costs include scope risk of 20%
Construction contingency	\$ 1.2	\$ 1.4	\$ 1.5	\$ 1.7	Allow 10% of contract total
Contract total	\$ 12.7	\$ 15.2	\$ 17.0	\$ 18.9	
Non-contract costs	\$ 1.8	\$ 2.2	\$ 2.4	\$ 2.9	Design, project management, further consenting, non construction costs. Allow 12% and minor Lump sum items
Total	\$ 14.5	\$ 17.4	\$ 19.4	\$ 21.8	

Table 11: Basis of Scoring

Key Values	Evaluation Criteria	Option 1 (Pond, Trickling Filter, Centre Pivot Irrigation)	Option 2A (Pond, Baseload Membrane Filter, Trickling Filter, Centre Pivot Irrigation)	Option 2B (Pond, Peak load Membrane Filter, Trickling Filter, Centre Pivot Irrigation)	Option 3 (Pond, Peak load Membrane Filter, Subsurface Drip Irrigation)
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> 25 year term consent granted 	<ul style="list-style-type: none"> 25 year term granted for the main discharge to air and land consents. No variation required to discharge to land consent. Minor variation to discharge to air consent. The addition of MF reduces N loadings to the irrigation site by 30%, and reduces odour risk at Kepler Block by reducing BOD in the pipeline and therefore slowing/delaying the generation of odour compounds. Sudden flow/load fluctuations would be the principal cause of difficulty. <i>E. coli</i> and P meet max scope. 	<ul style="list-style-type: none"> 25 year term granted for the main discharge to air and land consents. No variation required to discharge to land consent. Minor variation to discharge to air consent. The addition of MF reduces N loadings to the irrigation site by 30%, and reduces odour risk at Kepler Block by reducing BOD in the pipeline and therefore slowing/delaying the generation of odour compounds. Sudden flow/load fluctuations would be the principal cause of difficulty. <i>E. coli</i> and P meet max scope. 	<ul style="list-style-type: none"> Risk of obtaining consent variation for disposal field if initially only 37Ha of disposal field installed, as peak wet weather flows will require greater depth/day discharge than the presently consented maximum. 25 year term granted for the Base Case but variation to discharge to land consent required. The addition of MF and SDI would be designed to balance out to give the same N loadings as the Base Case, but some uncertainty in predictions which will complicate gaining consent and may result in shorter term consent. SDI removes odour and spray drift stakeholder concerns.
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> All components straightforward to use in upgrade and are expected to be of practical value. However, some elements (eg Trickling filter at Kepler Block and oxidation pond 2 and 3) may not be required for upgrades. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing, which is a benefit as it reduces peak flows. The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC. 	<ul style="list-style-type: none"> Addition of MF plant provides a higher standard than required by current consent. The MF plant would be used for a significant plant upgrade to mechanical based treatment. All components straightforward to use in upgrade and are expected to be of full practical value. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC. 	<ul style="list-style-type: none"> Addition of MF plant provides a higher standard than required by current consent. The MF plant would be used for a significant plant upgrade to mechanical based treatment. All components straightforward to use in upgrade and are expected to be of full practical value. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC. 	<ul style="list-style-type: none"> All components straightforward to use in upgrade and are expected to be of full practical value. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing Benefit of MF removal of N counterbalanced by reducing size of SDI disposal field. The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC.
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> Only restriction is the sizing of the transfer pipeline. Cost estimate based on 300mm pipeline rather than 250mm to allow for increased capacity. If it is sized for significantly higher future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. 	<ul style="list-style-type: none"> A restriction is the sizing of the transfer pipeline. If it is sized for future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. MF plant will be limited in capacity, but flow beyond this capacity will be designed to bypass this additional treatment, given the use of CPI. Otherwise, MF plant reduces N load to irrigation site, meaning increased flows of approx. 30% can be catered for under the conditions of the current consent. 	<ul style="list-style-type: none"> A restriction is the sizing of the transfer pipeline. If it is sized for future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. MF plant will have a limit on peak capacity, but may be acceptable to bypass some flow in peak conditions given use of CPI. Otherwise, MF plant reduces N load to irrigation site, meaning increased flows of approx. 30% can be catered for under the conditions of the current consent. 	<ul style="list-style-type: none"> A restriction is the sizing of the transfer pipeline. If it is sized for future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. MF plant will have a limit on peak capacity, so will need to be configured to allow increased flow and load, with consideration beyond the term of the initial consent
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<ul style="list-style-type: none"> Discharge to land that received a submission in support from TAMI for the resource consent. 	<ul style="list-style-type: none"> Direct discharge to land that received a submission in support for the resource consent Membrane filtration a further improvement. 	<ul style="list-style-type: none"> Direct discharge to land that received a submission in support for the resource consent Membrane filtration a further improvement. 	<ul style="list-style-type: none"> Direct discharge to land that received a submission in support for the resource consent SDI field sized to achieve similar nitrogen reduction as option 1.

Key Values	Evaluation Criteria	Option 1 (Pond, Trickling Filter, Centre Pivot Irrigation)	Option 2A (Pond, Baseload Membrane Filter, Trickling Filter, Centre Pivot Irrigation)	Option 2B (Pond, Peak load Membrane Filter, Trickling Filter, Centre Pivot Irrigation)	Option 3 (Pond, Peak load Membrane Filter, Subsurface Drip Irrigation)
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> Limited community activity within 2km, with regard to residential, which is beneficial in reducing visual effects, and perceptions regarding odour or spray drift. Airport is within this radius. Noted that existing shelter belt will be between airport and irrigation area. Significant community opposition from Manapouri and Te Anau area. 	<ul style="list-style-type: none"> Limited community activity within 2km, with regard to residential, which is beneficial in reducing visual effects, and perceptions regarding odour or spraydrift. Airport is within this radius. Noted that existing shelter belt will be between airport and irrigation area. Significant community opposition from Manapouri area. Uncertain whether improved wastewater quality due to MF plant will address the core causes of Manapouri community concern, but can only help. Addition of an MF plant may introduce concerns from community in vicinity of WWTP. 	<ul style="list-style-type: none"> Limited community activity within 2km, with regard to residential, which is beneficial in reducing visual effects, and perceptions regarding odour or spraydrift. Airport is within this radius. Noted that existing shelter belt will be between airport and irrigation area. Significant community opposition from Manapouri area. Uncertain whether improved wastewater quality due to MF plant will address the core causes of Manapouri community concern, but can only help. Addition of an MF plant may introduce concerns from community in vicinity of WWTP. 	<ul style="list-style-type: none"> SDI is likely to be more acceptable than CPI, as main concerns regarding spray drift, odour and visual effects are addressed. Does not address the view of some that the Kepler site is inappropriate in any situation. Addition of an MF plant may introduce concerns from community in vicinity of WWTP.
Economic E\$1	Capex	<ul style="list-style-type: none"> Capex for Te Anau is \$14.5M Capex for Manapouri is \$1.45M 	<ul style="list-style-type: none"> Capex for Te Anau is \$17.4M Capex for Manapouri is \$1.45M 	<ul style="list-style-type: none"> Capex for Te Anau is \$19.4M Capex for Manapouri is \$1.45M 	<ul style="list-style-type: none"> Capex for Te Anau is \$21.8M Capex for Manapouri is \$1.45M
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> Opex for Te Anau is \$347k Opex for Manapouri is \$29k Therefore NPV is \$20.8M 	<ul style="list-style-type: none"> Opex for Te Anau is \$450k Opex for Manapouri is \$29k Therefore NPV is \$25.0M 	<ul style="list-style-type: none"> Opex for Te Anau is \$474k Opex for Manapouri is \$29k Therefore NPV is \$27.3M 	<ul style="list-style-type: none"> Opex for Te Anau is \$467k Opex for Manapouri is \$29K Therefore NPV is \$29.6M

Table 12: Scoring of Consented Scheme and Options

Key Values	Evaluation Criteria	Total Score			
		Option 1	Option 2A	Option 2B	Option 3
Environmental	Ability of scheme to obtain long term consents. ¹⁵	1.30	1.30	1.30	1.04
	Adaptability of scheme to meet increased environmental standards	0.68	0.88	0.88	0.68
	Adaptability of scheme to meet increased flows and loads.	0.78	0.88	0.88	0.68
Iwi Acceptability ¹⁶	Extent to which scheme meets the aspirations of Iwi.	1.35	1.50	1.50	1.35
Social Acceptability	Extent to which scheme meets the social aspirations of the local community.	0.60	0.80	0.80	1.40
Economic	Capex	0.98	0.59	0.39	0
	NPV, Te Anau scheme plus Manapouri scheme	0.65	0.39	0.26	0.13
	TOTAL:	6.34	6.33	6.01	5.29

¹⁵ Alternatives 1 and 2 are likely to require variations to the existing consents.

¹⁶ In the absence of Dean Whaanga of TAMI, Don Mowat (iwi representative on the Te Anau Wastewater Discharge Project Committee) confirmed that he generally agreed with the Representative Group's interpretation of the cultural acceptability of each option. The scoring was revised to reflect the iwi perception of the slightly better performance of Options 2A and 2B.

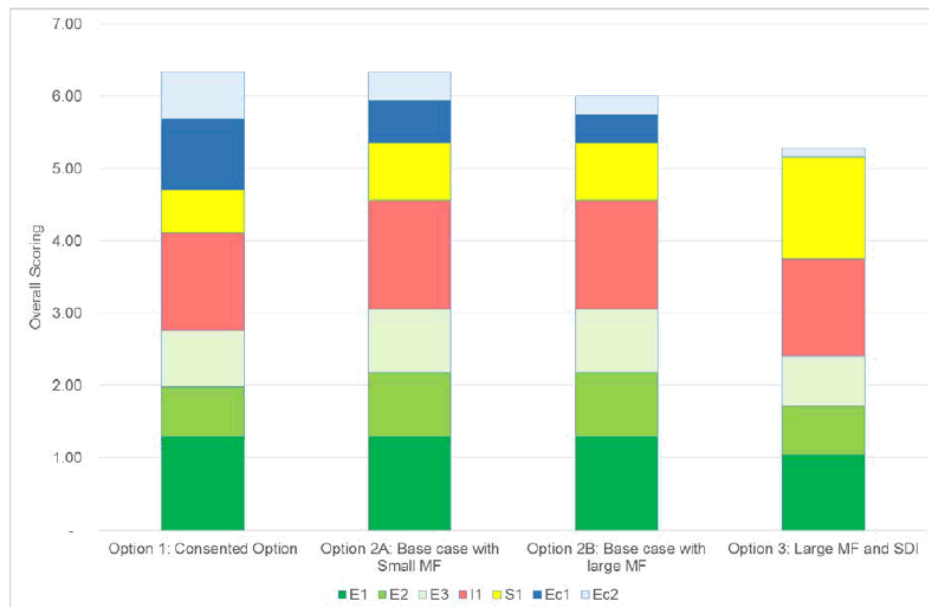


Figure 8: Scoring of the Options

3.6 Sensitivity Analysis

A sensitivity analysis was performed to determine the impact of two of the principal assumptions that were made in the assessment of options. This included:

- Reducing the costs of the subsurface drip irrigation system by \$2 million dollars from \$4.2 million to \$2.2 million. The reason for testing this reduction is because in the past there was disagreement with the sizing and costing of the disposal field. This analysis shows that this cost reduction will not change the overall ranking of Option 3.
- Adjusting the weighting of the Key Values from that given in Table 7, from about a third each to environment, economic and the combination of iwi and social to each of the four Key Values having a weight of 25% each. The reason for testing this scenario was to check whether the weightings agreed by the Representative Group made any significant difference to the outcome.
- Both these factors combined, is essentially testing the limits of sensitivity.

The impact of this change on the overall scoring of the options is given in Table 13.

Table 13: Effect of Sensitivity Analysis on Scoring of Consented Scheme and Options

Key Values	Total Score			
	Option 1	Option 2A	Option 2B	Option 3
Base Assumptions	6.34	6.33	6.01	5.29
Change 1: Subsurface Drip Irrigation reduced in capex by \$2M	6.34	6.33	6.01	5.61
Change 2: Alter weighting of Key Values to 25% each	6.38	6.60	6.35	5.95
Both changes together	6.38	6.60	6.35	6.20

3.7 Preferred Option

Option 1 being the discharge of oxidation pond treated wastewater to the Kepler Block by Central Pivot Irrigation is marginally preferred over Option 2A. Option 1, through being consented, is determined to have effects that are less than minor, or ones that can be adequately mitigated. It also achieves the project objectives at least cost.

Option 2A comes a very close second with some improvements primarily in nitrogen removal, but at a cost of an additional \$2.9M.

3.8 Residual Risks of Preferred Option

The key current overall project risks relevant to the preferred option are summarised below in Table 14.

The options assessment in Appendix 4 provides further risks against each Decision Criteria.

A detailed risk register for all project matters has been developed over the last 3 years and will continue to be progressively updated throughout the project. This is provided in Appendix 3.

Table 14: Key Residual Risk Summary

Main Risks	Likelihood (H/M/L)	Consequence (H/M/L)	Comments and Risk Management Strategies
Delay due to desire to assess further options.	M	H	Mitigate by ensuring a formal, thorough process for selecting preferred option. Develop minimum acceptance criteria for any option.

Main Risks	Likelihood (H/M/L)	Consequence (H/M/L)	Comments and Risk Management Strategies
Political change of direction leading to unacceptable delays.	M	H	<p>Wastewater schemes such as Te Anau can be subject to the community applying political pressure for certain outcomes, beyond what may be the best technical solution. This can cause a change of direction of the project at any stage. It should be noted that any potential alternative discharge location is likely to be subject to the same level of concerns.</p> <p>Mitigate by ensuring the Critical Success Factors include the community viewpoint, clearly documenting the decision making process (such as summarised by this BBC), and seeking formal Council confirmation before moving beyond identified gateways, noting particular meetings where potential alternatives were discussed but ultimately resolutions passed to proceed with the Kepler proposal.</p>
Change of environmental standards from ES, or in the National Policy Statement for Fresh Water Management.	H	M	<p>This risk increases with time, and as the proposed Water and Land Plan becomes finalised.</p> <p>The requirements of the NPS-FM have recently been tightened with regard to contact recreation. This will have further implications for a continued discharge to the Upukerora as opposed to the proposed Kepler discharge.</p> <p>Managing nutrient loadings through a cut and carry operation fulfils Council's obligations around reducing impact of the discharge on the aquatic environment.</p> <p>This risk is low for the Kepler Block given that it has an existing consent and its implementation will not require extension to the consent for continued discharge to the Upukerora River.</p>
Loss of continuity of knowledge.	L	M	<p>Since 2012 the same people are largely available to continue to develop the project. Prior to 2012 there is less continuity, however, all key finding and assumptions are well documented.</p>
Disposal of herbage harvest for slow rate irrigation land disposal sites.	M	M	<p>A land disposal site is reliant on harvesting and removal of the pasture (cut and carry). Because of perception issues related to wastewater irrigation, there are some restrictions into the use of the baleage that is generated for example restrictions around lactating cattle.</p> <p>Mitigate by establishing a long term contract for pasture management including operation of a cut and carry operation.</p>

4 Procurement and Timeframes

4.1 Introduction

This section addresses the procurement and execution of the physical works, in a way that controls the risks to SDC and maximises the opportunity for best value. Specifically considered is:

- SDC procurement policy
- The procurement strategy
- Timeframes
- Conditions of Contract
- Risk Assessment.

4.2 SDC Procurement Policy

Council's current approved procurement policy sets out the strategic objectives for how the organisation will set out to procure goods and services. In particular, there is an explicit emphasis on Value for Money in relation to whole of life costs and benefits, and non-monetary qualities that Council seeks to promote.

Key objectives of the policy and how they relate to the current Business Case are expanded on in the following sections.

4.2.1 Ensure purchases are made in an open, fair and transparent manner.

It is intended this will be managed through the tendering process to procure the work

4.2.2 Deliver best value for money over whole of life: considering both cost and quality.

The Business Case clearly identifies a preferred option based on NPV cost. Council will have the opportunity to resolve that this remains the preferred option and proceed towards detailed design, or highlight an alternative preferred option from those scored through the Business Case process.

4.2.3 Ensure open and effective competition.

It is intended this will be managed through the tendering process.

4.2.4 Support good environmental outcomes, where feasible.

It is noted that the preferred option identified in the Business Case has been granted consent following an extensive process where it was demonstrated that the environmental effects of the activity were less than minor.

4.2.5 Appropriately manage risk.

The Business Case highlights that a risk register has been developed and is regularly considered and updated as the project is developed. It also highlights significant risks associated with further potential delays to the development of the project. Furthermore risks around construction and delivery will be managed through a contractor pre-qualification process which is common within the delivery of significant infrastructure projects.

4.2.6 Promote efficient purchasing practices in a dynamic environment.

It is intended that this will be managed through the tendering process.

Further to these key objectives guidance from the Office of the Auditor general states that good practice considerations include:

- Clearly articulated procurement policies and procedures.
- Regard for the legal implications surrounding procurement, including acting in accordance with the existing enabling legislation, along with wider legal and public law considerations.
- Operating with ethical standards covering confidentiality, disclosure and declarations of interest.
- Awareness of economic considerations in the procurement process including total cost of ownership, value for money and market impact.
- Effective management of risk throughout the procurement process.

4.3 Project Management / Delivery

In terms of actual management of the overall project as it moves towards the detailed design and construction phases it is intended that a team of internal and external resources will be responsible for the overall delivery. The team will include SDC staff along with current Operations and Maintenance Contractors and input from specialist consultants as required. There will also be a requirement for input from various other internal resources within Council, notably representatives from Finance, Communications and Property Services.

Overall it is anticipated that the team will be led by an experienced project manager with the relevant track record in the delivery of significant infrastructure projects. The project manager will be responsible for ensuring that the detailed design of all phases will be fit for purpose through, where necessary, the use of peer review by independent technical wastewater expertise. This will add a further level of quality assurance around the design.

As the project moves on to the construction phase the project manager will be responsible for all aspects of construction including managing contractors' performance, health and safety, risk management and overall delivery including coordination of the various aspects of the work. The Project Manager will also be responsible for liaison with affected parties such as land owners, road controlling authorities and other providers of infrastructure.

Options available for engagement of a suitably qualified project manager are either direct employment of a full time equivalent on a fixed term basis of the life of the project, or to directly engage a local engineering consultancy to provide the services. Recent experience in attracting the appropriate level of engineering and project management experience to Council will be a consideration in deciding on which approach to take.

4.4 Project Control

A Project Control Group will be established to overview the project, and ensure that it is delivered within the parameters of the agreed Business Case. Membership of the PCG will include Tier 2 SDC management, as project sponsor, the activity manager, a SDC financial representative, the SDC project manager and technical representatives from the designers and SDC operations.

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The PCG will meet at agreed regular intervals, with a pre-distributed report that details progress against key project metrics.

4.5 The Procurement Strategy

The procurement strategy focuses on how best to approach the market and procure the required services, subject to complying with any specific SDC rules and policies.

4.5.1 Assessment of the Market

On the assumption that Council approves the Business Case for implementation, proposals from the contracting market will be sought in the next 12 months. An assessment was made of the key market drivers in that period by contacting Ollie Turner, the Southern Regional Manager of Civil Contractors NZ Inc on 8 November 2017, which is the industry body that represents contractors. Arising from that conversation:

- The Queenstown – Wanaka – Cromwell triangle is very active, and is restricted by the availability of staff and accommodation. Stantec's recent experience is consistent with this. For example, in 2017 only one tender was received for a contract for 6km of twin 400mm diameter pipelines, which is of similar nature to the Te Anau pipeline.
- Christchurch's post-earthquake civil construction is measurably slowing down. This is creating capacity with Christchurch contractors and they are now looking further afield for work.
- While Civil Contractors NZ's do not hold formal statistics, its opinion is that the Otago Southland market (outside of the Queenstown Lakes District), is reasonably static and that there is available capacity for projects such as Te Anau.
- Smaller contractors are interested in acting as a head contractor, if the package of work suits their capabilities. Where this is the case, a good, smaller, contractor can add significant value by taking real ownership of the outcomes.
- Dairy conversion work in Southland is presently at a lower level.

Based on the above information, the assessment of the market is:

- The market is currently very active with significant opportunities for contractors and suppliers for major projects across Southland, with significant major developments attracting suitably qualified labour forces into the Region.
- There is capacity in the civil contracting market to deliver the project.
- This market is presently reasonably competitive.
- The market in the Queenstown Lakes District is very active, with significant major developments, but is limited by availability of resource. The effect of this on the Te Anau project is considered to be within reasonable limits.
- There is scope to improve value to SDC by separately tendering a package of work that may suit medium-sized contractors, where the interface risks can be controlled. The pipeline stands out in this regard.
- It is also considered that a procurement strategy that allows local contractors to competitively bid is wise, and consistent with SDC philosophy.
- Contractors will be most attracted to projects where their risk is controlled and the effort of bidding is within a reasonable minimum. This is particularly relevant if local (vs National) contractors are to be attracted.

4.5.2 Assessment of Project Attributes

The Te Anau scheme has the following key elements:

- Approximately half of the capital cost is in the pipeline between Te Anau and the Kepler Block. As far as pipeline construction goes, this is long, but relatively straightforward with considerable experience available at both local and regional level.
- About 20% of the project is mechanical/electrical/process plant and there is considerable benefit to tendering this work under one contract. The work involved includes the pump stations, trickling filter, backup oxidant dosing, monitoring equipment, telemetry, SCADA and centre pivot irrigators.
- Raising of pond 1 at the Te Anau WWTP (for buffer storage), is largely civil work, but requires strong quality control and construction management.
- The bulk of the remaining work is site development at the Kepler Block. This includes shelter belts (remove/enhance), fencing and pasture conversion. This is straightforward work, suitable for local contractors, and there are benefits from this occurring early on, compatible with growing seasons and allowing the block to be well established prior to irrigation commencing.
- The scheme has the benefit that there are large and distinctly separate work areas, the Te Anau WWTP, the pipeline, and Kepler site. This makes concurrent work practical and reduces the risk associated with multiple contractors working in one place at the same time.

These elements suggest that there are several options for packaging the delivery of the project:

- i. A single package comprising all elements of the project;
- ii. Individual packages comprising:
 - The pipeline between Te Anau and the Kepler Block,
 - The mechanical/electrical/process plant including the pump stations, trickling filter, backup oxidant dosing, monitoring equipment, telemetry, SCADA and, possibly, centre pivot irrigators,
 - The civil work for raising of pond 1 at the Te Anau WWTP,
 - Site development at the Kepler Block,
 - Supply and installation of the centre pivot irrigators.
- iii. A combination of the above.

The preferred approach is to utilise three packages consisting of:

- Package 1: Site development at the Kepler Block,
- Package 2: The pipeline between Te Anau and the Kepler Block,
- Package 3: The mechanical/electrical/process plant

A package of work can consist of one or more individual contracts. At this stage, it is anticipated that each package will be procured as a single contract. However, packages may be split into further contracts, if identified as appropriate during project development. Civil Contractors has indicated that smaller contractors are likely to be interested in acting as a head contractor, if the package of work suits their capabilities. This does add administrative effort for SDC and its consultants and emphasise the importance of a competent Project Manager.

4.5.3 Approach to Develop Design and take to the Market

Options for procurement methods fall into three main categories:

1. **Separate Design and Construct Contracts**. This is a common approach where a package of work is designed in full detail, then competitively tendered. This suits a situation where there is little uncertainty on what is physically required, and/or the purchaser wishes to be involved in the design choices. It is attractive to tenderers as it minimises their risk and tendering cost.
2. **Design-build**. Also relatively common, primarily suited to where a performance outcome can be specified, but the market offers multiple proprietary products, for example prefabricated reservoirs, or ultraviolet disinfection equipment. These design of these products is well developed and there is little point in repeating it. Another common incentive for design-build is for complex operating plant, when there are many elements that need to operate coherently as an integrated whole, especially if a range of proprietary products are involved. In this situation the advantage of design-build is that the contractor has a singular responsibility to ensure the successful integration and commissioning of the works. On the other hand design-build has high tendering costs that can reduce the number of tenderers, and the purchaser has less control over the physical works provided. It is relatively common for the tendered offering to be less than what the purchaser intended, and this can be expensive to amend.
3. **Design-build-operate**. An extension of design-build, particularly for mechanical plant, where the contractor is responsible for the ongoing maintenance and operation of the completed works for a specified number of years. Combined with penalty clauses for failing to meet specified performance criteria, this incentivises the contractor to provide more robust works. This has advantages, for example, where the purchaser has limited expertise in the technology being offered.

There is scope to combine elements the above approaches into any single contract, and this is common. For example, a design-bid-build contract may include a design-build element such as a storage tank.

The above assessment leads to the preferred procurement strategy being on the basis of Option 1 (Separate Design and Construct Contracts) being the preferred option for the civil contracts for the following reasons:

- The responsibilities and liabilities for design are separate and clear;
- The capabilities required for each package are different;
- The discrete packages are likely to attract greater interest for specialised tenderers;
- There can be differing warranty and maintenance periods applicable to each package;
- Contracts can proceed in parallel likely to expedite completion.

The dis-benefit of this approach are the extra administrative effort and cost associated with tendering separate contracts and the need for coordination of contractors and managing the interface between them.

Table 15: Proposed Procurement Strategy

Attribute	Proposed	Discussion
Confirmation of design basis	A Basis of Design signed off prior to approval to commence detailed design.	A Basis of Design report provides a full technical understanding of the attributes of the scheme. For example, ultimate capacity of the pumps/pipeline, how it will operate, compromises, risks. Formal review and acceptance of this provides SDC confidence the best decisions have been made before it is too late to adjust them.

Attribute	Proposed	Discussion
Engagement with operations staff/contractors	Structured engagement, from design through to commissioning and handover.	The engagement, skill and understanding of operations staff make a significant difference in any project such as this. It is crucial they are kept informed, and involved at HAZOP and key milestones. This will result in the scheme operating with maximum efficiency.
Extent of design	Except as detailed below, a fully detailed design undertaken prior to tendering. Full survey data provided by a local surveyor.	A full design pre tender reduces contractor's tendering costs and risk. This promotes competitive tendering. The major elements such as earthworks and pipeline are well understood and straightforward to implement and will use this approach. Design-build of a number of key elements is proposed where risks are understood and mitigated against.
Extent of design-build elements	Centre pivot irrigators, trickling filter tank and distributor arm. Design development may later suggest including the Te Anau WWTP pumpstation building.	The advantage of design build occurs when the required outcomes are clear but there are various ways of achieving this. These elements are commonly procured by specifying outcomes, rather than a detailed design. This is because each supplier has highly developed designs of their own. Should Council opt to install membrane filtration as part of the upgrade this will also be tendered as a design build element.
Packaging of work	Two main contracts, being the pipeline and all other works, except: <ul style="list-style-type: none"> Identified Kepler establishment works, Any minor specialist work 	Pricing for the majority of works must be received at same time, to allow the full project cost to be understood before any contract is committed to. Reserve the authority to negotiate with a preferred tenderer prior to award to enhance time, cost or quality outcomes. There is an advantage in some Kepler establishment works being separate as they are of lesser cost, and specialist, such as shelter belt planting. The pipeline is physically separate from the other works, reducing interface risks, and is straightforward work attractive to local/regional contractors. Multiple contracts introduce interface risks to SDC, where the performance of one contract affects another, and costs fall upon SDC. More contract packages also require more administrative input. For these reasons further packages are not recommended. The main non-pipeline contract would be responsible for the coherent commissioning of all individual elements into an integrated whole.
Nominated subcontractors or suppliers.	Allow SDC staff to nominate	Typically there are advantages in having some commonality of components and suppliers across all schemes, where their performance is proven. This is particularly with regard to electrical and mechanical items. It may also apply to specialist subcontractors such as for telemetry and SCADA programming. SDC would also directly contract the upgrade of electrical transformers.

Attribute	Proposed	Discussion
Early contractor involvement (ECI)	Include Expression of Interest (EOI) phase for the main contract	<p>An EOI would go to the market 2-3 months ahead of tender documents, with a full project description provided and proposed NZS 3910 special conditions. This allows contractors to plan for the project and engage with subcontractors and suppliers and submit on contract conditions that may limit contractors risk while benefiting Council. It makes the project more attractive.</p> <p>An ECI/EOI process also gives SDC an opportunity to understand the level of interest and address any issues that contractors may raise, prior to issuing the RFT.</p>
Prequalification of tenderers	Recommended, as part of the EOI phase.	<p>Engenders a higher level of engagement at an early stage.</p> <p>Provides confidence to tenderers that their competitors have been vetted to achieve minimum standards in quality, safety and management.</p> <p>Increases tenderer engagement as not at risk of a 'rouge' tenderer.</p> <p>Prequalification requires SDC to be confident that at least 3-4 contractors will tender for the work. Until EOI responses are received SDC will keep the option open to invite interest from further contractors.</p>
Tender price weighting.	<p>Weighted attributes, with a price rating between 30-60%.</p> <p>Non-price attributes include track record, methodology, key personnel and methodology.</p>	<p>Non-price attributes force tenderers to clearly think through their methodology, and propose appropriate key personnel. This significantly reduces risk for all parties.</p> <p>Experience is that price will dominate assessment from as low as a 30% weighting, and definitely from 60%.</p> <p>The attributes from prequalification will be repeated for tendering. While prequalification establishes a minimum standard, use of these attributes allows SDC to recognise their value. For example, of a more highly skilled team or a more robust methodology.</p>
Tender Assessment Method	Generally in accordance with NZTA Price Quality Simple method with significant emphasis given to track record around Health and Safety.	<p>This is an industry accepted method, with well-established protocols and clear probity.</p> <p>Prior to tendering, careful consideration must be given to any areas where procedures should be amended to match the specific requirements of SDC, noting this is not an NZTA project with external funding.</p> <p>SDC will appoint an independent person to act as Probity Auditor to review all aspects of the tendering documentation and process. The Probity Auditor's report will be made to SDC's Chief Executive contemporaneously with the Tender Assessment Report(s).</p>

4.6 Timeframes

Timeframes proposed for the delivery of the project are set out in Table 16 and shown in **Figure 9**.

Table 16: Proposed Procurement Timeframes

Milestone	Period (Date)	Discussion
DESIGN		
Council confirmation of option to implement.	December 2017	
Basis of Design Report	4 months Complete end April 2018	This will include the preparation of the draft environmental, odour, and groundwater management plans required by the consent. Will also include final survey and any remaining site investigations.
SDC review, acceptance and approval to commence detailed design.	1 month Complete end May 2018	This period includes Hazards and Operability (HAZOPS) workshop with operational staff.
Detailed Design and tender documentation	4 months Complete end September 2018	
PACKAGE ONE	KEPLER ENABLING WORKS	Shelter belts, fencing, pasture
Tender	April 2018	Allows the maximum establishment time for shelter belts.
Implement	Complete by October 2019	Establishment of new pasture timed to be Spring of the year before irrigation commences.
PACKAGES TWO AND THREE	PIPELINE AND REMAINING CONSTRUCTION WORKS	
Contractor pre-qualification.	2 months Advertised early July, confirmed end August 2018	Expresses intent to the market to allow contractors to manage resources
Tender period	6 weeks Complete mid November 2018	Prequalification process allows contractors to prepare in advance.
Tender evaluation, negotiation and award	4 weeks Award mid December 2018 latest.	Allows time for negotiation with preferred tenderer to optimise any part of their bid.
Commence construction	Mid Feb 2019	Allows time for site establishment and initial material supply.

Milestone	Period (Date)	Discussion
Construction period – physical works	1 year Completed Mid Feb 2020	The longest duration activity is the pipeline construction. A one year construction period is sufficient to allow local contractors, with less resources, to participate.
Dry commissioning	2 months	Allows a contingency period to ensure wet commissioning starts as scheduled. Allows for operating and maintenance manuals, training and programming of control systems to be undertaken on a completed system, which reduces risk from changes.
Wet commissioning. Discharges to the Kepler Block will commence.	Commence 14 April 2020 (after Easter) 8 weeks duration Completed mid June 2020	Timed to occur in Autumn for two key reasons: <ul style="list-style-type: none"> • The new pasture requires a full summer growing season to develop. • Commissioning at this times avoids peak season, and the significant flow fluctuations. This minimises risk.
Consent expiry date for discharge to Upukerora river	30 November 2020	

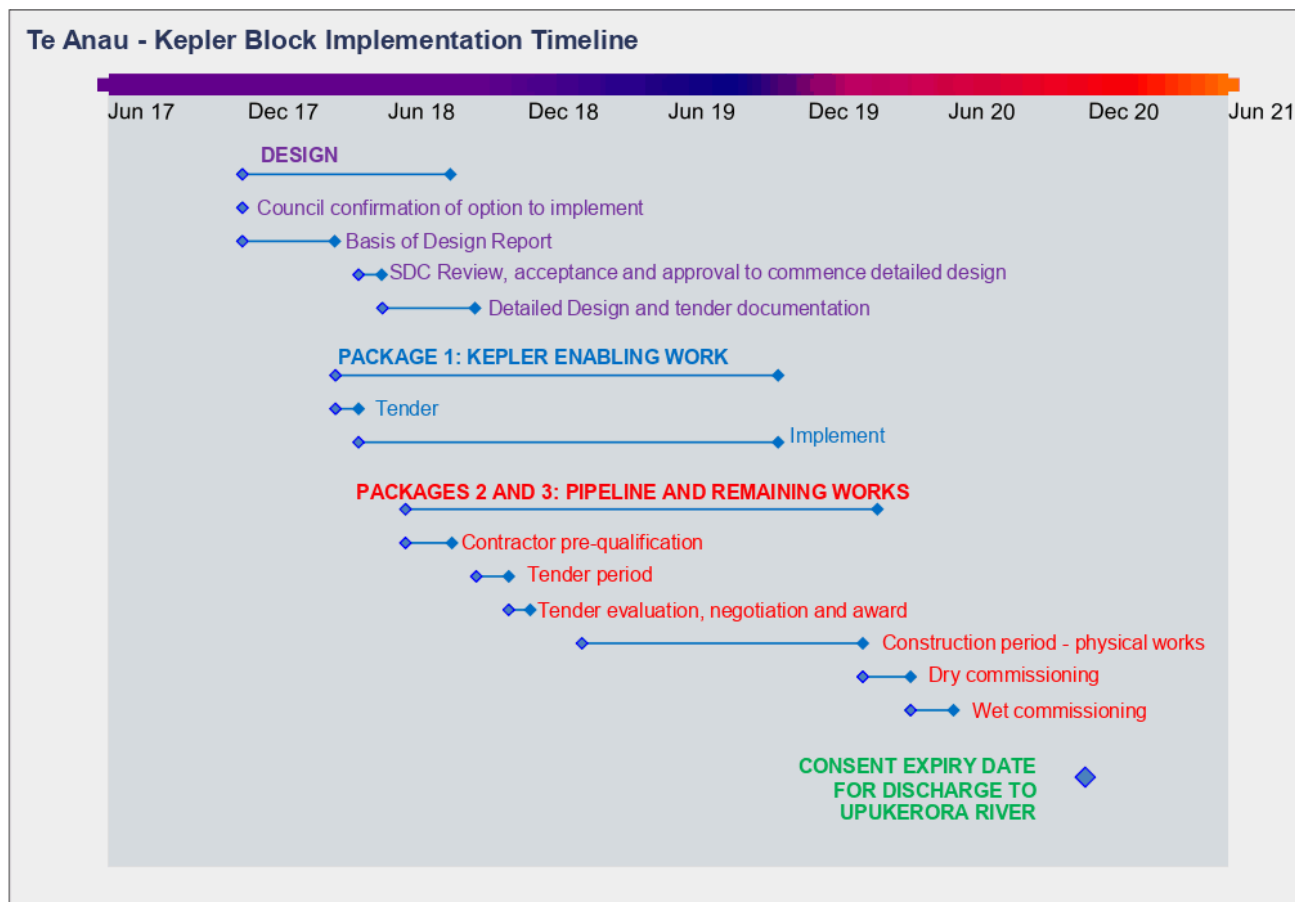


Figure 9: Implementation Timeline

4.7 Conditions of Contract

New Zealand's industry standard General Conditions of Contract for Construction, NZS3910:2013 are proposed to manage all construction contracts. The design and observation contract will be based on the Conditions of Contract for Consultancy Services. Any design-build contracts will be based on the relevant NZS391X:2013 or FIDIC document.

These are widely understood by the industry, and are well proven for projects such as this. The risk allocation inherent in NZS3910 is considered fair and reasonable. Special conditions will include warranties and guarantees for items of a design and build nature.

A 12 month Defects period would commence from the completion of commissioning.

4.8 Operation of Completed Scheme

It is proposed that responsibility for the operation of the scheme be passed to SDC's operations contractor at the end of commissioning. Experience has shown that it is the most practical option for the long-term operator to take over as soon as possible.

The construction contractor would still be responsible for defects, and the contract will include appropriate response times for any issues that might arise. Maintenance contracts for the irrigators will be entered into.

Prior to commissioning SDC will confirm a management contract for the management of the pasture and the associated cut and carry baleage operation.

4.9 Procurement Risk Assessment

The key procurements risks for Option 1 are summarised below in Table 17.

The options assessment in Appendix 4 provides further risks against each Decision Criteria.

A detailed risk register for all project matters has been developed over the last 3 years and will continue to be progressively updated throughout the project. This is provided in Appendix 3.

Table 17: Key Procurement Risks for Option 1.

Main Risks	Likelihood (H/M/L)	Consequence (H/M/L)	Comments and Risk Management Strategies
Buoyant market increasing tender prices and/or reducing number of tenderers	H	H	Increase attractiveness of project by: <ul style="list-style-type: none">Minimising tendering cost by providing full design.Providing advance informationProviding 'even playing field' through pre-qualificationEncourage contractor feedback from pre-qualification to enhance the RFP, through design details, contractual requirements and timeframes.
Detailed design does not meet SDC's needs.	L	M	<ul style="list-style-type: none">Prepare a Basis of Design Report that fully describes how the scheme will operate, its strengths and compromises.Critically assess this report, and amend as needed, before commencing detailed design.

Main Risks	Likelihood (H/M/L)	Consequence (H/M/L)	Comments and Risk Management Strategies
Some design elements difficult to construct.	L	M	<ul style="list-style-type: none"> Seek contractor feedback from the pre-qualification stage. Allow some scope for alternative tenders, subject to the provision of a detailed schedule of compliance and departures.
Lack of clarity on total tendered cost of all packages.	M	H	<ul style="list-style-type: none"> Tender main work components on same timeline so that these tender prices are received at the same time.
Market discouraged by unattractive contractual conditions	L	M	<ul style="list-style-type: none"> Minimise variations to the standard General Conditions Subject any such conditions to careful scrutiny for unforeseen consequences.
Highest ranked tender has undesirable elements	M	M	<ul style="list-style-type: none"> Ensure tender submissions are required to specify any variations. Allow time for some negotiation before awarding a contract.
Increased price through local subcontractors not being involved.	M	M	<ul style="list-style-type: none"> Ensure local contractors can be involved by the way the work is packaged, the price is scheduled, and its timeframes.
Commissioning problems cause discharge quality issues, or odour non-compliance.	L	H	<p>Commission in Autumn:</p> <ul style="list-style-type: none"> Low flows mean buffer storage greater, and a long period of low loads can be expected. Loads do not fluctuate as much, providing more stable operating environment Pasture has had a full season to establish. Temperatures are lower, reducing odour risk.
Commissioning not completed prior to 30 Nov 2020.	L	H	<ul style="list-style-type: none"> Ensure Kepler Block pasture sown not later than spring 2019. Provide buffer time period between physical works completion and commissioning
Operations staff not fully ready at handover	L	M	<ul style="list-style-type: none"> Ensure operations staff involved throughout the project timeline, and specifically at HAZOPs. Ensure training on the Environmental Management Plan and O&M Manuals completed prior to commissioning. Defined interface between operations staff and land management contract.
Specialist SDC knowledge or procedures not incorporated.	L	M	<ul style="list-style-type: none"> Allow incorporation of nominated equipment or subcontractors in specialist areas.
Lack of contractor focus on time and quality	M	M	<ul style="list-style-type: none"> Appropriate liquidated damages. Provide on-site supervision/observation. Require regular and structured reporting. Contract documents to specify quality control measures.
Failure of control system	L	M	<ul style="list-style-type: none"> All plant able to run on manual mode if required.

5 Financing and Funding Arrangements

The purpose of this section is to determine the funding requirements of the preferred option and to demonstrate that the impact on affordability for ratepayers.

5.1 Financial costing approach

This section focuses on the affordability of the short-listed options evaluated in the Options Assessment, with particular emphasis on the preferred option. The financial costing shows the impact of the financial position of the SDC included in the 2018-28 Long Term Plan of implementing the preferred option.

The capital and operating requirements for the preferred option are detailed separately in the financial analysis, including:

- the capital and operating consequences of the preferred option over four years starting 2018/19. It is expected that the operational costs of the preferred option will be stable at the end of this period. The capital and operational costs shown are those above what is currently being incurred.
- any contingencies (in monetary terms and consistent with previous quantitative risk analysis) necessary to ensure that there is sufficient financial cover for risks and uncertainties have been included in the capital costs shown in Appendix 5
- any shortfall in capital and operating requirements (i.e. funding sought by this business case) and how this is funded in the 2018-28 Long Term Plan.

The key assumptions in the model are:

- inflation on costs has been applied in line with the assumptions for the 2018-28 Long Term Plan.
- all capital expenditure will be incurred by 30 June 2020.
- loans for capital work completed are drawn down at the end of the financial year the funds are required, with repayments starting in the year following. Loans are repaid over for a 30 year period with an interest rate of 4.65%
- the cut and carry operation will break even. There will be no surplus funds available to offset other operational costs.

The proposed funding arrangements are to:

- fund additional operational expenditure directly from rates in the year that it is incurred
- capital expenditure to be funded by available development contributions and depreciation reserves with the remainder funded by loans over 30 years. These loans are serviced by rates.

5.2 Impacts on the Financial Statements

The financial impacts of the project over the intended analysis period are shown in Table 18 for the four years from 2018/19. These are how the costs have been included in the 2018-28 Long Term Plan. By 2022/23 it is expected that the operational costs will be stable, with only increases in inflation occurring.

The capital cost of this project at \$14.8 million will have a limited impact on the net assets of Council. At 30 June 2017 Council had total assets of \$1.456 billion, including \$78.3 million wastewater assets

at depreciated value. The net asset of Council (total assets less total liabilities) was \$1.485 billion. The replacement cost of Council's wastewater assets as per the 2017 valuation is \$123.5 million.

Table 18: Financial Costing Model

Component	2018/19	2019/20*	2020/21*	2021/22*	Total
Capital expenditure (total)	5,047,020	9,690,695	-	-	14,737,715
Operating expenditure:					
<i>Additional electricity</i>	-	50,135	102,476	104,730	257,341
<i>Irrigation management</i>	-	-	53,687	54,976	108,663
<i>Monitoring</i>	15,000	15,330	15,667	16,012	62,009
<i>Consent administration fee</i>	3,000	3,066	3,133	3,202	12,401
<i>Loan repayments</i>	-	273,875	804,963	804,963	1,883,801
Total expenditure	5,065,020	10,033,101	979,926	983,883	17,061,930
Revenue:					
<i>Lease income from Kepler block</i>	58,000	32,244	32,953	33,678	156,875
<i>Development Contributions</i>	-	361,220	-	-	361,220
<i>Net cut and carry</i>	-	-	-	-	-
Capital required	5,047,020	9,329,475	-	-	14,376,495
Operating required	(40,000)	310,162	946,973	950,205	2,167,340
Funded by:					
<i>Rates revenue</i>	(6,748)	361,220	946,973	950,205	2,200,592
<i>Reserves</i>	595,437	761,959	-	-	1,357,396
<i>Borrowings</i>	4,418,311	8,567,816	-	-	12,986,127
Total funding	5,007,020	9,639,637	946,973	950,205	16,543,835

Note: * the amounts included in these years include inflation percentages included in the assumptions for the Long Term Plan (LTP) 2018-28.

Capital expenditure in the LTP has been split between increased levels of serves (61.45%) and additional demand (38.55%). SDC's Development and Financial Contribution policy has been in remission since 1 July 2015. All development contributions collected prior to the policy being put into remission (\$361,220) has been shown in the LTP as being used to fund part of the additional demand. In future if Council decides to make the policy operative any development contributions collected in relation to Te Anau wastewater could be used to fund the remaining demand portion of the capital expenditure.

The capital work to be completed will be funded from available reserves accumulated from funding depreciation with the remainder funded by a 30 year loan. In 2018/19 the remaining loan will be \$4.4 million and in 2019/20 \$8.6 million. It is expected that pastoral land management costs and costs for harvesting of any baleage will be incurred. The intention is to sell the baleage, however for the purposes of the LTP it has been assumed that any income will only recover the costs rather than produce a surplus that could be used to offset the operational costs of running the wastewater system. These figures will be changed if further information shows the assumption is incorrect. The remaining additional operational costs will be funded directly from the rates in the year that the cost is incurred.

The loans required to fund the capital work will be funded from a mixture of internal and external debt. Internal debt will be used where possible (these are from funds held in reserves) however debt sourced from external providers will be needed to fund the capital construction. It is expected at the end of 2019/20 Council will require external debt of \$10.7 million. The Investment Policy and Liability Policy for Council allows effective from 1 July 2018 requires net external debt not to exceed 100% of total revenue. The external debt required 2019/20 is within this limit as total income is no lower than \$68 million during the 10 years of the plan.

In addition to the operational costs shown above Council implemented a policy to gradually fund depreciation on wastewater assets in 2015-25 LTP. In 2018/19 financial year, 40% of any depreciation is funded with all depreciation being funded from 2024/25 financial year onwards. To ensure that the current ratepayers are not paying for the use of an asset twice, loan repayments are taken into account in the completion of this calculation. Due to the loan repayment being higher than the depreciation, no additional rates are required to be collected in relation to the policy on funding depreciation.

Appropriate contingencies have been made for risks and uncertainties within the estimated capital expenditure. Due to the uncertainty in relation to the potential revenue from the cut and carry operation a conservative approach has been taken. The forecast included in the LTP is that any income will cover the costs for pastoral management and removal of any baleage, with no excess funds available to offset other operational costs.

Table 19 shows the District Wastewater rates in the draft 2018-28 LTP. These show rates increases between 0.86% and 9.51% in the period, with the GST exclusive rate moving from \$389 in 2017/18 to \$571 in 2027/28. Residential ratepayers are impacted by the GST inclusive rate of \$448 in 2017/18 increasing to \$657 in 2027/28.

Table 19: District Wastewater Rates in draft 2018-28 LTP

Financial Year	Percentage Increase	Rate (excl GST)
2018 / 19	2.15%	\$397
2019 / 20	2.56%	\$408
2020 / 21	9.51%	\$446
2021 / 22	0.86%	\$450
2022 / 23	5.50%	\$475
2023 / 24	5.59%	\$502
2024 / 25	6.50%	\$534
2025 / 26	2.44%	\$547
2026 / 27	2.01%	\$558
2027 / 28	2.32%	\$571

The impacts on the rates increases are:

- 2020/21 the repayment of loans for option 1
- 2022/23 the repayment of loans for upgrade at Riversdale
- 2023/24 & 2024/25 work completed at Winton along with repayment of loans

The 2015-25 LTP included the construction of the Te Anau consented option in 2016/17 to 2018/19. The capital work was funded by \$350,000 development contributions in 2017/18 with the remaining capital work funded loans repaid over 30 years with an interest rate of 6.25%. The majority of borrowings were expected to be funded from internal sources, but external debt was expected to be required in 2017/18.

Additional operational costs included in 2018/19 were electricity \$75,000, resource consents \$2,000, monitoring costs \$15,000 along with a reduction in rental income of \$28,000. In 2019/20 additional maintenance of \$50,000 was allowed for irrigation management. The budgets included in the 2015-25 LTP have been undated in the 2017/18 and 2018/19 Annual Plans to reflect any known changes in the timeline. These changes include the removal of construction costs and funding required to complete the construction. The 2018-28 LTP has been updated to reflect the changes included in this business case and will be revised as additional information is received.

Historic Costs

The capital costs detailed in Section 5.2 are the future costs outlined in Appendix 5 that will be incurred in the future. In addition to these costs Council has already incurred costs in relation to the purchase of the land at the Kepler block and costs for initial investigations and obtaining the necessary resource consents. The total cost of purchasing the Kepler block of land was \$4.44 million in 2007/08. The purchase was funded by available development contributions and a loan. The loan repayments were funded from the Te Anau sewerage rate until the 2012/13 financial year, when the sewerage activity changed to being funded on a district-wide basis via the district sewerage rate. When district funding of the activity was introduced existing sewerage reserves were used to offset any sewerage loans, with a net result of a loan of \$150 thousand. This loan has been repaid.

Included in the wastewater assets at 30 June 2017 is work in progress of \$1.7 million relating to the resource consent process. These are costs that have accumulated from 1 July 2013. At 30 June 2017 the wastewater activity had internal loans of \$384 thousand. Since the implementation of the district rate, loans have not been identified as relating to a specific project. However the internal loans were incurred in 2014/15 and 2015/16 when significant costs were incurred in the consent process.

5.3 Overall Affordability

The draft financial strategy prepared with the 2018-28 LTP uses a measure of rate affordability equating to no more than 5% of total household income. This measure is consistent with the recommendation made by the Independent Inquiry into Local Government Rates, which reported in 2007. Table 20 shows the number of communities where the percentage of household income paid for Southland District Council rates is greater than 5% of average household income from the 2013 census data (the most recent that is available). The base line comparison to rates is for the 2016/17 financial year. The percentages for rates affordability exclude Environment Southland rates. All ratepayers in the Southland District will be paying Environment Southland in addition to the Southland District Council rates used in the calculation.

Table 20 further shows the number of communities that the rates are higher than 5% of total household income based on the 2016/17 rates under each of the short-listed options given the predicted expenditure for the Te Anau project. The comparison is between the rates and the average household income from the 2013 census data held by Statistic New Zealand for residences only.

Seventeen communities that are connected to the district wastewater rate had residential census data that was available (some communities were excluded by Statistics New Zealand as the sample is too small for release for privacy purposes).

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Appendix 7 shows rates affordability for residential ratepayers in each individual community.

Table 20: Impact of Options on Rates Affordability

Option	Number of Communities with rates greater than 5%
Baseline: 2016/17 rate as a percentage of average household income (2013)	2 communities rates affordability 5.26% and 6.20%
Option 1 as a percentage of average household income (2013)	4 communities rates affordability 5.08%, 5.15%, 5.65% and 6.66%
Option 2A as a percentage of average household income (2013)	4 communities rates affordability 5.15%, 5.23%, 5.75% and 6.77%
Option 2B as a percentage of average household income (2013)	5 communities rates affordability 5.01%, 5.19%, 5.27%, 5.80% and 6.8%
Option 3 as a percentage of average household income (2013)	5 communities rates affordability 5.04%, 5.22%, 5.31%, 5.84% and 6.89%

6 Conclusions

Option 1 is the preferred solution, being the consented discharge of oxidation pond treated wastewater to the Kepler Block by Central Pivot Irrigation.

If other options become available, they will be reviewed against the Key Constraints as outlined in the Business Case.

Appendix 1: Key Stakeholders and Affected Parties

Stakeholder	Organisation Overview	Organisational Goals/Priorities	Te Anau WW Role and Responsibilities
Infrastructure Working Group (IWG)	<p>The IWG was established to enable efficient communication with key stakeholders during the development of options for the long-term WW strategy that was required by condition 20 of Discharge Permit 201636 issued on 8 October 2004.</p> <p>Representatives from:</p> <p>SDC, Te Ao Marama¹⁷, Department of Conservation, Southland Fish and Game Council, the Guardians of Lakes Te Anau, Manapouri and Monowai and the Te Anau Community Board</p> <p>Environment Southland was invited to all meetings to keep informed.</p>	<p>Assist SDC in developing a long term WW strategy for Te Anau that understands and takes into account the values of the represented groups.</p>	<p>The role of the Working Group was to provide support to SDC to find a sustainable long term solution to the disposal of wastewater.</p> <p>More specifically, the working group had the following functions:</p> <ul style="list-style-type: none"> • The identification and consideration of significant existing and emerging local issues; • Assisting the dissemination of information about the progress on the strategy for the Te Anau WW Scheme; •
Southland District Council	<p>Territorial authority responsible for:</p> <ul style="list-style-type: none"> • Sustainable district well-being. • The provision of local infrastructure, including water, sewerage, stormwater, roads. • Environmental safety and health, district emergency management and civil defence preparedness, building control, public health inspections and other environmental health matters. • Controlling the effects of land use (including hazardous substances, natural hazards and indigenous biodiversity), noise, and the effects of activities on the surface of lakes and rivers. 	<p>SDC's strategic framework sets out the vision, mission and community outcomes for the Southland District Council. The three community outcomes are:</p> <ul style="list-style-type: none"> • Supporting our communities • Making the most of our resources • Being an effective council 	<p>Responsible for leading, developing and implementing a long term wastewater strategy for Te Anau.</p> <p>Land use consenting authority for the district.</p>

¹⁷ Resource Management Consultants representing Te Runanga o Awarua, Te Runanga o Hokonui, Te Runanga o Oraka/Aparima and Te Runanga o Waihopai.

Stakeholder	Organisation Overview	Organisational Goals/Priorities	Te Anau WW Role and Responsibilities
Environment Southland	Regional authority responsible for: <ul style="list-style-type: none"> Sustainable regional well-being; Managing the effects of using freshwater, land, air and coastal waters, by developing regional policy statements and the issuing of consents; Managing rivers, mitigating soil erosion and flood control; Regional emergency management and civil defence preparedness; Regional land transport planning and contracting passenger services; Harbour navigation and safety, oil spills and other marine pollution. 	The Strategic Plan for Environment Southland identifies five focus areas, which guide Environment Southland's Long-term Plans until 2025. The focus areas are: <ul style="list-style-type: none"> Land, Water and Coastal Management Air Quality Biosecurity and Biodiversity Risks and Natural Hazards Transport 	Responsible as regulatory authority for managing discharges for purposes of maintaining and enhancing water quality and the sustainable use of natural and physical resources in the catchment
Manapouri CDA			Interested party
Te Anau WW project committee			Advisory role to SDC regarding scope of work to be considered, and acceptability of proposals
Te Runanga o Ngai Tahu	Te Runanga o Ngai Tahu was established by the Te Runanga o Ngai Tahu Act 1996 to be the tribal servant, protecting and advancing the collective interests of the iwi..	Te Rūnanga o Ngāi Tahu has three key roles: <ul style="list-style-type: none"> Support Te Rūnanga o Ngāi Tahu especially in terms of policy and strategy development; Support and assist the members – Papatipu Rūnanga; Provide benefits for both the present and future members of Ngāi Tahu Whānui. 	Statutory role via the Conservation and Resource Management Acts, and via a Statutory Acknowledgement for the area under the Ngai Tahu Claims Settlement Act 1998 Affected party under Section 95, RMA Member of IWG
Te Ao Marama (inc)	Te Ao Marama is a consultative organisation that represents the interests of the four Murihiku Papatipu Runanga on Resource Management and Local Government matters.	Aligned with Te Runanga o Ngai Tahu. Protection of cultural and spiritual values of Murihiku in relation to the use of land and water.	Representing Oraka/Aparima Runanga Affected party under Section 95, RMA. Member of IWG

Stakeholder	Organisation Overview	Organisational Goals/Priorities	Te Anau WW Role and Responsibilities
Department of Conservation (DOC)	The central government organisation charged with conserving the natural and historic heritage of New Zealand.	DOC's vision is to ensure New Zealanders gain a wide range of benefits from healthy functioning ecosystems, recreation opportunities and through living out history. Their work is based around the following five outcomes: <ul style="list-style-type: none"> The diversity of our natural heritage is maintained and restored; Our history is protected and brought to life; More people participate in recreation; More people engage with conservation and value its benefits; Conservation gains from more business partnerships. 	DOC has a statutory role under the RMA in advocating for protection of natural and historic values and the sustainable management of natural and historic resources and where consent applications affect land administered by DOC. Affected party under Section 95, RMA. Member of IWG
Te Anau Community Board			Affected party. Member of IWG Formal role in representing local community.
Guardians of the Lake Manapouri, Monowai and Te Anau	The Guardians were established under the Conservation Act. There are currently eight Guardians of the Lakes including two Ngai Tahu representatives. The appointments are for terms of five years.	The Guardians report annually to the Government on matters arising from the environmental, ecological and social impacts of the Manapouri and Monowai power schemes on Lakes Manapouri, Monowai and Te Anau. The Guardians also make recommendations to Government concerning the operating guidelines for these lakes.	Interested party. Member of IWG

Stakeholder	Organisation Overview	Organisational Goals/Priorities	Te Anau WW Role and Responsibilities
Fiordland Sewerage Options	An Incorporated Society that comprises an executive committee and members.	<p>The objects of the Society are:</p> <p>To ensure that the Te Anau airport at Manapouri or adjacent land does not become the disposal site for Te Anau and /or Manapouri treated or untreated sewage;</p> <p>To help formulate alternative, environmentally friendly options for the disposal of Te Anau and Manapouri sewage;</p> <p>To help the communities of Te Anau and Manapouri well informed and to encourage transparency in all Council activities relating to Te Anau and Manapouri sewage disposal.</p>	<p>Formed following the original 2015 decision by the Commissioners to grant a discharge consent for the Kepler Block.</p> <p>Formed by individuals who were submitters.</p>
Landowners (Landcorp)	<p>Government owned corporate farming and land management organisation.</p> <p>Sold the Kepler Block to SDC as a potential WW disposal site.</p>		<p>Interested Party</p> <p>Formal agreements with SDC regarding land use if Kepler Block used for WW disposal.</p>
Landowners and residents (General)	Landowners and/or residents adjacent to either the existing WW ponds or any new facility are affected by the physical and intangible effects.		Interested party.
Fish & Game	Fish and Game New Zealand is the collective brand name of the New Zealand Fish and Game Council and 12 regional Fish and Game Councils, established in 1990 to represent the interests of anglers and hunters, and provide coordination of the management, enhancement, and maintenance of sports fish and game (Section 26B of the Conservation Act 1987).	<p>The mission of the Southland Fish and Game Council is the management, maintenance and enhancement of the sports fish and game bird resource in the Southland Fish and Game Region. Fish and Game has the following focus:</p> <ul style="list-style-type: none"> • Species management; • Habitat protection; • Access and participation; • Public awareness; • Compliance; • Licensing; • Coordination and planning. 	<p>Affected party under Section 95, RMA.</p> <p>Member of IWG</p>

Appendix 2: Regulatory Framework

This Appendix summarises the regulatory documents and organisations that set standards and/or should be consulted with:

National Policy Statement for Freshwater Management 2014, updated 2017

The National Policy Statement (NPS) for Freshwater Management took effect on 1 August 2014 and was updated in 2017. The NPS sets out objectives and policies that direct local Government to manage water in an integrated and sustainable way, while providing for economic growth within set water quantity and quality limits. The NPS is a first step to improving freshwater management at a national level.

Proposed Southland Regional Policy Statement

The Southland Regional Policy Statement (RPS) guides resource management policy and practice in Southland. It provides a framework on which to base decisions regarding the management of the region's natural and physical resources, gives an overview of the significant resource management issues facing Southland, including issues of significance to tangata whenua, and includes objectives, policies and methods to resolve any identified issues. The RPS also includes measures to indicate whether the objectives have been achieved. All appeals on the RPS have now been resolved through consent orders issued by the Environment Court.

Regional Water Plan

The purpose of this Plan is to promote the sustainable management of Southland's rivers, lakes, groundwater, surface water, and wetland resources. The Plan is aimed at enabling the use and development of fresh water where this can be undertaken in a sustainable way, providing a framework for activities, such as discharges to water, taking and using water, and structures and bed disturbance activities in river beds. Preferences for discharges to land rather than surface water bodies is specifically addressed by way of Policy 7 of the Plan. This states:

"Prefer discharges to land over discharges to water where this is practicable and the effects are less adverse."

Effluent Land Application Plan

This Plan covers sewerage schemes, treatment of foul water by septic tanks, toilet facilities at visitor centres, rest areas and at tramping track huts, campervan and stock truck discharges, trade wastes, and other discharges that may have an effect on groundwater and surface water quality and public health in Southland. The plan looks at how Environment Southland will manage effluent and sludge in Southland.

Proposed Southland Water and Land Plan

The Southland Regional Water and Land Plan has been developed by Environment Southland and is intended to provide direction and guidance regarding the sustainable use, development and protection of water and land resources in the Southland region.

The Plan combines a suite of planning instruments¹⁸ which manage Southland's water and land resources. It provides a regulatory tool for a variety of issues relating to these resources, with particular emphasis on the management of activities that may adversely affect the quality of the

¹⁸ Transitional Regional Plan, Regional Effluent Land Application Plan and Regional Water Plan provisions.

region's freshwater. The Plan outlines objectives, policies and rules that apply to the whole of the region.

The Plan gives effect to the National Policy Statement for Freshwater Management 2014 (NPS-FM). The NPS-FM includes a requirement to define the waterbodies to be managed, and set outcomes, limits, targets and other measures to achieve those outcomes. In accordance with this framework, the Southland region has been divided into five catchments, which stretch from the mountains to the estuaries and sea at the bottom of these catchments. These are the Freshwater Management Units (FMU) for the purposes of the NPS-FM.

Through the FMU limit setting process, objectives, policies and rules will be developed for each FMU. These will be tailored to respond to the pressures faced within each particular catchment. As the FMU limit setting process proceeds, the region-wide objectives, policies and rules in the Water and Land Plan may be added to or replaced by the objectives, policies and rules specific to each FMU. Environment Southland intends to complete its FMU limit setting programme by December 2025.

Preferences for discharges to land rather than surface water bodies is specifically addressed by way of Policy 14 of the Plan. This states:

"Prefer discharges to land rather than direct discharges to water."

Te Mana o te Wai

The Plan recognises the national significance of Te Mana o te Wai, which puts the mauri (inherent health) of the waterbody and its ability to provide for Te Hauora o Te Tangata (the health of the people), Te Hauora o Te Taiao (health of the environment) and Te Hauora o Te Wai (the health of the waterbody) to the forefront of freshwater management. Te Mana o Te Wai has three key functions:

- it is a korowai (cloak) or overarching statement associating the values relating to a particular waterbody and freshwater management unit;
- it provides a platform for tangata whenua and the community to collectively express their values for freshwater; and
- it aligns management tools with values and aspirations to maintain and improve both water quality and quantity.

Te Mana o te Wai is fundamental to the integrated framework for freshwater management in Southland. It provides a way of expressing Southland's aspirations for freshwater, now and into the future.

Te Tangi a Tauira – Ngai Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008

The purpose of this Iwi Management Plan is to consolidate Ngai Tahu ki Murihiku values, knowledge and perspectives on natural resource and environmental management issues within the Southland environment. It is an expression of kaitiakitanga. While the Plan is first and foremost a planning document to assist Ngai Tahu ki Murihiku in carrying out kaitaki roles and responsibilities, it also recognises the role of communities in achieving good environmental outcomes and healthy environments, and thus is designed to assist others in understanding tangata whenua values and policy.

Te Tangi a Tauira identifies values, objectives, policies and outcomes sought by the tangata whenua of Murihiku. A notable policy in relation to the Kepler Block proposal is:

"Avoid the use of water as a receiving environment for the direct, or point source discharge of contaminants. Even if the discharge is treated and therefore considered "clean", it may still be culturally unacceptable. Generally all discharges must first be to land."

Avoidance of use of water as a receiving environment is the bottom line for Ngai Tahu ki Murihiku in terms of addressing adverse effects of the discharge of human sewage on cultural values such as mauri, wairua, mahinga kai and wahi tapu.

Ngai Tahu Freshwater Policy Statement

This document has been prepared by Te Runanga o Ngai Tahu as its Freshwater Policy Statement. Its focus is the management of the freshwater resource within the role of Ngai Tahu. As water is central to all life, and as a taonga provided by Maori ancestors, the present generation of Ngai Tahu is responsible for ensuring that this taonga continues to be available for future generations.

Part 2 of the Policy Statement identifies four priority areas (Wahi Tapu, Mauri, Mahinga Kai and Kaitiakitanga) that need to be addressed by natural resource managers and lists the objectives and policies for each priority area and suggested strategies for achieving these objectives and policies. These include the objective to *"Restore, maintain and protect the mauri of freshwater resources and policies "To protect the opportunities for Ngai Tahu uses of freshwater resources in the future" and "To maintain vital, healthy mahinga kai population and habitats capable of sustaining harvesting activity."*

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Appendix 3: Risk

Optimism Bias

It is important to identify how natural bias is explicitly considered in a business case. For example, where a proposal has had relatively little scoping work done it is easy to be overly optimistic about how much it will cost i.e. you think it will cost less than it actually will.

In order to deal with this it is important to look at past projects at different stages of design to work out what is an appropriate allowance or contingency factor to add in to the overall costs based on where you are in the design process. Generally, the more design work that has been done the smaller the allowance/contingency (expressed as a percentage of overall cost) that is needed.

The Consented Scheme is at this later stage of development with the lower optimism bias and has a reduced contingency allowance on key items than the other options that are at an earlier stage of development with a higher potential for optimism bias.

Capital Cost

With regard to capital cost, as stated above, experience shows that initial estimates for a new wastewater scheme require an allowance of an additional 50% for:

- Physical works that will be required, but haven't yet been identified,
- Extra cost for identified works, due to a tendency to underestimate the complexity of fully executing the works in a way that meets technical concerns, along with necessary community values,
- Dealing with issues and risks that arise during the construction phase.

Depending upon the method of procurement, the above percentage typically reduces to a contingency allowance of about 10% by the time physical works go to tender. As the project develops, the full scope of work becomes clear, and the ability to properly estimate it improves.

Operational Cost

Operational cost is often understated, as it can focus on tangible immediate costs such as consumables and direct staff hours. Less tangible costs, such as training, third party support, performance assessments and compliance monitoring are often excluded. This omitted cost is proportional to the complexity of the treatment plant, but can be between 50% and 100% of an initial operational expenditure estimate.

Time

With regard to timeliness, for a new investment proposal, optimism bias is estimated as follows:

- In getting to the stage of formally confirming a specific scheme, and gaining the necessary approvals, bias is estimated at one through to several years.
- At the point where the scheme fully consented and funded, optimism bias for the completion date is estimated to be in the region of 6-12 months. This can be due to resourcing, the uncovering of additional details to be resolved as the design becomes more detailed, or further approvals to be gained.

- Once a construction contract is tendered, optimism bias is estimated to be 2 – 6 months. This covers the potential delays in awarding the contract as contract details are finalised, the risk of delays (e.g. weather) that is generally allocated to the owner, and delays in commissioning.

Benefits - Technical Outcomes

On the basis that the above optimism for cost and time is allowed for, for a wastewater scheme such as this, the optimism bias is considered to be the reverse regarding the technical outcomes, i.e. the project will over-perform. Projects are designed with safety margins to ensure that minimum standards are achieved under the range of reasonably foreseeable circumstances. This is because many of the performance criteria are often not negotiable (e.g. consent conditions), so the design process must incorporate a safety margin.

Benefits - General

The principal cultural (and also social) benefit of removing the direct discharge of wastewater to surface water is obviously measurable, and it is a focus of the project to achieve this.

Other benefits, such as SDC's reputation, and enabling growth and tourism, are subjective. The capacity for growth, for example, will be provided, but this is not a decisive factor in making growth happen, as there will be many other commercial factors. Therefore, these subjective benefits should be cautiously stated.

Risk Register

The following attachment is a high-level ongoing Risk Register for whole project – individual risks may not apply to all options.

Risk Register - Te Anau Wastewater Scheme



Project Name: Te Anau Wastewater Scheme

Date modified: 6/12/2017

Project number: 80508264

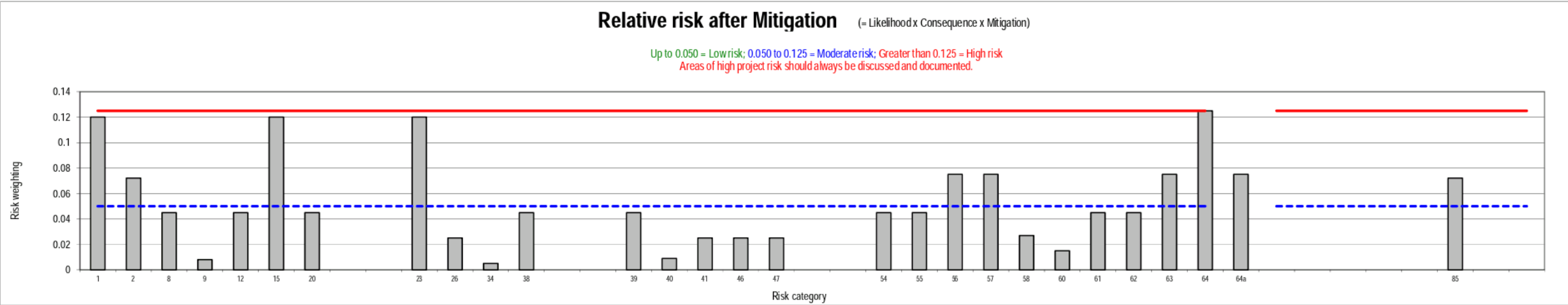
id	Risk Area	Risk Description	Effect	Likelihood Rating		Consequence Rating		Risk Score	Owner	Status	Mitigation			Residual Risk
											Description	Rating		
	Consenting and Approvals													
1	Regulatory/Compliance	Contaminant limits are tightened by ES subsequent to consent approval. Especially nitrogen.	Upgrade of treatment performance required	Could happen	0.5	Significant effect	0.8	0.4	SDC	Live	Determine scope and cost of future upgrades. Refer estimates in 2006, 2007 and 2012 reports.	Effective	0.3	0.12
2	Regulatory/Compliance	Flooding of existing ponds from river	Ponds damaged, and/or unable to operate ponds and pumpstation affected while remediation undertaken.	Unlikely to happen	0.3	Significant effect	0.8	0.24	SDC	Live	Locate pumpstation so that no effect if ponds 2 and 3 inundated. Raise only pond 1 for emergency storage, as furthest from the river. Use excavated trench material to enhance protection	Effective	0.3	0.072
8	Regulatory/Compliance	Other resource consents/approvals needed	Delays to project, and further changes required, especially if consents are of a significant nature.	Unlikely to happen	0.3	Moderate effect	0.5	0.15	MWH	Live	Determine all other consents needed for site investigation and construction. Check this with ES and SDC and prepare programme.	Effective	0.3	0.045
9	Regulatory/Compliance	Landowner approvals	Delays to project, and further cost and changes required, in order to gain approvals, or to contest at a hearing	Highly unlikely	0.1	Significant effect	0.8	0.08	SDC	Live	Ensure SDC owns site. Stakeholder engagement. Obtain written agreement for easements Formalise easements for corridor and access as promptly as possible. Show on programme when they are needed	Excellent	0.1	0.008
12	Regulatory/Compliance	Consent conditions re spray drift	Consent condition 6(d) Commissioners thought that whether there is spray drift that is observable by sight, touch and taste was "an objective test that requires no particular expertise", as given in their memorandum, but they are actually subjective, and may be the cause of disputes.	Unlikely to happen	0.3	Moderate effect	0.5	0.15	SDC	Live	Pro-active engagement with compliance officer and stakeholders, but a difficult risk to manage. Monitor pivot operation in windy conditions to refine understanding.	Effective	0.3	0.045
15	Regulatory/Compliance	Time limit to give effect to consent	Kepler consent application lapses due to delays.	Could happen	0.5	Significant effect	0.8	0.4	SDC	Live	Determine whether to continue with Kepler or implement an alternative within timescales. Keep ES informed.	Effective	0.3	0.12
20	Political	Cost	Potential for backlash of wider community against cost of adding any further scope to that which is consented.	Unlikely to happen	0.3	Moderate effect	0.5	0.15	SDC	Live	Ensure feasibility, costs and benefits are well understood in a Business Case before publicly canvassing the option.	Effective	0.3	0.045
	Concept													
23	Procurement	Unable to sell the pasture cut (baleage)	Pasture cut must be removed to remove nitrogen. Therefore more expensive disposal required, rather than income from baleage.	Could happen	0.5	Significant effect	0.8	0.4	SDC	Live	Establish a long term contract with a user, even if baleage less than market value.	Effective	0.3	0.12
26	Regulatory/Compliance	Odour escape from Kepler pumpstation when filling the rising main. Odorous air comes from inside the rising main	Odour release sufficient to be cause of complaints	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	Vent pumpstation to the soil filter. Control rising main so that pipe remains full.	Excellent	0.1	0.025
34	Regulatory/Compliance	Control of aerobes/pathogens from irrigated wastewater.	Pathogens beyond site boundary, contrary to consent conditions.	Highly unlikely	0.1	Moderate effect	0.5	0.05	SDC	Live	Allow for climate station, soil moisture and wind shutoff of irrigation if monitoring indicates saturated soil, runoff and excess wind speed. Irrigator design and droplet size. Groundwater monitoring of mounding and downgradient and key indicators.	Excellent	0.1	0.005
38	Financial	Operating and depreciation cost of new scheme too high.		Unlikely to happen	0.3	Moderate effect	0.5	0.15	SDC	Live	The Kepler proposal exists as a benchmark, with costings reasonably well developed, and peer reviewed and potential risks well understood.	Effective	0.3	0.045

Project Name: Te Anau Wastewater Scheme				Date modified: 6/12/2017							Project number: 80508264			
id	Risk Area	Risk Description	Effect	Likelihood		Consequence		Risk Score	Owner	Status	Mitigation			Residual Risk
				Rating		Rating					Description	Rating		
	Design													
39	Financial	Unforeseen construction issues with Pipeline	Increased cost	Unlikely to happen	0.3	Moderate effect	0.5	0.15	Stantec SDC	Live	Sufficient site investigation, including survey. Budget to include contingency for uncertainty. Refer also to procurement strategy.	Effective	0.3	0.045
40	Technical	Inprecise cadastral info and landowner information.	Pipeline built on land without permission, at isolated locations.	Unlikely to happen	0.3	Minimal effect	0.3	0.09	Stantec	Live	Initial review (Dec 2016) of boundaries on aerial images. Review cadastral info and thorough check of owners. Confirm with landowners. Engage surveyors to confirm boundaries where close.	Excellent	0.1	0.009
41	Technical	Odour at air valves and pumpstations	Residual odour not fully controlled.	Could happen	0.5	Moderate effect	0.5	0.25	Stantec	Live	Refer odour management plan. Include carbon or soil filters on all discharge points.	Excellent	0.1	0.025
46	Technical	Sulphide residual hard to measure	Residual odour not fully controlled.	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	Online sulphide measurement may be required for load-pacing of oxidant dosing prior to centrepivots	Excellent	0.1	0.025
47	Regulatory/Compliance	Irrigation onto snow or frosted ground (see T Davoren email of 17 June 2014)	Unable to irrigate, and therefore overflow at ponds.	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	Retention storage at ponds. Local operator to assess ground conditions.	Excellent	0.1	0.025
	Commercial and Construction													
54	Procurement	Contractor expertise	Contractors with appropriate skills do not tender.	Unlikely to happen	0.3	Moderate effect	0.5	0.15	SDC	Live	Refer Procurement Business Case. Consider Registration of Interest (RoI) and prequalification. Gives advance warning and a feedback loop that allows adjustment of commercial 'attractiveness'.	Effective	0.3	0.045
55	Procurement	Contractors won't accept risk allocation	Contractors with appropriate skills do not tender.	Unlikely to happen	0.3	Moderate effect	0.5	0.15	Contractor SDC	Live	Refer Procurement Business Case. Ask Q in ROI about risk share, and take into account the responses. Use industry standard NZS3910 conditions of contract	Effective	0.3	0.045
56	Financial	Total project cost.	Tenders exceed LTP budgets (and previous estimates)	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	Ensure estimates are properly reviewed. Use ROI process to gain feedback on cost. Ensure major tenders received concurrently.	Effective	0.3	0.075
57	Procurement	ROI contractors pull out.	Contractors with appropriate skills do not tender.	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	Refer Procurement Business Case. Allow to include non pre-qualified contractors at a later stage. Retendering as a last resort. Ensure prequalification approves enough tenderers to allow one to back out..	Effective	0.3	0.075
58	Procurement	Foreign exchange risk	Dispute over who owns the forex risk.	Unlikely to happen	0.3	Minimal effect	0.3	0.09	Contractor	Live	Specify as a Contractor risk except between tender lodge and award. Consider purchasing of forex or hedge.	Effective	0.3	0.027
60	Procurement	Extreme Weather during construction, beyond what could be reasonably expected.	Delays and potential for time-related costs.	Highly unlikely	0.1	Moderate effect	0.5	0.05	Contractor	Live	To be addressed in the procurement and contractual process	Effective	0.3	0.015
61	Procurement	Time to complete	Delivery takes longer with potential reputational damage, and overlap with expiry of Upukerora discharge consent.	Unlikely to happen	0.3	Moderate effect	0.5	0.15	Contractor SDC	Live	To be addressed in the procurement and contractual process	Effective	0.3	0.045
62	Political	Commissioning	Problems encountered that erode public confidence.	Unlikely to happen	0.3	Moderate effect	0.5	0.15	All	Live	To be addressed in the procurement and commissioning/contractual process	Effective	0.3	0.045
63	Financial	Buoyant construction market	Cost increases	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	To be addressed in the procurement and contractual process	Effective	0.3	0.075
64	Financial	Value of baleage	Baleage income less than budgeted	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	The opex budget assumes an income from baleage. This may vary between seasons. Wastewater irrigation may affect the market value in the future. A discounted value incorporated.	Moderate	0.5	0.125
64a	Political	Damage to equipment and infrastructure during construction	Delays in completion of construction and costs to reinstate	Could happen	0.5	Moderate effect	0.5	0.25	SDC	Live	Establish and maintain relationships through communication strategy	Effective	0.3	0.075

Project Name: Te Anau Wastewater Scheme			Date modified: 6/12/2017				Project number: 80508264							
id	Risk Area	Risk Description	Effect	Likelihood	Consequence	Risk Score	Owner	Status	Mitigation		Residual Risk			
				Rating	Rating				Description	Rating				
Operations An operational management plan will be developed which will contain a risk assessment and contingency plans to manage and/or mitigate potential consequences and effects of adverse events.														
	Resourcing													
85	Resources	Continuity of expertise. SDC and Consultant personnel change during the time required to implement project	Sub-optimal outcome due to reduced project understanding	Will probably happen	0.8	Minimal effect	0.3	0.24	All	Live	Properly document and file all work as it is undertaken, ensure no information stuck in any individuals head. Shared backup of critical files and processes.	Effective	0.3	0.072

Completed by:	R Oakley Nov 2017	Highly unlikely	0.1	No effect	0.1
	S Bennett (added #64a) Dec 2017	Unlikely to happen	0.3	Minimal effect	0.3
Reviewed by:	P Jacobson Nov 2017	Could happen	0.5	Moderate effect	0.5
		Will probably happen	0.8	Significant effect	0.8
		Will happen	1	Disastrous	1

Excellent	0.1
Effective	0.3
Moderate	0.5
Low effectiveness	0.7
Ineffective	0.9



Appendix 4: Descriptions of Options

TE ANAU WASTEWATER SCHEME - OPTION OVERVIEW

OPTION 1 – CENTRE PIVOT IRRIGATION TO KEPLER BLOCK (CONSENTED OPTION)

General

Option 1 is as described in the resource consent application documentation that was granted on 20 January 2017, amended as necessary by the conditions of that consent, or as below.

Map of Components of Scheme



Figure 1: Location map

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1

Key Components

Component	Description
Method of Treatment	<p>No change to the existing ponds, other than:</p> <ul style="list-style-type: none"> The inclusion of additional aeration (2017/18) Raising of Pond 1 to provide 15,000m³ of emergency storage. Investigation has confirmed the ponds' treatment performance will be similar to present, for the anticipated demands of the next 35 years. Decommissioning of wetlands
Transfer to Disposal Site	<ul style="list-style-type: none"> Pumped via a continuously full rising main 18km to the Kepler site at 300mm diameter Activated carbon odour filters on rising main air valves
Disposal Site	<ul style="list-style-type: none"> Trickling filter, for odour control, at Kepler site Allowance for oxidant dosing at Kepler to mop up any remaining odour compounds Three centre pivot irrigators configured as below (a change from consent documentation). Cut and carry operation to remove Nitrogen. Crop to be sold as baleage
Option for Manapouri	<ul style="list-style-type: none"> Retain existing oxidation pond and transfer to Kepler Block for disposal via 6-7km pipeline. Would require consent change to include Manapouri WW

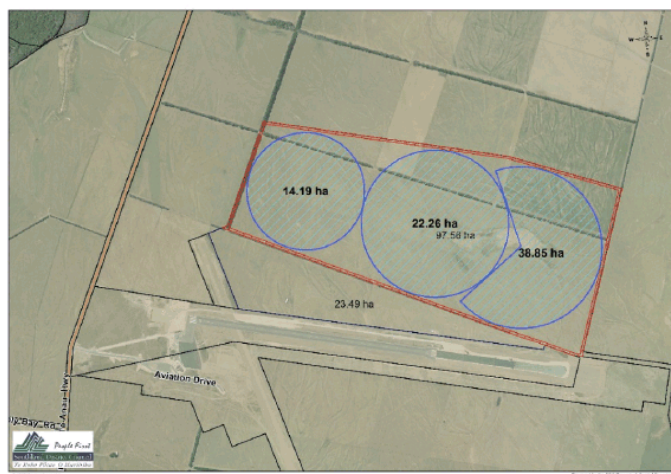


Figure 2: Amended Centre Pivot layout, to keep behind existing shelter belt

The Scoring Guidelines for Evaluation Criteria SA1 cites a radius of 2km from the irrigation site being of particular emphasis for assessing effects on individuals. Figure 3, below indicates this radius for the Kepler site.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1



Figure 3: Indication of 2km radius – based on closest point to airport and road.

Design Flows (Loads assumed to increase in proportion)

	Summer (m ³ /day)	Winter (m ³ /day)
Initially installed	4,500	2,000
After upgrade* in year 10	4,500	2,000

* Some options (not Base Case) incorporate staged development

Status of Consents

Regional

- Discharge to land for Kepler Block – granted, expires in 22 January 2040
- Discharge to water (WWTP) – granted, expires in 30 November 2020
- Discharge to air (WWTP) – granted, expires in 30 June 2041
- Discharge to air (Kepler Block) – granted, expires in 30 June 2041
- Discharge to air (air valves with carbon filters) – permitted activity
- Stream crossings and other construction consents for pipeline – to be sought

District

- Designation for WWTP – in place
- Designation for Kepler Block – in place
- Pipeline – may be required

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1

Assessment against Constraints

Constraints	Assessment	Pass/Fail
Must comply with consent limits under all flow and load fluctuations.	Basis of current consent	√
Implement before 30 November 2020.	Principal consents obtained (Discharges to land and air). Other consents are minor and expected to be obtained	√
No direct discharge to water	No direct discharge to Upukoroa River or Waiau River	√
Consentable term	25 year consent granted for main discharge to land consent	√
For land disposal – require ability to purchase the land.	Kepler Block owned by SDC	√
Life of new infrastructure	Predicted asset lives: <ul style="list-style-type: none"> • WWTP – Civil, 80 years. Mech/elec varies, but normally in region of 25 years. • Pipeline: 80 years minimum • Kepler Block: soil capacity to accept WW for at least 25 years, noting site is 125Ha vs 74Ha required at 2040. • Irrigation and odour control infrastructure; 50 years 	√

Option 1 meets all the above constraints

Cost

	Te Anau Scheme	Manapouri WWTP
Capex	\$14.5M	\$1.45M
Opex. Per annum/NPV	\$347k / \$4.4M	\$29k/\$370k
NPV (25yr, 6%)	\$20.8M	\$1.8M

A full cost estimate has been produced for Te Anau, major elements are:

Item	Cost (Millions)	Comment
Preliminary and General	\$ 1.1	10% of contract amount
Pond development	\$ 0.6	Pond development involves raising of pond for storage, additional pipework and telemetry. Includes scope risk of 5%.
Pipeline to Kepler, including pump station	\$ 7.0	Design based on 300mm pipework. Cost based on recent contract rates from Tasman District Council contracts with scope risk of 5%
Kepler site preparation (incl odour control)	\$ 2.4	Site preparation includes power supply to site, odour control for CPI options. Costs based on recent similar contracts with scope risk of 5%
Pivot Irrigators	\$ 0.5	Cost is based quote from Waterforce for the supply of 3 irrigators with scope risk of 5%

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1

Item	Cost (Millions)	Comment
Construction contingency	\$ 1.2	Allow 10% of contract total
Contract total	\$ 12.7	
Non-contract costs	\$ 1.8	Design, project management, further consenting, non construction costs. Allow 12% and minor Lump sum items
Total	\$ 14.5	

The Manapouri WWTP costs relate to the expected need to upgrade this WWTP to enable its consent to be renewed by 2023. Costs are based on the current LTP budgets (sourced from the WW Strategy), \$1.2M 2022-25 capex, on the unconfirmed assumption of connection to Kepler scheme. A further \$250k is added to the capex for the consent process, budgeted in the LTP for 2020-22. Opex costs are based on a 12% pro-rata value of Manapouri/Te Anau usually resident population statistics from the 2013 census. (228 vs 1914).

Income from Baleage

The opex requires assumptions regarding income from baleage. The total Kepler Block area is 125Ha. The area irrigated by the centre pivots will be up to 74Ha, noting that in early years there will not be enough wastewater to always irrigate the whole 74Ha. There is uncertainty regarding the reduction, if any, on sale price of baleage, due to the use of waste water.

The opex calculation is based on baleage from wastewater irrigated areas being worth half the value of other areas.

Assessment against Minimum Requirements

*Service Requirements	Basis of comparison	Min/Int/Max scope
**Total Nitrogen loss to ground or surface water (average values)	<p>Discharge to aquifer underlying Kepler Block which will discharge to Waiau River</p> <p>Consented annual Load to aquifer in 2040 of 3,862 kgN/yr:</p> <ul style="list-style-type: none"> Represents a reduction in nitrogen load of 50% from that in the discharge from the WWTP. The concentrations in the plume from the irrigation block will comply with the DWSNZ for nitrate. Effect on N concentrations in Waiau River are non-detectable. 	Intermediate
Odour	<p>WWTP: no complaints except in malfunction of oxidation pond or turnover</p> <p>Pipeline: carbon filters on air valves should ensure negligible odour</p> <p>Kepler Block: odour not expected beyond boundary</p>	Maximum

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1

*Service Requirements	Basis of comparison	Min/Int/Max scope
<i>E.coli</i> (in ground water)	<p>Only water supply bores in ES database within 5km are down gradient.</p> <p>The groundwater assessment (in Appendix E of the consent application) concluded that due to the availability of a significant depth of unsaturated zone (between approximately 3 and 12 metres), the concentration of microbial contaminants entering the groundwater system is likely to be less than 40 cfu/100mL. The New Zealand Drinking Water Standards (<1/100mL) are likely to be met within a distance of 200 metres of the irrigation area.</p> <p>A detailed well search will be undertaken during the detailed design phase of the project to ensure no drinking water bores are affected.</p>	Maximum
<i>E.coli</i> (at point of mixing with surface water)	Plume in groundwater travels 2.5km before mixing with Waiau River. <i>E.coli</i> in plume will be <1/100mL at this point	Maximum
Phosphorus (at point of mixing with surface water)	<p>Section 7.3.3 of the consent application states: "half of this (P load to land) would be removed through the cut and carry operation leaving approximately 48 kg/ha/year accumulating in the soil.</p> <p>Within the soil, phosphorus is removed through the combination of adsorption onto clay minerals and precipitation in the unsaturated zone. In the current situation where there is an extensive unsaturated zone, phosphorous removal will be significant and the leaching to groundwater is likely to be minimal."</p> <p>Therefore, discharge to surface water will be minimal (ie less than 0.5mg/l).</p>	Maximum

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1

Key Risks – Option 1

A project risk register has been maintained during the project development and is appended to the BBC. Key risks relevant to the options assessment are:

Decision Criteria	Critical Success Factors Broad Description	Key Risks
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> Option 1 is consented, other than minor consents for pipeline stream crossings
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> Low risk in feasibility of upgrade options. If a future upgrade is required, a further treatment step could be added at the existing ponds, and conventional options exist such as membranes (filtration or bioreactor).
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> Main risk is that rising main pipeline is sized too small to allow increased flows over its whole life of 80-100 years. Presently sized at 300mm which gives good scope for increased flows.
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<ul style="list-style-type: none"> Low risk, as Iwi submitted in support.
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> Some ongoing concerns among locals about possible spray drift, odour, visual effects and visitor perception of irrigators at Kepler, despite comprehensive mitigation measures. The risk is that continued opposition will affect ability to implement the consented option.
Economic E\$1	Capex	<ul style="list-style-type: none"> Uncertain influence of buoyant market and a location requiring imported workforce for some elements
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> The opex budget assumes an income from baleage. This may vary between seasons. Wastewater irrigation may affect the market value in the future. A discounted value incorporated.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1

Performance against Evaluation Criteria – Option 1

Key Values	Evaluation Criteria	Discussion	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> 25 year term consent granted 	10	32.5%	40%	1.30
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> All components straightforward to use in upgrade and are expected to be of practical value. However, some elements (eg Trickling filter at Kepler Block and oxidation pond 2 and 3) may not be required for upgrades. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing, which is a benefit as it reduces peak flows. The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC. 	7	32.5%	30%	0.68

Key Values	Evaluation Criteria	Discussion	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> Only restriction is the sizing of the transfer pipeline. Cost estimate based on 300mm pipeline rather than 250mm to allow for increased capacity. If it is sized for significantly higher future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. 	8	32.5%	30%	0.78
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<ul style="list-style-type: none"> Discharge to land that received a submission in support from TAMI for the resource consent. 	9	15%	100%	1.35
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> Limited community activity within 2km, with regard to residential, which is beneficial in reducing visual effects, and perceptions regarding odour or spray drift. Airport is within this radius. Noted that existing shelter belt will be between airport and irrigation area. Significant community opposition from Manapouri and Te Anau area. 	3	20%	100%	0.60
Economic E\$1	Capex	<ul style="list-style-type: none"> Capex for Te Anau is \$14.5M Capex for Manapouri is \$1.45M 	5	32.5%	60%	0.975
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> Opex for Te Anau is \$347k Opex for Manapouri is \$29k Therefore NPV is \$20.8M 	5	32.5%	40%	0.65
TOTAL						6.34

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 1

TE ANAU WASTEWATER SCHEME - OPTION OVERVIEW

OPTION 2A – CENTRE PIVOT IRRIGATION TO KEPLER BLOCK WITH MEMBRANE FILTRATION FOR BASELOAD FLOW

General

The consented option is as described in the resource consent application documentation that was granted on 20 January 2017, amended as necessary by the conditions of that consent, or as below.

This option is similar to Option 1 but includes membrane filtration (MF) after the oxidation pond for a baseload flow of approximately 2,200m³/day. The flow in excess of this capacity will be normally diluted due to wet weather, and will not receive this additional MF treatment. This achieves cost savings over a plant sized for peak flow, with a very limited reduction in benefit.

The MF process unit will be located at the existing WWTP, so that the backwash can be discharged to the oxidation ponds. The MF will reduce the solids content of the treated wastewater. This will result in a reduction in the particulate associated contaminant load, particularly the biological oxygen demand, which will reduce the risks of septicity in the pipeline and hence the risk of odour at the irrigation site. The particulate associated nutrient (nitrogen and phosphorus) load will also be reduced, which will reduce the loads which are applied to the land.

Map of Components of Scheme



Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

Key Components

Component	Description
Method of Treatment	<p>No change to the existing ponds, other than:</p> <ul style="list-style-type: none"> The inclusion of additional aeration (2017/18) Raising of Pond 1 to provide 15,000m³ of emergency storage. Ponds fine for 'treatment – raising is for buffering, not treatment New membrane filtration process with backwash discharged to oxidation ponds sized for a baseload flow of approximately 2,200 m³/day¹ Decommissioning of wetlands
Transfer to Disposal Site	<ul style="list-style-type: none"> Pumped via a continuous full rising main 18k to the Kepler site at 300mm diameter Activated carbon odour filters on rising main air valves.
Disposal Site	<ul style="list-style-type: none"> Trickling filter, for odour control, at Kepler site, and the mitigating effect of a membrane filtration. Allowance for oxidant dosing at Kepler to mop up any remaining odour compounds Three centre pivot irrigators configured as below (a change from consent documentation). Cut and carry operation to remove Nitrogen. Crop to be sold as baleage
Option for Manapouri	<ul style="list-style-type: none"> Retain existing oxidation pond and transfer to Kepler Block for disposal via 6-7km pipeline. Would require consent change to include Manapouri WW

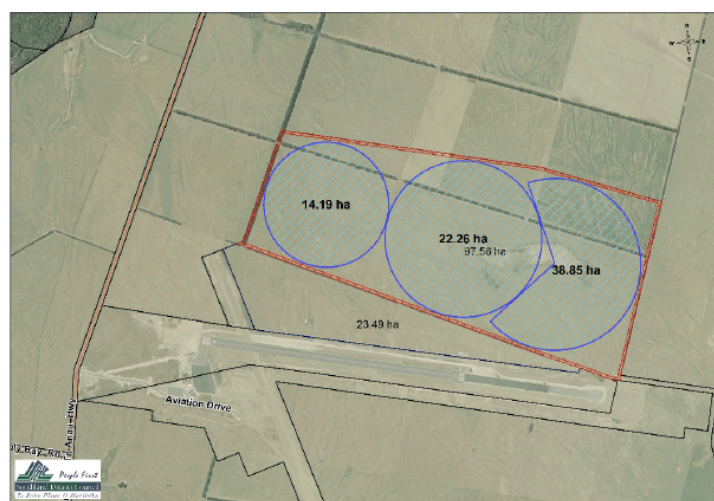


Figure 2: Amended Centre Pivot layout, to keep behind existing shelter belt

¹ Mr Riddell Will Say statement Section 12 included capacity of 3,600m³/day. Cost estimates are based on 4,500m³/day as MF infrastructure will have a longer life than initial consent, and increased flow does not proportionately increase costs.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

The Scoring Guidelines for Evaluation Criteria SA1 cites a radius of 2km from the irrigation site being of particular emphasis for assessing effects on individuals. Figure 3, below indicates this radius for the Kepler site.

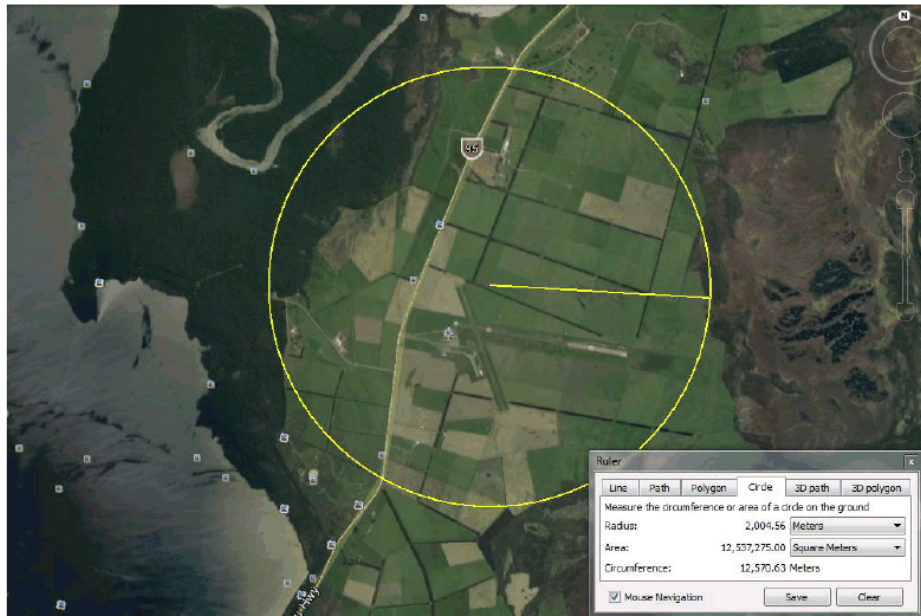


Figure 3: Indication of 2km radius – based on closest point to airport and road.

Design Flows (Loads assumed to increase in proportion)

	Summer (m3/day)	Winter (m3/day)
Initially installed	4,500**	2,000
After upgrade* in year 10	4,500	2,000

* Some options (not this option) incorporate staged development

** In this option, the MF plant is sized for baseload flow of approx. 2,200m³/day. Flow in excess of this capacity will be normally diluted due to wet weather will not receive this additional treatment. A very small, if not insignificant, portion of the annual flow will be affected in this way.

Status of Consents

Regional

- Discharge to land for Kepler Block – granted, expires in 22 January 2040
- Discharge to water (WWTP) – granted, expires in 30 November 2020
- Discharge to air (WWTP) – granted, expires in 30 June 2041, **but variation expected to be required to account for the effect of membrane filtration and the return of its waste stream to the ponds.**
- Discharge to air (Kepler Block) – granted, expires in 30 June 2041
- Discharge to air (air valves with carbon filters) – permitted activity
- Stream crossings and other construction consents for pipeline – to be sought

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

District

- a) Designation for WWTP – in place
- b) Designation for Kepler Block – in place
- c) Pipeline – may be required

Assessment against Constraints

Constraints	Assessment	Pass/Fail
Must comply with consent limits under all flow and load fluctuations.	Membrane filtration step improves the quality of the discharge compared to Option 1, and hence will ensure that the loads defined in the current consent are complied with as flows increase.	√
Implement before 30 November 2020.	Principal consents obtained (Discharges to land and air) and addition of membrane filtration is not expected to impact on the discharge to land consent. Uncertain timeframe to consent the MF plant, but noted that MF is not required to allow discharges to Kepler. However, for cost efficient construction MF building is best to be integral to rising main pump station. Other consents are minor and expected to be obtained	√
No direct discharge to water	No direct discharge to Upukerora River or Waiau River	√
Consentable term	25 year consent granted for main discharge to land consent, which is not impacted by addition of membrane filtration	√
For land disposal – require ability to purchase the land.	Kepler Block owned by SDC. Membrane filtration unit can be sited within the WWTP site on land owned by SDC	√
Life of new infrastructure	Asset lives: <ul style="list-style-type: none"> • WWTP – Civil, 80 years. Mech/elec varies but normally in region of 25 years. • Membrane filter Civil, 50 years. Mech/elec varies, but normally in region of 25 years. • Pipeline: 80 years minimum • Kepler Block: soil capacity to accept WW for 25 years, noting site is 125Ha vs 74Ha required at 2040. • Irrigation and odour control infrastructure; 50 years. 	√

Option 2B meets all constraints, except timeframe which is uncertain given need to vary the consents

Cost

	Te Anau Scheme	Manapouri WWTP
Capex	\$17.4M	\$1.45M
Opex. Per annum/NPV	\$450k/\$5.8M	\$29k/\$370k
NPV (25yr, 6%)	\$25.0M	\$1.8M

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

A full cost estimate has been produced for Te Anau, major elements are:

Item	Cost (Millions)	Comment
Preliminary and General	\$ 1.3	10% of contract amount
Pond development	\$ 0.6	Pond development involves raising of pond for storage, additional pipework and telemetry. Includes scope risk of 5%.
Membrane Filtration Plant	\$ 2.0	Option based on installation of full 2040 capacity initially. Costs based on estimate from Masons with 15% scope risk.
Pipeline to Kepler, including pump station	\$ 7.0	Design based on 300mm pipework. Cost based on recent contract rates from Tasman District Council contracts with scope risk of 5%
Kepler site preparation (incl odour control)	\$ 2.4	Site preparation includes power supply to site, odour control for CPI options. Costs based on recent similar contracts with scope risk of 5%
Pivot Irrigators	\$ 0.5	Cost is based quote from Waterforce for the supply of 3 irrigators with scope risk of 5%
Construction contingency	\$ 1.4	Allow 10% of contract total
Contract total	\$ 15.2	
Non-contract costs	\$ 2.2	Design, project management, further consenting, non construction costs. Allow 12% and minor Lump sum items
Total	\$ 17.4	

The Manapouri WWTP costs relate to the expected need to upgrade this WWTP to enable its consent to be renewed by 2023. Costs are based on the current LTP budgets (sourced from the WW Strategy), \$1.2M 2022-25 capex, on the unconfirmed assumption of connection to Kepler scheme. A further \$250k is added to the capex for the consent process, budgeted in the LTP for 2020-22. Opex costs are based on a 12% pro-rata value of Manapouri/Te Anau usually resident population statistics from the 2013 census. (228 vs 1914).

Income from Baleage

The opex breakdown details assumptions regarding income from baleage. The total Kepler Block area is 125Ha. The area irrigated by the centre pivots will be up to 74Ha, noting that in early years there will not be enough wastewater to always irrigate the whole 74Ha. There is uncertainty regarding the reduction, if any, on sale price of baleage, due to the use of waste water.

The opex calculation is based on baleage from wastewater irrigated areas being worth half the value of other areas. The addition of membrane filtration is an advantage in reducing this risk, but difficult to quantify.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

Assessment against Minimum Requirements

*Service Requirements	Basis of comparison	Min/Int/Max scope
**Total Nitrogen loss to ground or surface water (average values)	<p>Discharge to aquifer underlying Kepler Block which will discharge to Waiau River Addition of membrane filtration will reduce the nitrogen load to land by 30% ² through reduction in particulate component.</p> <p>Predicted annual Load to aquifer in 2040 of 2,703 kgN/yr (based on 3,862 kgN/yr³ *70%)</p> <ul style="list-style-type: none"> Represents a reduction in nitrogen load of 65% from that in the discharge from the WWTP. The concentrations in the plume from the irrigation block will comply with the DWSNZ for nitrate. Effect on N concentrations in Waiau River are non-detectable. 	Intermediate
Odour	<p>WWTP: no complaints except in malfunction of oxidation pond or turnover. Additional process unit on WWTP site not expected to result in increased odour from site. Effects on the oxidation pond can be managed appropriately.</p> <p>Pipeline: reduced BOD in WW will reduce odour risk filters on air valves should ensure minimal odour</p> <p>Kepler Block: reduced BOD in WW will reduce odour risk odour not expected beyond boundary</p>	Maximum
E.coli (in ground water)	<p>Only water supply bores in ES database within 5km are down gradient.</p> <p>The groundwater assessment (in Appendix E of the consent application) concluded that due to the availability of a significant depth of unsaturated zone (between approximately 3 and 12 metres), the concentration of microbial contaminants entering the groundwater system is likely to be less than 40 cfu/100mL. The New Zealand Drinking Water Standards (<1/100mL) are likely to be met within a distance of 200 metres of the irrigation area.</p> <p>A detailed well search will be undertaken during the detailed design phase of the project to ensure no drinking water bores are affected.</p> <p>No change to Option 1</p>	Maximum

² Based on the relationship between average ammoniacal nitrogen and total nitrogen concentrations as given in Table 2-2 of the application and used by Peter Riddell of Ecogent in his evidence from Environment Court Conferencing.

³ Based on the maximum consented limit of 32 kgN/ha/year for Option 1.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

*Service Requirements	Basis of comparison	Min/Int/Max scope
<i>E.coli</i> (at point of mixing with surface water)	Plume in groundwater travels 2.5km before mixing with Waiau River. <i>E.coli</i> in plume will be <1/100mL at this point No change to Option 1	Maximum
Phosphorus (at point of mixing with surface water)	Section 7.3.3 of the consent application states: "half of this (P load to land) would be removed through the cut and carry operation leaving approximately 48 kg/ha/year accumulating in the soil. Within the soil, phosphorus is removed through the combination of adsorption onto clay minerals and precipitation in the unsaturated zone. ... In the current situation where there is an extensive unsaturated zone, phosphorous removal will be significant and the leaching to groundwater is likely to be minimal." Therefore, discharge to surface water will be minimal (ie less than 0.5mg/l). No change to Option 1	Maximum

Key Risks – Option 2A

A project risk register has been maintained during the project development and is appended to the BBC. Key risks relevant to the options assessment are:

Decision Criteria	Critical Success Factors Broad Description	Key Risks
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> • Risk of local affected party opposition to the MF plant, meaning odour, noise and visual effects will need to be well characterised, and mitigated, if needed. • An enhancement of Option 1, which is consented, other than minor consents for pipeline stream crossings
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> • Addition of MF plant provides a higher standard than required by current consent, reducing risk of higher standards being required • Low risk in feasibility of upgrade options. If a future upgrade were required, a further treatment step could be added at the existing ponds, and conventional options exist such as membranes (filtration or bioreactor).
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> • Main risk is that rising main pipeline is sized too small to allow increased flows over its whole life of 80-100 years. Presently sized at 300mm which gives good scope for increased flows.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

		<ul style="list-style-type: none"> MF plant core infrastructure sizing insufficient for flows and loads beyond the first consent horizon.
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<ul style="list-style-type: none"> Low risk, as Iwi submitted in support. Membrane filtration further reduces risk.
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> Some ongoing concerns among locals about possible spray drift, odour, visual effects and visitor perception of irrigators at Kepler, despite comprehensive mitigation measures. The risk is that continued opposition will affect ability to implement the consented option. The above risk reduced if community accepts the value of the mitigation provided by the MF plant.
Economic E\$1	Capex	<ul style="list-style-type: none"> The full scope of work required to ensure an MF plant is fully feasible has not yet been undertaken. Some risks, such as the potential for algae fouling yet to be properly understood. Uncertain influence of buoyant market and a location requiring imported workforce for some elements
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> The opex budget assumes an income from baleage. This may vary between seasons. Wastewater irrigation may affect the market value in the future. A discounted value incorporated.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

Performance against Evaluation Criteria – Option 2A

Key Values	Evaluation Criteria	Discussion / Explanation of score	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> 25 year term granted for the main discharge to air and land consents. No variation required to discharge to land consent. Minor variation to discharge to air consent. The addition of MF reduces N loadings to the irrigation site by 30%, and reduces odour risk at Kepler Block by reducing BOD in the pipeline and therefore slowing/delaying the generation of odour compounds. Sudden flow/load fluctuations would be the principal cause of difficulty. <i>E.coli</i> and P meet max scope. 	10	32.5%	40%	1.30

Key Values	Evaluation Criteria	Discussion / Explanation of score	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> Addition of MF plant provides a higher standard than required by current consent. The MF plant would be used for a significant plant upgrade to mechanical based treatment. All components straightforward to use in upgrade and are expected to be of full practical value. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC. 	9	32.5%	30%	0.88
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> A restriction is the sizing of the transfer pipeline. If it is sized for future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. MF plant will have be limited in capacity, but flow beyond this capacity will be designed to bypass this additional treatment, given the use of CPI. Otherwise, MF plant reduces N load to irrigation site, meaning increased flows of approx. 30% can be catered for under the conditions of the current consent. 	9	32.5%	30%	0.88

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2A

Key Values	Evaluation Criteria	Discussion / Explanation of score	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	Direct discharge to land that received a submission in support for the resource consent Membrane filtration a further improvement	10	15%	100%	1.50
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> Limited community activity within 2km, with regard to residential, which is beneficial in reducing visual effects, and perceptions regarding odour or spraydrift. Airport is within this radius. Noted that existing shelter belt will be between airport and irrigation area. Significant community opposition from Manapouri area. Uncertain whether improved wastewater quality due to MF plant will address the core causes of Manapouri community concern, but can only help. Addition of an MF plant may introduce concerns from community in vicinity of WWTP. 	4	20%	100%	0.80
Economic E\$1	Capex	Capex for Te Anau is \$17.4M Capex for Manapouri is \$1.45M	3	32.5%	60%	0.59
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> Opex for Te Anau is \$450k Opex for Manapouri is \$29k Therefore NPV is \$25.0M	3	32.5%	40%	0.39
					TOTAL	6.33

TE ANAU WASTEWATER SCHEME - OPTION OVERVIEW

OPTION 2B – CENTRE PIVOT IRRIGATION TO KEPLER BLOCK WITH MEMBRANE FILTRATION FOR PEAK FLOW

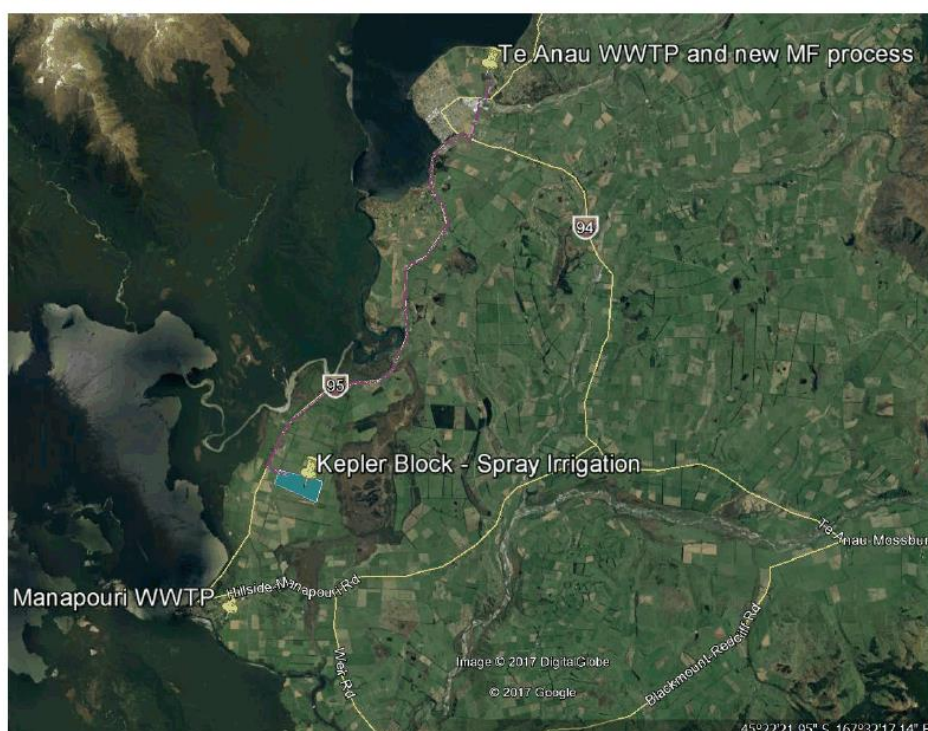
General

The consented option is as described in the resource consent application documentation that was granted on 20 January 2017, amended as necessary by the conditions of that consent, or as below. This option is similar to Option 1 but includes membrane filtration (MF) after the oxidation pond.

The MF process unit will be located at the existing WWTP, so that the backwash can be discharged to the oxidation ponds. The MF will reduce the solids content of the treated wastewater. This will result in a reduction in the particulate associated contaminant load, particularly the biological oxygen demand, which will reduce the risks of septicity in the pipeline and hence the risk of odour at the irrigation site. The particulate associated nutrient (nitrogen and phosphorus) load will also be reduced, which will reduce the loads which are applied to the land.

In this option, the MF plant will be sized for peak flow conditions.

Map of Components of Scheme



Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

Key Components

Component	Description
Method of Treatment	<p>No change to the existing ponds, other than:</p> <ul style="list-style-type: none"> The inclusion of additional aeration (2017/18) Raising of Pond 1 to provide 15,000m³ of emergency storage. Ponds fine for 'treatment – raising is for buffering, not treatment New membrane filtration process with backwash discharged to oxidation ponds sized for the consented flow of 4,500 m³/day¹ Decommissioning of wetlands
Transfer to Disposal Site	<ul style="list-style-type: none"> Pumped via a continuous full rising main 18k to the Kepler site at 300mm diameter Activated carbon odour filters on rising main air valves.
Disposal Site	<ul style="list-style-type: none"> Trickling filter, for odour control, at Kepler site, and mitigating effect of membrane filtration. Allowance for oxidant dosing at Kepler to mop up any remaining odour compounds Three centre pivot irrigators configured as below (a change from consent documentation). Cut and carry operation to remove Nitrogen. Crop to be sold as baleage
Option for Manapouri	<ul style="list-style-type: none"> Retain existing oxidation pond and transfer to Kepler Block for disposal via 6-7km pipeline. Would require consent change to include Manapouri WW

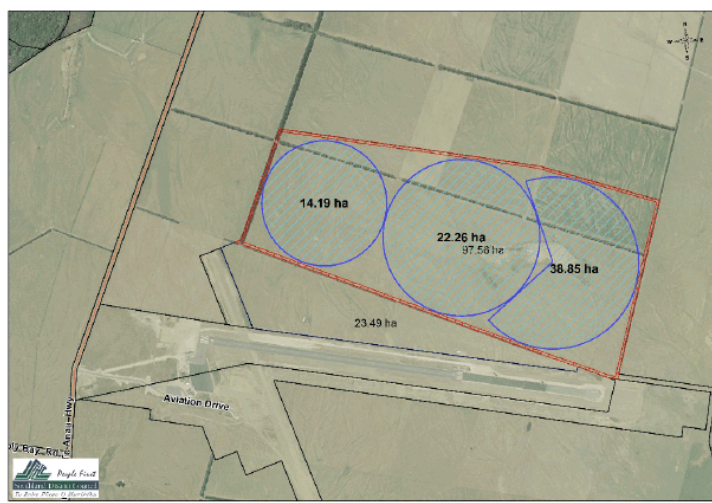


Figure 2: Amended Centre Pivot layout, to keep behind existing shelter belt

¹ Mr Riddell Will Say statement Section 12 included capacity of 3,600m³/day. Cost estimates are based on 4,500m³/day as MF infrastructure will have a longer life than initial consent, and increased flow does not proportionately increase costs.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

The Scoring Guidelines for Evaluation Criteria SA1 cites a radius of 2km from the irrigation site being of particular emphasis for assessing effects on individuals. Figure 3, below indicates this radius for the Kepler site.

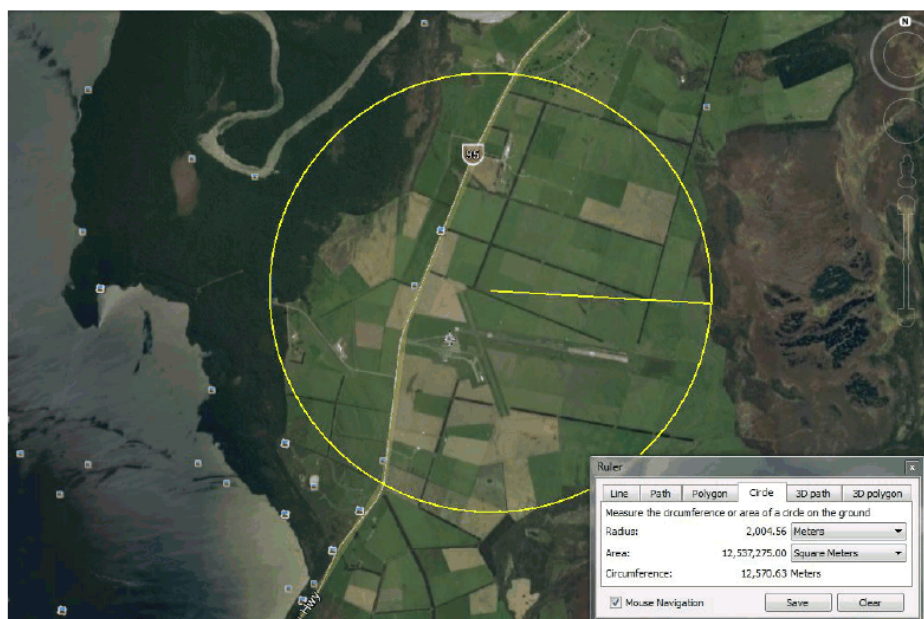


Figure 3: Indication of 2km radius – based on closest point to airport and road.

Design Flows (Loads assumed to increase in proportion)

	Summer (m3/day)	Winter (m3/day)
Initially installed	4,500	2,000
After upgrade* in year 10	4,500	2,000

* Some options (not this option) incorporate staged development

Status of Consents

Regional

- Discharge to land for Kepler Block – granted, expires in 22 January 2040
- Discharge to water (WWTP) – granted, expires in 30 November 2020
- Discharge to air (WWTP) – granted, expires in 30 June 2041, **but variation expected to be required to account for the effect of membrane filtration and the return of its waste stream to the ponds.**
- Discharge to air (Kepler Block) – granted, expires in 30 June 2041
- Discharge to air (air valves with carbon filters) – permitted activity
- Stream crossings and other construction consents for pipeline – to be sought

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

District

- a) Designation for WWTP – in place
- b) Designation for Kepler Block – in place
- c) Pipeline – may be required

Assessment against Constraints

Constraints	Assessment	Pass/Fail
Must comply with consent limits under all flow and load fluctuations.	Membrane filtration step improves the quality of the discharge compared to Option 1, and hence will ensure that the loads defined in the current consent are complied with as flows increase.	√
Implement before 30 November 2020.	Principal consents obtained (Discharges to land and air) and addition of membrane filtration is not expected to impact on the discharge to land consent. Uncertain timeframe to consent the MF plant, but noted that MF is not required to allow discharges to Kepler. However, for cost efficient construction MF building is best to be integral to rising main pump station. Other consents are minor and expected to be obtained	√
No direct discharge to water	No direct discharge to Upukerora River or Waiau River	√
Consentable term	25 year consent granted for main discharge to land consent, which is not impacted by addition of membrane filtration	√
For land disposal – require ability to purchase the land.	Kepler Block owned by SDC. Membrane filtration unit can be sited within the WWTP site on land owned by SDC	√
Life of new infrastructure	Asset lives: <ul style="list-style-type: none"> • WWTP – Civil, 80 years. Mech/elec varies but normally in region of 25 years. • Membrane filter Civil, 50 years. Mech/elec varies, but normally in region of 25 years. • Pipeline: 80 years minimum • Kepler Block: soil capacity to accept WW for 25 years, noting site is 125Ha vs 74Ha required at 2040. • Irrigation and odour control infrastructure; 50 years. 	√

Option 2B meets all constraints, except timeframe which is uncertain given need to vary the consents

Cost

	Te Anau Scheme	Manapouri WWTP
Capex	\$19.4M	\$1.45M
Opex. Per annum/NPV	\$474k/\$6.1M	\$29k/\$370k
NPV (25yr, 6%)	\$27.3M	\$1.8M

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

A full cost estimate has been produced for Te Anau, major elements are:

Item	Cost (Millions)	Comment
Preliminary and General	\$ 1.4	10% of contract amount
Pond development	\$ 0.6	Pond development involves raising of pond for storage, additional pipework and telemetry. Includes scope risk of 5%.
Membrane Filtration Plant	\$ 3.5	Option based on installation of full 2040 capacity initially. Costs based on estimate from Masons with 15% scope risk.
Pipeline to Kepler, including pump station	\$ 7.0	Design based on 300mm pipework. Cost based on recent contract rates from Tasman District Council contracts with scope risk of 5%
Kepler site preparation (incl odour control)	\$ 2.4	Site preparation includes power supply to site, odour control for CPI options. Costs based on recent similar contracts with scope risk of 5%
Pivot Irrigators	\$ 0.5	Cost is based quote from Waterforce for the supply of 3 irrigators with scope risk of 5%
Construction contingency	\$ 1.5	Allow 10% of contract total
Contract total	\$ 17.0	
Non-contract costs	\$ 2.4	Design, project management, further consenting, non construction costs. Allow 12% and minor Lump sum items
Total	\$ 19.4	

The Manapouri WWTP costs relate to the expected need to upgrade this WWTP to enable its consent to be renewed by 2023. Costs are based on the current LTP budgets (sourced from the WW Strategy), \$1.2M 2022-25 capex, on the unconfirmed assumption of connection to Kepler scheme. A further \$250k is added to the capex for the consent process, budgeted in the LTP for 2020-22. Opex costs are based on a 12% pro-rata value of Manapouri/Te Anau usually resident population statistics from the 2013 census. (228 vs 1914).

Income from Baleage

The opex breakdown details assumptions regarding income from baleage. The total Kepler Block area is 125Ha. The area irrigated by the centre pivots will be up to 74Ha, noting that in early years there will not be enough wastewater to always irrigate the whole 74Ha. There is uncertainty regarding the reduction, if any, on sale price of baleage, due to the use of waste water.

The opex calculation is based on baleage from wastewater irrigated areas being worth half the value of other areas. The addition of membrane filtration is an advantage in reducing this risk, but difficult to quantify.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

Assessment against Minimum Requirements

*Service Requirements	Basis of comparison	Min/Int/Max scope
**Total Nitrogen loss to ground or surface water (average values)	<p>Discharge to aquifer underlying Kepler Block which will discharge to Waiau River Addition of membrane filtration will reduce the nitrogen load to land by 30% ² through reduction in particulate component.</p> <p>Predicted annual Load to aquifer in 2040 of 2,703 kgN/yr (based on 3,862 kgN/yr³ *70%)</p> <ul style="list-style-type: none"> Represents a reduction in nitrogen load of 65% from that in the discharge from the WWTP. The concentrations in the plume from the irrigation block will comply with the DWSNZ for nitrate. Effect on N concentrations in Waiau River are non-detectable. 	Intermediate
Odour	<p>WWTP: no complaints except in malfunction of ox pond or turnover. Additional process unit on WWTP site not expected to result in increased odour from site. Effects on the oxidation pond can be managed appropriately.</p> <p>Pipeline: reduced BOD in WW will reduce odour risk filters on air valves should ensure minimal odour</p> <p>Kepler Block: reduced BOD in WW will reduce odour risk odour not expected beyond boundary</p>	Maximum
E.coli (in ground water)	<p>Only water supply bores in ES database within 5km are down gradient.</p> <p>The groundwater assessment (in Appendix E of the consent application) concluded that due to the availability of a significant depth of unsaturated zone (between approximately 3 and 12 metres), the concentration of microbial contaminants entering the groundwater system is likely to be less than 40 cfu/100mL. The New Zealand Drinking Water Standards (<1/100mL) are likely to be met within a distance of 200 metres of the irrigation area.</p> <p>A detailed well search will be undertaken during the detailed design phase of the project to ensure no drinking water bores are affected.</p> <p>No change to Option 1</p>	Maximum

² Based on the relationship between average ammoniacal nitrogen and total nitrogen concentrations as given in Table 2-2 of the application and used by Peter Riddell of Ecogent in his evidence from Environment Court Conferencing.

³ Based on the maximum consented limit of 32 kgN/ha/year for Option 1.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

*Service Requirements	Basis of comparison	Min/Int/Max scope
<i>E.coli</i> (at point of mixing with surface water)	Plume in groundwater travels 2.5km before mixing with Waiau River. <i>E.coli</i> in plume will be <1/100mL at this point No change to Option 1	<i>Maximum</i>
Phosphorus (at point of mixing with surface water)	Section 7.3.3 of the consent application states: "half of this (P load to land) would be removed through the cut and carry operation leaving approximately 48 kg/ha/year accumulating in the soil. Within the soil, phosphorus is removed through the combination of adsorption onto clay minerals and precipitation in the unsaturated zone. ... In the current situation where there is an extensive unsaturated zone, phosphorous removal will be significant and the leaching to groundwater is likely to be minimal." Therefore, discharge to surface water will be minimal (ie less than 0.5mg/l). No change to Option 1	Maximum

Key Risks – Option 2B

A project risk register has been maintained during the project development and is appended to the BBC. Key risks relevant to the options assessment are:

Decision Criteria	Critical Success Factors Broad Description	Key Risks
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> Risk of local affected party opposition to the MF plant, meaning odour, noise and visual effects will need to be well characterised, and mitigated, if needed. An enhancement of Option 1, which is consented, other than minor consents for pipeline stream crossings
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> Addition of MF plant provides a higher standard than required by current consent, reducing risk of higher standards being required Low risk in feasibility of upgrade options. If a future upgrade were required, a further treatment step could be added at the existing ponds, and conventional options exist such as membranes (filtration or bioreactor).
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> Main risk is that rising main pipeline is sized too small to allow increased flows over its whole life of 80-100 years. Presently sized at 300mm which gives good scope for increased flows.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

		<ul style="list-style-type: none"> • MF plant core infrastructure sizing insufficient for flows and loads beyond the first consent horizon.
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<ul style="list-style-type: none"> • Low risk, as Iwi submitted in support. • Membrane filtration further reduces risk.
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> • Some ongoing concerns among locals about possible spray drift, odour, visual effects and visitor perception of irrigators at Kepler, despite comprehensive mitigation measures. The risk is that continued opposition will affect ability to implement the consented option. • The above risk reduced if community accepts the value of the mitigation provided by the MF plant.
Economic E\$1	Capex	<ul style="list-style-type: none"> • The full scope of work required to ensure an MF plant is fully feasible has not yet been undertaken. Some risks, such as the potential for algae fouling yet to be properly understood. • Uncertain influence of buoyant market and a location requiring imported workforce for some elements
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> • The opex budget assumes an income from baleage. This may vary between seasons. Wastewater irrigation may affect the market value in the future. A discounted value incorporated.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

Performance against Evaluation Criteria – Option 2B

Key Values	Evaluation Criteria	Discussion / Explanation of score	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> 25 year term granted for the main discharge to air and land consents. No variation required to discharge to land consent. Minor variation to discharge to air consent. The addition of MF reduces N loadings to the irrigation site by 30%, and reduces odour risk at Kepler Block by reducing BOD in the pipeline and therefore slowing/delaying the generation of odour compounds. Sudden flow/load fluctuations would be the principal cause of difficulty. <i>E.coli</i> and P meet max scope. 	10	32.5%	40%	1.30
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> Addition of MF plant provides a higher standard than required by current consent. The MF plant would be used for a significant plant upgrade to mechanical based treatment. All components straightforward to use in upgrade and are expected to be of full practical value. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC. 	9	32.5%	30%	0.88

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

Key Values	Evaluation Criteria	Discussion / Explanation of score	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> A restriction is the sizing of the transfer pipeline. If it is sized for future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. MF plant will have a limit on peak capacity, but may be acceptable to bypass some flow in peak conditions given use of CPI. Otherwise, MF plant reduces N load to irrigation site, meaning increased flows of approx. 30% can be catered for under the conditions of the current consent. 	9	32.5%	30%	0.88
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<p>Direct discharge to land that received a submission in support for the resource consent</p> <p>Membrane filtration a further improvement</p>	10	15%	100%	1.50
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> Limited community activity within 2km, with regard to residential, which is beneficial in reducing visual effects, and perceptions regarding odour or spraydrift. Airport is within this radius. Noted that existing shelter belt will be between airport and irrigation area. Significant community opposition from Manapouri area. Uncertain whether improved wastewater quality due to MF plant will address the core causes of Manapouri community concern, but can only help. Addition of an MF plant may introduce concerns from community in vicinity of WWTP. 	4	20%	100%	0.80
Economic E\$1	Capex	<p>Capex for Te Anau is \$19.4M</p> <p>Capex for Manapouri is \$1.45M</p>	2	32.5%	60%	0.39

Key Values	Evaluation Criteria	Discussion / Explanation of score	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	Opex for Te Anau is \$474k Opex for Manapouri is \$29k Therefore NPV is \$27.3M	2	32.5%	40%	0.26
					TOTAL	6.01

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 2B

TE ANAU WASTEWATER SCHEME - OPTION OVERVIEW

OPTION 3 - SUB-SURFACE DRIP IRRIGATION TO KEPLER BLOCK WITH MEMBRANE FILTRATION

General

Option 1 is as described in the resource consent application documentation that was granted on 20 January 2017, amended as necessary by the conditions of that consent, or as below. This option is similar to Option 1 but includes membrane filtration (MF) after the oxidation pond and irrigation of wastewater using sub-surface irrigation rather than spray irrigation.

The MF process unit will be located at the existing WWTP, so that the backwash can be discharged to the oxidation ponds. The MF will reduce the solids content of the treated wastewater. This will result in a reduction in the particulate associated contaminant load, particularly the biological oxygen demand, which will reduce the risks of septicity in the pipeline and hence the risk of odour at the irrigation site. The particulate associated nutrient (nitrogen and phosphorus) load will also be reduced, which will reduce the loads which are applied to the land.

In this option, the MF plant will be sized for peak flow conditions.

The irrigation to land at the Kepler Block will be performed using sub-surface drip irrigation (SDI).

Map of Components of Scheme



Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

Key Components

Component	Description
Method of Treatment	<ul style="list-style-type: none"> No change to the existing ponds, other than: <ul style="list-style-type: none"> The inclusion of additional aeration (2017/18) Raising of Pond 1 to provide 15,000m³ of emergency storage. Ponds fine for 'treatment – raising is for buffering, not treatment New membrane filtration process with backwash discharged to oxidation ponds with peak capacity of sized for 4,500 m³/day Decommissioning of wetlands
Transfer to Disposal Site	<ul style="list-style-type: none"> Pumped via a continuous full rising main 18k to the Kepler site at 300mm diameter. Activated carbon odour filters on rising main air valves
Disposal Site	<ul style="list-style-type: none"> Not included - Trickling filter nor oxidant dosing, for odour control, at Kepler site – no increased risk of odour expected due to subsurface disposal, and mitigating effect of membrane filtration. Some odour control included for specific odour sources Filtration of wastewater to remove solids prior to delivery to sub-surface drip irrigation over 74 Ha (use Aqualinc modelled area). Staged as 37Ha initially and other half after 10 years. Cut and carry operation to remove Nitrogen. Crop to be sold as baleage. Foliage will not have contact with wastewater potentially resulting in a higher value crop.
Option for Manapouri	<ul style="list-style-type: none"> Retain existing oxidation pond and transfer to Kepler Block for disposal via 6-7km pipeline. Would require consent change to include Manapouri WW

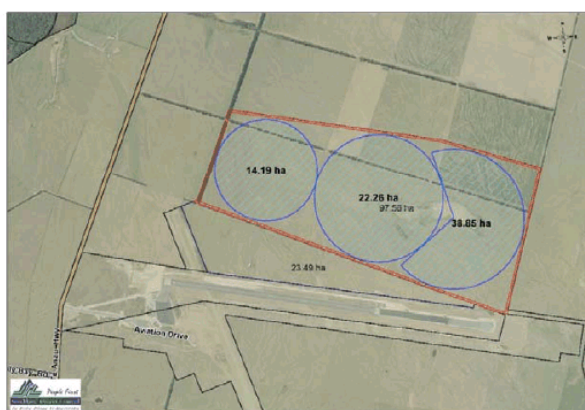


Figure 2: SDI area similar to that for Centre Pivots, but staging of layout still to be developed.

The Scoring Guidelines for Evaluation Criteria SA1 cites a radius of 2km from the irrigation site being of particular emphasis for assessing effects on individuals. Figure 3, below indicates this radius for the Kepler site.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3



Figure 3: Indication of 2km radius – based on closest point to airport and road.

Design Flows (Loads assumed to increase in proportion)

	Summer (m3/day)	Winter (m3/day)
Initially installed*	2,250 ³	2,000
After upgrade in year 10	4,500	2,000

Note: In years 0-10 peak wet weather flows may exceed 2,250m³/day, greater than the nominal capacity of the initial 37Ha of disposal field, and greater than the maximum consented depth of discharge per day (6.5mm summer, 2.9mm winter). A significant assumption is that a consent variation will be obtainable for this. These peak flows are expected to be diluted, keeping loads within limits. This staged implementation is proposed to manage initial capital cost, as disposal fields are expensive to install.

Status of Consents

Regional

- Discharge to land for Kepler Block – granted, expires in 22 January 2040 **but variation required for the alternative of SDI– variation required**
- Discharge to water (WWTP) – granted, expires in 30 November 2020
- Discharge to air (WWTP) – granted, expires in 30 June 2041, **but variation expected to be required to account for the effect of membrane filtration and the return of its waste stream to the ponds.**

³ Based on the initially installed irrigation field being designed for expected lower flow and load in the early period of the scheme. This allows for some peak wet weather flows but will require the consent to be varied to allow for increased peak infiltration rate.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

- d) Discharge to air (Kepler Block) – granted, expires in 30 June 2041. **Possibly not required for SDI assuming process units such as balance tank can be shown not to emit odour – to confirm**
- e) Discharge to air (air valves) – permitted activity
- f) Stream crossings and other construction consents for pipeline – to be sought

District

- a) Designation for WWTP – in place
- b) Designation for Kepler Block – in place
- c) Pipeline – may be required

Assessment against Constraints

Constraints	Assessment	Pass/Fail
Must comply with consent limits under all flow and load fluctuations.	<p>Membrane filtration step improves the quality of the discharge and hence will ensure that the loads defined in the current consent are complied with as flows increase.</p> <p>On the basis of 7,500m³ balancing available in the oxidation pond and on the basis that SDI irrigation can continue through rainfall events (currently unproven), it has been assumed that SDI will be able to cope with predicted flow rates up to 2040.</p> <p>Hydrus modelling by Aqualinc of nitrogen drainage to the aquifer from subsurface irrigation indicates that an area similar to the 74Ha for centre pivot irrigation will be required for year 2040 flows, although this modelling was not fully conclusive, and did not allow for benefit from unirrigated areas.</p>	√
Implement before 30 November 2020.	<p>Application method is different to current consent.</p> <p>If the change to MF and SDI instead of centre pivot can be treated as a variation to the existing consents rather than a new consent, this may be able to be granted such that the scheme can be commissioned by November 2020.</p> <p>Other consents are minor and expected to be obtained</p>	√
No direct discharge to water	No direct discharge to Upukeroa River or Waiau River	√
Consentable term	25 year consent granted for main discharge to land consent. It is reasonable to assume that variation of consent to allow change to SDI from CPI would not result in a reduction in consent term.	√
For land disposal – require ability to purchase the land.	Kepler Block owned by SDC. Membrane filtration unit can be sited within the WWTP site on land owned by SDC.	√

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

Constraints	Assessment	Pass/Fail
Life of new infrastructure	<p>Asset lives:</p> <ul style="list-style-type: none"> • WWTP – Civil, 80 years. Mech/elec varies but normally in region of 25 years. • Membrane filter Civil, 50 years. Mech/elec varies, but normally in region of 25 years. • Pipeline: 80 years minimum • Kepler Block: soil capacity to accept WW for 25 years, noting site is 125Ha vs 74Ha required at 2040. • SDI has expected life of 20 years before full replacement required. Assume that install 37 Ha for first 10 years, then further 37Ha for remaining capacity, then replace at end of life every 10 years 	√

Option 3 may not meet the timeframe constraint and consent compliance will need to be verified.

Cost

	Te Anau Scheme	Manapouri WWTP
Capex	\$21.8M	\$1.45M
Opex. Per annum/NPV	\$467k/\$6.0M	\$29k/\$370k
NPV (25yr, 6%)	\$29.6M	\$1.8M

A full cost estimate has been produced for Te Anau, major elements are:

Item	Cost (Millions)	Comment
Preliminary and General	\$ 1.6	10% of contract amount
Pond development	\$ 0.6	Pond development involves raising of pond for storage, additional pipework and telemetry. Includes 5% scope risk.
Membrane Filtration Plant	\$ 3.5	Option based on installation of full 2040 capacity initially. Costs based on estimate from Masons with 15% scope risk.
Pipeline to Kepler, including pump station	\$ 7.0	Design based on 300mm pipework. Cost based on recent contract rates from Tasman District Council contracts with scope risk of 5%
Kepler site preparation (no odour control)	\$ 0.7	Site preparation includes power supply to site. Costs based on recent similar contracts with scope risk of 5%
Subsurface Drip irrigators	\$ 3.8	Cost is based on rate from Ecogent Ltd. Assumes installation of 37Ha in first year and replacement in year 20, and install second 37Ha in year 10. Costs include scope risk of 20%
Construction contingency	\$ 1.7	Allow 10% of contract total
Contract total	\$ 18.9	
Non-contract costs	\$ 2.9	Design, project management, further consenting, non construction costs. Allow 12% and minor Lump sum items
Total	\$ 21.8	

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

The Manapouri WWTP costs relate to the expected need to upgrade this WWTP to enable its consent to be renewed by 2023. Costs are based on the current LTP budgets (sourced from the WW Strategy), \$1.2M 2022-25 capex, on the unconfirmed assumption of connection to Kepler scheme. A further \$250k is added to the capex for the consent process, budgeted in the LTP for 2020-22. Opex costs are based on a 12% pro-rata value of Manapouri/Te Anau usually resident population statistics from the 2013 census. (228 vs 1914).

Income from Baleage

The opex breakdown details assumptions regarding income from baleage. The total Kepler Block area is 125Ha. The area irrigated by the centre pivots will be up to 74Ha, noting that in early years there will not be enough wastewater to always irrigate the whole 74Ha. There is uncertainty regarding the reduction, if any, on sale price of baleage, due to the use of waste water.

The opex calculation is based on baleage from wastewater irrigated areas being worth half the value of other areas. The addition of membrane filtration and subsurface disposal is an advantage in reducing this risk, but difficult to quantify.

Assessment against Minimum Requirements

*Service Requirements	Basis of comparison	Min/Int/Max scope
**Total Nitrogen loss to ground or surface water (average values)	<p>Discharge to aquifer underlying Kepler Block which will discharge to Waiau River Addition of membrane filtration will reduce the nitrogen load to land by 30% ⁴ through reduction in particulate component.</p> <p>Predicted annual Load to aquifer in 2040 of 3,862 kgN/yr⁵</p> <ul style="list-style-type: none"> Represents a reduction in nitrogen load of 50% from that in the discharge from the WWTP, and is same as consented scheme. The concentrations in the plume from the irrigation block will comply with the DWSNZ for nitrate. Effect on N concentrations in Waiau River are non-detectable. 	Intermediate
Odour	<p>WWTP: no complaints except in malfunction of ox pond or turnover. Additional process unit on WWTP site not expected to result in increased odour from site. Effects on the oxidation pond can be managed appropriately.</p> <p>Pipeline: filters on air valves should ensure minimal odour</p> <p>Kepler Block: odour not expected beyond boundary. Risk of odour from irrigation activity reduced given that no irrigation above ground.</p>	Maximum

⁴ Based on the relationship between average ammoniacal nitrogen and total nitrogen concentrations as given in Table 2-2 of the application.

⁵ Based on the maximum consented limit of 32 kgN/ha/year for Option 1.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

*Service Requirements	Basis of comparison	Min/Int/Max scope
<i>E.coli</i> (in ground water)	<p>Only water supply bores in ES database within 5km are down gradient.</p> <p>The groundwater assessment (in Appendix E of the consent application) concluded that due to the availability of a significant depth of unsaturated zone (between approximately 3 and 12 metres), the concentration of microbial contaminants entering the groundwater system is likely to be less than 40 cfu/100mL. The New Zealand Drinking Water Standards (<1/100mL) are likely to be met within a distance of 200 metres of the irrigation area.</p> <p>A detailed well search will be undertaken during the detailed design phase of the project to ensure no drinking water bores are affected.</p> <p>No change to Option 1</p>	Maximum
<i>E.coli</i> (at point of mixing with surface water)	<p>Plume in groundwater travels 2.5km before mixing with Waiau River. <i>E.coli</i> in plume will be <1/100mL at this point</p> <p>No change to Option 1</p>	Maximum
Phosphorus (at point of mixing with surface water)	<p>Section 7.3.3 of the consent application states: "half of this (P load to land) would be removed through the cut and carry operation leaving approximately 48 kg/ha/year accumulating in the soil.</p> <p>Within the soil, phosphorus is removed through the combination of adsorption onto clay minerals and precipitation in the unsaturated zone. ... In the current situation where there is an extensive unsaturated zone, phosphorous removal will be significant and the leaching to groundwater is likely to be minimal."</p> <p>Therefore, discharge to surface water will be minimal (ie less than 0.5mg/l).</p> <p>No change to Option 1</p>	Maximum

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

Key Risks – Option 3

A project risk register has been maintained during the project development and is appended to the BBC. Key risks relevant to the options assessment are:

Decision Criteria	Critical Success Factors Broad Description	Key Risks
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> • Risk of obtaining consent variation for disposal field if initially only 37Ha of disposal field installed, as peak wet weather flows will require greater depth/day discharge than the presently consented maximum. • Risk of local affected party opposition to the MF plant, meaning odour, noise and visual effects will need to be well characterised, and mitigated, if needed. • A variation of Option 1, which is consented, other than minor consents for pipeline stream crossings. • Difficulty in producing reliable modelling results of nitrogen drainage to the aquifer will create a real difficulty in gaining acceptance of the AEE unless conservative results and irrigation areas are used. •
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> • Addition of MF plant provides a higher standard than required by current consent, reducing risk of higher standards being required • Low risk in feasibility of upgrade options. If a future upgrade were required, a further treatment step could be added at the existing ponds, and conventional options exist such as membranes (filtration or bioreactor). • Straightforward to add additional area to the SDI disposal field
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> • Main risk is that rising main pipeline is sized too small to allow increased flows over its whole life of 80-100 years. Presently sized at 300mm which gives good scope for increased flows. • MF plant core infrastructure sizing insufficient for flows and loads beyond the first consent horizon. • Straightforward to add additional area to the SDI disposal field
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<ul style="list-style-type: none"> • Low risk, as Iwi submitted in support.
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> • Removes issues relating to spray drift, odour, visual effects and visitor perception of irrigators at Kepler. • The above risk reduced further if community accepts the value of the mitigation provided by the MF plant. • Uncertain whether residual opposition will remain, but should be substantially reduced.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

Economic E\$1	Capex	<ul style="list-style-type: none"> • The full scope of work required to ensure an SDI disposal system is fully feasible has not yet been undertaken. This system is at least 10 times larger than anything installed to date in New Zealand. Significant risk remain with regard to what the full scope of work will be. • Significant uncertainty regarding installation cost due to the scale of the SDI disposal field being much larger than anything previously installed in NZ. Cost could be higher or lower, but needs to be reliably confirmed before project committed to. • The full scope of work required to ensure an MF plant is fully feasible has not yet been undertaken. Some risks, such as the potential for algae fouling yet to be properly understood. • Uncertain influence of buoyant market and a location requiring imported workforce for some elements
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> • The opex budget assumes an income from baleage. This may vary between seasons. Wastewater irrigation may affect the market value in the future. A discounted value incorporated.

Business Case: Te Anau Wastewater Kepler Block: Option Description – Option 3

Performance against Evaluation Criteria – Option 3

Key Values	Evaluation Criteria	Discussion	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
Environmental E1	Ability of scheme to obtain long term consents.	<ul style="list-style-type: none"> 25 year term granted for Option 1 but variation to discharge to land consent required. The addition of MF and SDI would be designed to balance out to give the same N loadings as Option 1, but some uncertainty in predictions which will complicate gaining consent and may result in shorter term consent. SDI removes odour and spray drift stakeholder concerns. 	8	32.5%	40%	1.04
E2	Adaptability of scheme to meet increased environmental standards	<ul style="list-style-type: none"> All components straightforward to use in upgrade and are expected to be of full practical value. Extra (vs upgraded) process element required to improve N upgrade. Noted that ponds kept for flow balancing Benefit of MF removal of N counterbalanced by reducing size of SDI disposal field. The extra land at Kepler that is owned by SDC but not required for irrigation by treated wastewater could be used to offset nutrient load from other WWTPs in the Waiau River catchment, by retiring the area from production. This could be a cost effective solution to reducing nutrient loads in comparison to implementing nutrient based treatment upgrades at the other WWTPs in the catchment. The viability of this option would depend upon the manner in which Environment Southland implements the limit setting process, which is currently being developed. However, it represents an opportunity for SDC. 	7	32.5%	30%	0.68

Key Values	Evaluation Criteria	Discussion	Individual Score (0-10)	Criteria Weighting	CSF Weighting	Weighted score
E3	Adaptability of scheme to meet increased flows and loads.	<ul style="list-style-type: none"> A restriction is the sizing of the transfer pipeline. If it is sized for future flows then potential septicity issues at current flows. Land area of Kepler Block allows good scope for extra flow, but ultimately may need some further N reduction to keep within the kg/Ha/yr limit. MF plant will have a limit on peak capacity, so will need to be configured to allow increased flow and load, with consideration beyond the term of the initial consent 	7	32.5%	30%	0.68
Iwi Acceptability IA1	Extent to which scheme meets the aspirations of Iwi.	<ul style="list-style-type: none"> Direct discharge to land that received a submission in support for the resource consent SDI field sized to achieve similar nitrogen reduction as option 1. 	10	15%	100%	1.40
Social Acceptability SA1	Extent to which scheme meets the social aspirations of the local community.	<ul style="list-style-type: none"> SDI is likely to be more acceptable than CPI, as main concerns regarding spray drift, odour and visual effects are addressed. Does not address the view of some that the Kepler site is inappropriate in any situation. Addition of an MF plant may introduce concerns from community in vicinity of WWTP. 	7	20%	70%	0.98
Economic E\$1	Capex	<ul style="list-style-type: none"> Capex for Te Anau is \$21.8M Capex for Manapouri is \$1.45M 	0	32.5%	60%	0
E\$2	NPV, Te Anau scheme plus Manapouri scheme. (25year period, 6% discount rate)	<ul style="list-style-type: none"> Opex for Te Anau is \$467k Opex for Manapouri is \$29K Therefore NPV is \$29.6M 	1	32.5%	40%	0.13
TOTAL						5.29

Appendix 5: Cost Estimates and Basis

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TE ANAU WASTEWATER SCHEME COMMENTARY TO ACCOMPANY SEPTEMBER 2017 BUDGET ESTIMATES

Prepared by Paul Jacobson
Reviewed by Roger Oakley
Last updated: 9 October 2017

Refer also to s2.4.5 of the Business Case that discusses optimism bias with regard to the preparation of estimates. In the estimates, the 'scope risk contingency' has been separately identified for each section 1-14 of the estimates. This has allowed the bias and risk to be tailored to the level of certainty for each item.

Item	Description
1	PRELIMINARY & GENERAL
1.01	Quality, H&S, Environmental, Traffic Management Plans
	Preliminary and General is set at a common industry level of 10%. It includes allowance for such items as: <ul style="list-style-type: none"> • Project management • Preparation of Contractors compliance plans • Traffic Control (difficult / lengthy- in main carriageway) • Consent and Traffic Management Plan for State Highway. • Site establishment, huts, vehicles • Potholing for services clashes • Identification of existing services • Liaise with service providers 3 waters, telecom power, electrical • HAZOP (Hazards and Operability) workshops • As built drawings including Operating and Maintenance manuals • Condition survey including photos of surrounding surfaces and buildings • Public liaison and communication • Project signs • Commission overall system (assumes individual items pre-commissioned) • Maintenance of system for 1 year • Worker accommodation and travel • Overheads such as bonds and insurance • Head office costs.
2	POND RAISING TO PROVIDE ADDITIONAL 15,000M³ CONTINGENCY STORAGE
	Common to all options This contingency storage is a Consent requirement under Discharge Permit No 302625-01 condition 6(c) and 13(a) viii to enable storage of wastewater during periods of high rainfall, or high soil moisture and high winds at the Kepler site.

	There is a separate spreadsheet detailing the breakdown of this section of the estimates, with comments on how values were derived,
2.1	Refer estimate from separate spreadsheet.
	There is some potential to have less storage for SDI option as it is possible to irrigate under wetter and extreme wind conditions. However this requires a consent change and proof by modelling of inflows, storage and irrigation/rainfall and wind. The maximum saving on capex might be in the order of 25%, as a rough order, pro-rata estimate of reducing the increased bunding height from 400mm to 300mm.
2.2	Scope Risk Contingency
	Common to options-have allowed 5%
3	POND PIPEWORK TO ALLOW STORAGE IN POND 1
3.1	Outlet arrangement from Pond 1
3.2	Actuated valve and flowmeter, via SCADA, to control flow from Pond 1
3.3	Pipework from Pond 1 to 3. (Assume flow goes 1-3-2 and pump from 2).
3.4	Level sensors to control all pond levels, and cable through to switchboard
3.5	Scope Risk Contingency
	Common to all options-this provides for outlet controls, level probes and pipework to provide contingency storage during wet weather in Pond 1. Noted that pond 3 is slightly lower than pond 2. Desirable to pump from Pond 2 to avoid the river flood risk area nearer Pond 3 for the PS and MF plant.
4	TELEMETRY AND SCADA FOR WWTP SITE
4.1	Connection of individual WWTP site elements and data to SCADA/telemetry, including programming, and supply of telemetry
4.2	Scope Risk Contingency
	Common to all options-telemetry and SCADA outlet controls for the WWTP and linkage/integration with Kepler Block irrigation controls. Based on pricing for Eastern Bush WTP which is similar in scope. Design will be for an automated system with backup to minimise operator input and increase response during a fault or emergency. This item excludes the SCADA for individual components, eg the MF plant and pumpstation, but allows for the work to combine them.
5A	MEMBRANE FILTRATION AT PONDS – BASE FLOW
	<p>Only for option 2A. This option is based on a MF plant that can treat almost all the flow, almost all of the time, but would <u>not</u> be sized for peak flow, which can double to the plant flow. This provides cost savings, in that a lot of cost is embedded in an option that needs to allow for peak capacity, whether it is commonly used, or not.</p> <p>This approach is acceptable for centre pivot irrigation, which has a consent that does not require an MF plant. Not suitable for subsurface drip irrigation where all flow must pass through a MF plant to ensure irrigation drippers are not blocked.</p> <p>This MF plant capacity will be in the order of 2,200m³/day. Its actual size will be influenced by available module sizes, as sizing/pricing tends to be in bands. The</p>

	<p>logic of the sizing is that it at this level it can presently cope for all flows over summer, except for when significant rain occurs, refer 5.03B.</p> <p>A compromise inherent in this estimate is that limited provision will be made for a future upgrade, other than positioning the building for easy extension. This allows a smaller, cheaper, plant. But does mean that an upgrade will be significantly more expensive, with a new full flow intake screen, building extensions and additional filter modules.</p> <p>The principal environmental advantage is that nitrogen bound up in algae would be removed, a 30% improvement, and on an annual cumulative basis.</p> <p>These figures are based on the Mason email 9 October 2017.</p>
5.01A	Inlet screen (to protect membrane) and pipe to MF building
	Provides 500 micron screen prior to MF units as advised by Masons (email date 901917) based on Amiad screen sized for 2,200m ³ /day flow rates from the ponds
5.02A	Additional algae removal re membrane fouling. BUDGET ALLOWANCE
	Masons have stated this not required but until effluent algae testing is completed this is clearly identifiable risk to the project and Stantec advice is to leave this in the estimate until it is proven this is not required. See 5.02B also.
5.03A	Membrane filter unit with feed pumps, CIP (sealed pressure unit)
	Sized as per the notes above
5.04A	Basic shed for MF unit
	Sized with little ability for upgrading capacity. But the building could be extended for doubling the additional MF modules. Does not allow for acoustic treatment.
5.05A	Backwash pump station. 7m ³ underground tank and pump set
	Potable water supply for backwashing of MF required, as proposed by Masons.
5.06A	Electrical and controls and basic SCADA
5.07A	Upgrade basic MF package with full SCADA
5.08A	Commissioning
5.09A	Civil works to service the site. Eg roads, stormwater, building platform
5.10A	Head contractor margin at 12% on MF and Mech/Elec/Commissioning
5.11A	Balance tank and pipes after MF plant to PS and rising main
5.12A	Excess Flow bypass of MF.
	In the event the 2,200m ³ /day baseflow of the MF plant capacity is exceeded. a pumpset, with redundancy, will be required to pump the excess flow to the balance tank, including interconnecting pipework and a high degree of flow control, over a wide range of flows will be necessary.
5.13A	Scope Risk Contingency
5B	MEMBRANE FILTRATION AT PONDS – PEAK FLOW
	<p>Only for MF Options 2b & 3.</p> <p>The capex based compared to a similar MF schemes at Motueka WWTP \$3m (Juliet Westbury, TDC email 290917).</p>

5.01B	Inlet screen (to protect membrane) and pipe to MF building
	Provides 500 micron screen prior to MF units as advised by Masons (email date 25/09/17) based on similar screen and flow rates from the ponds at the current (2017) Motueka WWTP project.
5.02B	Additional algae removal re membrane fouling - BUDGET ALLOWANCE
	Budget provision for an additional treatment unit prior to the membranes is recommended to remove algae which can clog membranes and require frequent cleaning shortening the life of the membranes. To be confirmed through trials and testing. Typical options include DAF, Actiflo or pond covering. Anecdotal evidence that this was a concern at the Motueka plant, and is a general concern when directly filtering pond wastewater.
5.03B	Membrane filter unit with feed pumps, CIP (sealed pressure unit)
	<p>Peak design flow is 4,500m³/day in summer, and 2,000m³/day in winter which allows for growth over the 25 year consent term.</p> <p>The peak period of inflow into the ponds recorded to date was in May 2016 and associated with extended rainfall. At this time the peak day was 2,614m³, and inflow of this order continued for 10 days, with added rainfall directly onto the ponds to also be disposed of.</p> <p>This. Budget pricing is from Masons, email 22 Sept 2017. Pricing based on similar plants currently underway at Motueka and Cromwell. In the costing Masons have allowed for 6,000m³/day, so pricing is conservative in this respect, but allows for some growth in flows beyond the period of the initial consent.</p> <p>Staging the plant to provide an initial 50% capacity may decrease the initial costs to 75%. The practicality of this needs to be confirmed, after analysis of peak flows, from wet weather especially.</p> <p>It is important that core infrastructure items of a membrane plant (eg pipe sizing, building footprint) are sized for ultimate capacity, as it is difficult to increase these later.</p> <p>Sizing of plant would be considered in much greater detail in the design phase.</p> <p>Proposed membrane cartridge warranty is for 5 years but assumed 7 year life average replacements in the opex estimate.</p> <p>The combination of an MF plant with centre pivot irrigation offers more scope to consider a smaller MF plant, as it is reasonable to consider a bypass flow arrangement at peak times. There are no subsurface drippers to protect.</p>
5.04B	Basic shed for MF unit
	Potentially, the shed area could be reduced by 50m ² by minimising working and amenity areas. Not reduced because this limits future flexibility, noting that the building has a 50 year life minimum, and therefore flows beyond a 25 year consent period need to be taken into account.

	No acoustic treatment allowed for.
	The floor area of 230m ² is based on the plans for the Cromwell plant (information from Masons, 22 Sept 2017).
5.05B	Backwash pump station. 7m³ Tank and pump set
	Potable water supply for backwashing of MF required, as proposed by Masons.
5.06B	Electrical and controls and basic SCADA
5.07B	Upgrade basic MF package with full SCADA
5.08B	Commissioning
5.09B	Civil works to service the site. Eg roads, stormwater, building platform
5.10B	Head contractor margin at 12% on MF and Mech/Elec/Commissioning
5.11B	Balance tank and pipes after MF plant to PS and rising main
	It is not possible to pump from the ponds directly through the membranes to the Kepler site. This would over pressurise the membranes.
5.12B	Scope Risk Contingency
	The above items are based on Mason email 220917, plant with a contingency of 15 % due to lack of information on MF treatability/testing of the pond effluent and limited NZ experience with MF directly from oxidation ponds. A risk contingency of 15% is proposed for the above reasons. This would normally be higher but tempered due to recent experience and costings for Motueka and Cromwell which are slightly larger plants.
6	RISING MAIN PUMP STATION
	Common to all options
6.01	Intake structure
6.02	Inlet pipe to pumpstation
6.04	PS building, at 2m below ground level, basement walls extending above flood level
6.05	PS mechanical, electrical fit out, and dry mount pumps
6.06	MEICA within pumpstation.
6.07	Surge Control Vessels and controls
6.08	General Site Works
6.09	Back up generator
6.10	Landscaping
	Allowance for recontouring and planting land around the WWTP resulting from construction works.
6.11	Power Supply Upgrade to site
	Need to check power supply capacity for all options. An MF plant may require a larger transformer.
6.12	Scope Risk Contingency
	Allowed for 5% contingency
7	CONSTRUCTION OF RISING MAIN - BASED ON PVC 300mm NB

	<p>Common to all options.</p> <p>The unit rates for pipework was compared to those used for estimating purposes in Tasman District and Eastern Access Road Queenstown and increased from previous estimates by 16% after discounting for the scale of work.</p> <p>There is 12.7km of the pipework within the road reserve, assumed to be in the cheaper location of the berm, and not within the road pavement zone or verge.</p> <p>Also assumed is that the excavated material (other than bedding and surround) is recompacted excavated material. An allowance is made for replacing 2.5km of unsuitable excavated material of the total 18km pipeline length.</p> <p>The above assumptions to be confirmed during design and survey of conflicts with other services.</p>
7.1	Excavation (depth up to 1.4m)
7.2	Pipeline - supply and lay
7.3	Backfilling
7.4	Reinstatement
7.5	Associated Work
7.5.01	<i>Stormwater Culvert Crossing. Allowance to deviate over or under a culvert.</i>
7.5.02	<i>Bridge Crossings</i>
7.5.03	<i>Compaction testing (refer to Spec 1112 Clause 3.11.2)</i>
7.5.04	<i>Hydrostatic pressure testing of DN300 reticulation main in five sections</i>
7.6	Ancillaries - Supply and Install
7.6.01	<i>DN 300 horizontal 11.25° bend including thrust block</i>
7.6.02	<i>DN 300 horizontal 22.5° bend including thrust block</i>
7.6.03	<i>DN 300 horizontal 45° bend including thrust block</i>
7.6.04	<i>Air valves</i>
7.6.05	<i>In Line valves</i>
7.6.06	<i>Spindle extension for sluice valve - Provisional</i>
7.6.07	<i>Sluice Valve</i>
7.7	Rising Main Stream Crossings and Scours
7.7.1	Allowance for 2 thrust bored crossings
	This is for two stream crossings along SH95 (refer Stantec report Sept 2017) that would otherwise require resource consents.
7.7.2	Allowance for supporting side of trench at two crossings
	This is for two stream crossings along SH95 (refer Stantec report Sept 2017).
7.7.3	Allowance for flow control at Kepler to keep rising main full during pump off cycles

	To prevent the pipeline draining between pumping cycles. This simplifies restarting the pumping and greatly mitigates the extent of odour control required at the air valves on the rising main.
7.7.4	Branches to pump-out chambers at line valves
	To enable isolation and drainage of a section of pipeline for critical repairs and maintenance.
7.8	Odour Control on Airvalves
7.8.1	Carbon filters added to air valves
	Activated carbon control units at each air valve are proposed. Note this is separate to the allowance of item 7.6.04 for the installation of the air valves.
7.9	Pipework Contingency to allow for Work not yet identified
7.9.1	Scope Risk Contingency
	Allowed for 5% scope contingency.
8	KEPLER ENABLING WORKS-Wastewater Reuse
8.1	Power supply to site
	Distance to power supply to be confirmed.
8.2	Power supply to CP irrigators - based on share trench with pipeline (km)
8.3	Switch Building - kiosk
	A building to put the electrical panels and equipment in.
8.4	Control including SCADA connection - entire Kepler site
	One master SCADA system that monitors and controls all the individual components as integrated system. Combines with the SCADA for the WWTP site, trickling filter and irrigation.
8.5	EMP monitoring soil (6), 1 climate station, runoff detection(2)
	The Environmental management plan requirements to monitor the soil moisture at three levels, climate station and runoff detection to demonstrate compliance with Consent Conditions.
8.6	Scope Risk Contingency
	Allowed for 5% scope contingency.
9	ODOUR CONTROL - Trickling filter, biofilter and chemical dosing.
9.1	Refer estimate from separate spreadsheet.
	This allows for trickling 13m dia 4m high trickling filter with wastewater recirculation, forced air extraction to a constructed above ground soil filter, chemical dosing with an oxidant during initial startup and pump station to the CPs. This has been extensively modelled, with results presented at the consent hearing. The purpose is to control odour due to septicity in the rising main, which is particularly important because of spray irrigation.
	There is a separate spreadsheet detailing the breakdown of this section of the estimates, with comments on how values were derived, which includes comparable

	projects, first principle breakdowns, and supplier estimates (eg for the trickling filter tanks, and distributor arm).
9.2	Scope Risk Contingency
	Allowed for 5% scope contingency.
10	SITE PREPARATION
10.01	Paddock Development, change grass/crop
10.02	Remove centre shelter belts
	Halved from earlier estimates, as southern belt will now be retained.
10.03	Remove stumps at irrigator wheel tracks
10.04	Remove all remaining tree stumps for ease of pasture management
	Consider remove all stumps during site clearance to provide greater flexibility of cropping albeit at a small cost.
10.05	Tracks for Pivot drive wheels - allowance
	Would only be undertaken if operation proves need. This is a conventional approach.
10.06	300mm Pipeline from boundary to CP 1
10.07	200mm Pipeline from CP1 to CP 2 and CP3
10.08	Peat Bog development, planting, earthworks, piled bridges.
10.09	6 bores for ongoing monitoring
	4 Groundwater monitoring down and side gradient plus an allowance of 2 bores to monitor groundwater mounding.
10.1	Plant new northern shelter belt & maintain 1yr
	say three tiers of radiata pine 10m deep
10.11	Enhance western and eastern shelterbelt
	Assume an additional two rows of radiata pine
10.12	Fencing for one side of northern shelter belt.
	Using netting and windbreak cloth
10.13	Allowance for gateways, tracks, culverts etc.
10.14	Site signage as required by consent conditions
10.15	Downstream swale and sensor for runoff early warning
	The lower side of the site could be monitored for runoff of rainfall by a small constructed swale and moisture sensor. While not strictly required by the consent would useful monitoring feature. To be considered for EMP.
10.16	Scope Risk Contingency
	Allowed for 5% scope contingency.
11	IRRIGATION
11.1	Centre Pivot (CP) Irrigators

	SDC propose 3 CPs (425m, 532m & 576m diameters). One of these could be deferred 10-15 years until required by demand, which would offer a saving in the order of \$140k. Refer sketch in BBC options assessment.
11.2	Supply and install CPs, including freight to site (WaterForce Sept 2017)
11.3	Allowance for effluent vs water - screening and corrosion
11.4	Water supply for flushing the CPs, and pumpset in shed
11.5	Upgrade CPs to vary flow rate by isolating nozzles
11.6	Upgrade CPs for boon backs for outer spans
11.7	Scope Risk Contingency
	Costs for CPs have not increased significantly in recent years. Allow 5% contingency. In the Opex budget the return on crop from treated wastewater area is assumed to be 50% of the value from non-treated wastewater irrigated areas. This is to address a significant project risk as Fonterra have rejected dairying on sludge/wastewater irrigated land and this may extend one day to other types of farming for perception reasons. The addition of MF barrier under Options 2A and 2B may reduce the perceived risk to humans and stock feed. Refer Davoren email 13 Jan 2015 and Travis Leslie (Landcorp Kepler manager) on crop value at \$42/tonne of dry matter.
12	SUBSURFACE DRIP IRRIGATION
	No allowance for odour treatment at Kepler (unlike CPs) as the soil around the drippers will control odour. Also there is no spraying of the treated wastewater above ground and associated potential for odour release. No allowance has been made for odour control at the PS prior to the SDI. SDI – email P Riddell, is less susceptible to rain events and therefore potential to have less irrigated area but will need to change Consent from CP to SDI and agree suitable conditions. Installation of the SDI disposal fields can be staged over time as demand increases. SDI benefits from lower air borne risk to humans, and stock from pathogens, from the wastewater due to the below ground irrigation.
12.1	First 37Ha in year 0. All-in rate to include back flushing
	Rate/Ha advised by T Davoren, based on Ecogent 2016 figures Different irrigation specialist have advise different areas for SDI. Further work is required define irrigation areas, life and SDI type. The rate per hectare is less certain, and could vary considerably, either up or down. This is because there a few examples to draw upon in NZ, and the scale of this project is much larger than anything done in NZ. It is a significant project risk to refine this estimated figure if the SDI option is to proceed.

12.2	Second 37Ha in year 10. NPV at 6% discount rate
12.3	Replace first 37Ha in year 20. NPV at 6% discount rate
12.4	Replace second 37Ha in year 30. NPV at 6% discount rate
12.5	Arrival balance tank. 2hr peak capacity = 200m ³ . Glass coated steel
	Sealed, for odour. Assume half the cost of the trickling filter tank.
12.6	Rising Main filter to protecting drippers from sloughing off pipeline.
	A prefilter is required to remove any biofilm that sloughs off the raising main. Amiad 400m ³ /hr basket filter. Refer Mason email of 22 Sept 2017.
	This method of filtering has not been confirmed as an acceptable, or best solution. It is a budget allowance for a filter system of an appropriate flow rate.
12.7	Holding tank to accept backwash from backwash from filters prior to irrigation
	It is assumed that backwash water in this tank would be pumped out and transported back to the WWTP ponds. Price estimate is a budget allowance only, as tank not sized or scoped.
12.8	Pump set to feed SDI system
	Minimum of two pumps, to provide backup. It is uncertain what is allowed in the per Hectare rate, but this figure will need to increase significantly if it is provide all of the pumping requirements to the SDI disposal field. Should be regarded as a placeholder figure.
12.9	Scope Risk Contingency
	The SDI option using treated wastewater with residual organic content is at greater risk of clogging of drippers than for example pumped groundwater. The life of drippers (and their fouling) cannot be reliably predicted beyond 20 years, and it is common to assume a 20 year life.
	The key risks for subsurface irrigation are the area required, life and special flushing requirements. For this reason the contingency is 20% allowed for this item.
13	ALLOWANCES
13.1	Construction Contingency (post Contract award)
13.2	Market Risk - competitiveness/volatility
	Market risk to cover exchange fluctuations, inflation and other market forces that may result in higher rates when we actually build something. A strong economy tends to push prices higher.
13.3	Unknown items - identified per category, see above
13.4	Remote location - relocate workforce
	No allowance is made for the location other than higher establish costs already allowed for under P&G. This allowance is for the risk that a considerable portion of the construction workforce is brought into the area, with travel and accommodation costs resulting.
14	EXTERNAL TO CONSTRUCTION CONTRACT
14.1	Additional consenting

	Additional consents will be required for the pipeline under all options. Under Options 2A, 2B & 3 -Revise Outline Plan required under WWTP Designation to include for PS and MF. Also, the air discharge consent will require amendment. Under Option 3 SDI- A Variation to the land discharge consent will be required to change from CP to SDI.
14.2	Engineering
	Allowed for 10% of capex costs
14.3	Design Contingency. Further design to develop/prove concept
	Option1 \$0 Option2 \$100k Option 3 \$300k for additional design to prove/develop the concept for high risk items. This is dependant on the option selected.
14.4	SDC Project Management
	Allow 2% for SDC staff for project management, or engagement of an external provider to provide and SDC interface with the project team.
14.5	Environmental Management Plan including OMP/Mitigation measures
	The consent requires a detailed EMP/OM/ Odour Plans and consultation on these refer condition 13 Discharge Consent 20157779-01
14.6	Other Costs (SDC to advise)

TEANAU SEWERAGE - KEPLER PROPOSAL
Updated Estimate

10 October 2017

Previous Estimate - Refer MWH Report of Sept 2015
Updated by Roger Oakley and Paul Jacobson, numerical check by L Boyd
Reviewed by Roger Oakley and Paul Jacobson

Last Updated 9 October 2017

Opex estimate is updated Oct 2017

					OPTION ONE CONSENTED OPTION	OPTION 2A CONSENTED OPTION + BASE FLOW MF + CPI	OPTION 2B CONSENTED OPTION + PEAK FLOW MF + CPI	OPTION THREE MF + SDI
Item	Description	Unit	Quantity	Rate	Amount	Amount	Amount	Amount
1	PRELIMINARY & GENERAL							
1.01	Conventional allowance of 10% (of items 1 - 12)	%	10%		1,050,498.63	1,254,149	1,403,549	1,564,025
				Subtotal 1	1,050,499	1,254,149	1,403,549	1,564,025
2	POND RAISING TO PROVIDE ADDITIONAL 15,000M3 STORAGE							
2.1	Refer estimate from separate spreadsheet.	LS	1	\$ 353,356.00	353,356	353,356	353,356	353,356
2.2	Scope Risk Contingency	%	5%	\$ 353,356.00	17,668	17,668	17,668	17,668
				Subtotal 2	371,024	371,024	371,024	371,024
3	POND PIPEWORK TO ALLOW STORAGE IN POND 1							
3.1	Outlet arrangement from Pond 1	LS	1	\$ 20,000.00	20,000	20,000	20,000	20,000
3.2	Actuated valve and flowmeter, via SCADA, to control flow from Pond 1	LS	1	\$ 20,000.00	20,000	20,000	20,000	20,000
3.3	Pipework from Pond 1 to 3. (Assume flow goes 1-3-2 and pump from 2).	m	150	\$ 400.00	60,000	60,000	60,000	60,000
3.4	Level sensors to control all pond levels, and cable through to switchboard	LS	1	\$ 10,000.00	10,000	10,000	10,000	10,000
3.5	Scope Risk Contingency	%	5%	\$ 110,000.00	5,500	5,500	5,500	5,500
				Subtotal 3	115,500	115,500	115,500	115,500
4	GENERAL WWTP SITE PROVISIONS							
4.1	Connection of individual WWTP site elements and data to SCADA/telemetry, incl programming, and supply of telemetry	LS	1	\$ 40,000.00	40,000	40,000	40,000	40,000
4.2	Power Supply Upgrade to site	LS	1	\$ 18,000.00	18,000	18,000	18,000	18,000
4.3	Landscaping	LS	1	\$ 14,000.00	14,000	14,000	14,000	14,000
4.4	Scope Risk Contingency	%	5%	\$ 40,000.00	2,000	2,000	2,000	2,000
				Subtotal 4	74,000	74,000	74,000	74,000
5A	MEMBRANE FILTRATION AT PONDS - BASE FLOW							
	Refer Rising Main PS est for pond intake structure and pipe to inlet screen.							
5.01A	Inlet screen (to protect membrane) and pipe to MF building	LS	1	\$ 150,000.00	N/A	150,000	N/A	N/A
5.02A	Additional algae removal re membrane fouling. BUDGET ALLOWANCE	LS	1	\$ 200,000.00	N/A	200,000	N/A	N/A
5.03A	Membrane filter unit with feed pumps, CIP (sealed pressure unit)	Nr	1	\$ 600,000.00	N/A	600,000	N/A	N/A
5.04A	Basic shed for MF unit	m2	120	\$ 2,000.00	N/A	240,000	N/A	N/A
5.05A	Backwash pump station. 7m3 underground tank and pump set	LS	1	\$ 50,000.00	N/A	50,000	N/A	N/A
5.06A	Electrical and controls and basic SCADA	LS	1	\$ 180,000.00	N/A	180,000	N/A	N/A
5.07A	Upgrade basic MF package with full SCADA	LS	1	\$ 20,000.00	N/A	20,000	N/A	N/A
5.08A	Commissioning	LS	1	\$ 20,000.00	N/A	20,000	N/A	N/A
5.09A	Civil works to service the site. Eg roads, stormwater, building platform	LS	1	\$ 50,000.00	N/A	50,000	N/A	N/A
5.10A	Head contractor margin at 12% on MF and Mech/Elec/Commissioning	LS	1	\$ 130,000.00	N/A	130,000	N/A	N/A
5.11A	Balance tank and pipes after MF plant to PS and rising main, incl civils	LS	1	\$ 70,000.00	N/A	70,000	N/A	N/A
5.12A	Peak flow line from ponds to balance tank. Pumps, pipes, valves, control	LS	1	\$ 70,000.00	N/A	70,000	N/A	N/A
5.13A	Scope Risk Contingency	%	15%	\$ -	N/A	256,500	N/A	N/A
				Subtotal 5	-	2,036,500	-	-
5B	MEMBRANE FILTRATION AT PONDS - PEAK FLOW							
5.01B	Refer Rising Main PS est for pond intake structure and pipe to inlet screen.	LS	1	\$ -	N/A	N/A	-	-
5.01B	Inlet screen (to protect membrane) and pipe to MF building	LS	1	\$ 250,000.00	N/A	N/A	250,000	250,000
5.02B	Additional algae removal re membrane fouling. BUDGET ALLOWANCE	LS	1	\$ 300,000.00	N/A	N/A	300,000	300,000
5.03B	Membrane filter unit with feed pumps, CIP (sealed pressure unit)	Nr	1	\$ 1,200,000.00	N/A	N/A	1,200,000	1,200,000
5.04B	Basic shed for MF unit	m2	230	\$ 2,000.00	N/A	N/A	460,000	460,000
5.05B	Backwash pump station. 7m3 underground tank and pump set	LS	1	\$ 100,000.00	N/A	N/A	100,000	100,000
5.06B	Electrical and controls and basic SCADA	LS	1	\$ 350,000.00	N/A	N/A	350,000	350,000
5.07B	Upgrade basic MF package with full SCADA	LS	1	\$ 30,000.00	N/A	N/A	30,000	30,000
5.08B	Commissioning	LS	1	\$ 20,000.00	N/A	N/A	20,000	20,000
5.09B	Civil works to service the site. Eg roads, stormwater, building platform	LS	1	\$ 60,000.00	N/A	N/A	60,000	60,000
5.10B	Head contractor margin at 12% on MF and Mech/Elec/Commissioning	LS	1	\$ 230,000.00	N/A	N/A	230,000	230,000
5.11B	Balance tank and pipes after MF plant to PS and rising main	LS	1	\$ 70,000.00	N/A	N/A	70,000	70,000
5.12B	Scope Risk Contingency	%	15%	\$ -	-	N/A	460,500	460,500
				Subtotal 5	-	-	3,530,500	3,530,500
6	RISING MAIN PUMP STATION							
6.01	Pond intake structure	LS	1	\$ 30,000.00	30,000	30,000	30,000	30,000
6.02	Inlet pipe to pumpstation	LS	1	\$ 15,000.00	15,000	15,000	15,000	15,000
6.04	PS building, slab 2m below ground level, basement walls extending above flood level	m2	50	\$ 3,500.00	175,000	175,000	175,000	175,000
6.05	PS mech, elec fitout, and dry mount pumps	LS	1	\$ 240,000.00	240,000	240,000	240,000	240,000
6.06	MEICA within pumpstation.	LS	1	\$ 80,000.00	80,000	80,000	80,000	80,000
6.07	Surge Control Vessels and controls	LS	1	\$ 80,000.00	80,000	80,000	80,000	80,000
6.08	General Site Works	LS	1	\$ 30,000.00	30,000	30,000	30,000	30,000
6.09	Back up generator	LS	1	\$ 56,000.00	excluded	excluded	excluded	excluded
6.12	Scope Risk Contingency	%	5%	\$ 650,000.00	32,500	32,500	32,500	32,500
				Subtotal 6	682,500	682,500	682,500	682,500

7	CONSTRUCTION OF RISING MAIN - BASED ON PVC 300mm NB							
	Escalation 2014 - 2017 arising from P Jacobson review Sept 2017	factor		1.16	apply to all item 2			
7.1	Excavation (depth up to 1.4m)			Yellow highlight means figures used elsewhere, blue highlight means figure linked to yellow				
7.1.1	In urban areas in road	m	500	\$ 75.40	37,700	37,700	37,700	37,700
7.1.2	In urban areas in road verge	m	1000	\$ 63.80	63,800	63,800	63,800	63,800
7.1.3	In road	m	1500	\$ 58.00	87,000	87,000	87,000	87,000
7.1.4	In road verge	m	1500	\$ 46.40	69,600	69,600	69,600	69,600
7.1.5	In road berm/paddock	m	12700	\$ 23.20	294,640	294,640	294,640	294,640
7.1.6	In gravel road	m	800	\$ 29.00	23,200	23,200	23,200	23,200
7.1.7	Extra over – Excavation to invert up from 1.4m to 2.0m and Type A timbering	m	100	\$ 29.00	2,900	2,900	2,900	2,900
7.2	Pipeline - supply and lay							
7.2.1	Pipe supply, delivered to site	m	18000	\$ 116.00	2,088,000	2,088,000	2,088,000	2,088,000
7.2.2	Cart and Laying in road berm/paddock	m	12700	\$ 13.92	176,784	176,784	176,784	176,784
7.2.3	Cart and Laying in road verge	m	1500	\$ 16.24	24,360	24,360	24,360	24,360
7.2.4	Cart and Laying in road	m	1500	\$ 18.56	27,840	27,840	27,840	27,840
7.2.5	Cart and Laying in road verge in urban areas	m	1000	\$ 23.20	23,200	23,200	23,200	23,200
7.2.6	Cart and Laying in road in urban area	m	500	\$ 26.68	13,340	13,340	13,340	13,340
7.2.7	Cart and Laying in road in gravel road	m	800	\$ 12.76	10,208	10,208	10,208	10,208
7.2.8	Bedding and Surround	m	18000	\$ 29.00	522,000	522,000	522,000	522,000
7.3	Backfilling							
7.3.1	Backfilling and compaction of trench with excavated material	m	13500	\$ 69.60	939,600	939,600	939,600	939,600
7.3.2	Backfilling compaction of trench with B40 for depth to pipe invert up to 1.4m	m	4500	\$ 87.00	391,500	391,500	391,500	391,500
7.3.3	Extra over for depth 1.4 to 2.0m to invert	m	100	\$ 29.00	2,900	2,900	2,900	2,900
7.4	Reinstatement							
7.4.01	Carriageway: including 200mm M4 AP40 , overcut, 50mm M10 mix 14 asphalt reinstatement and two coat texturing to match existing surface.	m	2000	\$ 110.20	220,400	220,400	220,400	220,400
7.4.02	Road verge	m	2500	\$ 55.68	139,200	139,200	139,200	139,200
7.4.03	Road berm/paddock	m	12700	\$ 16.24	206,248	206,248	206,248	206,248
7.4.04	Gravel road	m	800	\$ 18.56	14,848	14,848	14,848	14,848
7.5	Associated Work							
7.5.01	Stormwater Culvert Crossing. Allowance to deviate over or under a culvert.	No	52	\$ 1,218.00	63,336	63,336	63,336	63,336
7.5.02	Bridge Crossings	No	1	\$ 2,900.00	2,900	2,900	2,900	2,900
7.5.03	Compaction testing (refer to Spec 1112 Clause 3.11.2)	LS	1	\$ 11,600.00	11,600	11,600	11,600	11,600
7.5.04	Hydrostatic pressure testing of DN300 reticulation main in five sections	LS	5	\$ 5,800.00	29,000	29,000	29,000	29,000
7.6	Ancillaries - Supply and Install							
7.6.01	DN 300 horizontal 11.25 ° bend including thrust block	Nr	10	\$ 1,740.00	17,400	17,400	17,400	17,400
7.6.02	DN 300 horizontal 22.5 ° bend including thrust block	Nr	10	\$ 1,740.00	17,400	17,400	17,400	17,400
7.6.03	DN 300 horizontal 45 ° bend including thrust block	Nr	9	\$ 2,900.00	26,100	26,100	26,100	26,100
7.6.04	Air valves	Nr	18	\$ 4,060.00	73,080	73,080	73,080	73,080
7.6.05	In Line valves	Nr	18	\$ 3,712.00	66,816	66,816	66,816	66,816
7.6.06	Spindle extension for sluice valve - Provisional	Nr	5	\$ 638.00	3,190	3,190	3,190	3,190
7.6.07	Sluice Valve	Nr	2	\$ 5,800.00	11,600	11,600	11,600	11,600
7.7	Rising Main Stream Crossings and Scours							
7.7.1	Allowance for 2 thrustbored crossings	ea	2	\$ 15,000.00	30,000	30,000	30,000	30,000
7.7.2	Allowance for supporting side of trench at two crossings	ea	2	\$ 5,000.00	10,000	10,000	10,000	10,000
7.7.3	Allowance for flow control at Kepler to keep rising main full during on/off	LS	1	\$ 30,000.00	30,000	30,000	30,000	30,000
7.7.4	Branches to pump-out chambers at line valves	ea	18	\$ 10,000.00	180,000	180,000	180,000	180,000
7.8	Odour Control on Airvalves							
7.8.1	Carbon filters added to airvalves	ea	18	\$ 6,000.00	108,000	108,000	108,000	108,000
7.9	Pipework Contingency to allow for Work not yet identified							
7.9.1	Scope Risk Contingency	%	5%	\$ 6,059,690.00	302,985	302,985	302,985	302,985
				Subtotal 7	6,362,675	6,362,675	6,362,675	6,362,675
8	KEPLER ENABLING WORKS							
8.1	Power supply to site	LS	1	\$ 70,000.00	70,000	70,000	70,000	70,000
8.2	Power supply to irrigators/SDI - based on share trench with pipeline (km)	m	1500	\$ 35.00	52,500	52,500	52,500	52,500
8.3	Switch Bldg - kiosk	LS	1	\$ 50,000.00	50,000	50,000	50,000	50,000
8.4	Control incl SCADA connection - entire Kepler site	LS	1.00	\$ 42,000.00	42,000	42,000	42,000	42,000
8.5	EMP monitoring soil (6), 1 climate station, runoff detection(2)	LS	1	\$ 32,000.00	32,000	32,000	32,000	32,000
8.6	Scope Risk Contingency	%	5%	\$ 194,035.00	9,702	9,702	9,702	9,702
				Subtotal 8	256,202	256,202	256,202	256,202
9	ODOUR CONTROL - Trickling filter, biofilter and chem dosing.							
9.1	Refer estimate from separate spreadsheet.	LS	1	\$ 1,432,260.00	1,432,260	1,432,260	1,432,260	N/A
9.2	Scope Risk Contingency	%	5%	\$ 1,432,260.00	71,613	71,613	71,613	NA
				Subtotal 9	1,503,873	1,503,873	1,503,873	-

10	SITE PREPARATION							
10.01	Paddock Development, change grass/crop	Ha	140	\$ 500.00	70,000	70,000	70,000	70,000
10.02	Remove shelter belts	m	1350	\$ 50.00	67,500	67,500	67,500	67,500
10.03	Remove stumps at irrigator wheel tracks	Nr	11	\$ 500.00	5,500	5,500	5,500	N/A
10.04	Remove all remaining tree stumps for ease of pasture management	LS	1	\$ 8,000.00	excluded	excluded	excluded	excluded
10.05	Tracks for Pivot drive wheels - allowance	Nr	2	\$ 5,000.00	10,000	10,000	10,000	N/A
10.06	300mm Pipeline from boundary to CP 1	m	900	\$ 200.00	180,000	180,000	180,000	180,000
10.07	200mm Pipeline from CP1 to CP 2	m	780	\$ 200.00	156,000	156,000	156,000	N/A
10.08	Peat Bog development, planting, earthworks, piled bridges.	Nr	1	\$ 25,000.00	25,000	25,000	25,000	N/A
10.09	More bores etc for ongoing monitoring	Nr	6	\$ 5,000.00	30,000	30,000	30,000	30,000
10.10	Plant new northern shelter belt & maintain 1yr	m	1500	\$ 2.00	3,000	3,000	3,000	N/A
10.11	Enhance western and eastern shelterbelt	m	1150	\$ 1.50	1,725	1,725	1,725	N/A
10.12	Fencing for one side of northern shelter belt.	m	1500	\$ 15.00	22,500	22,500	22,500	N/A
10.13	Allowance for gateways, tracks, culverts etc.	Nr	1	\$ 20,000.00	20,000	20,000	20,000	20,000
10.14	Site signage as required by consent conditions	LS	1	\$ 8,000.00	8,000	8,000	8,000	8,000
10.15	Downstream swale and sensor for runoff early warning	LS	1	\$ 8,000.00	excluded	excluded	excluded	N/A
10.16	Scope Risk Contingency	%	5%	\$ 599,225.00	29,961	29,961	29,961	29,961
				Subtotal 10	629,186	629,186	629,186	405,461
11	IRRIGATION							
11.1	Centre Pivot Irrigators							
11.2	Supply and install CPs, incl freight to site (WaterForce Sept 2017)	m	766	\$ 390.00	298,740	298,740	298,740	N/A
11.3	Allowance for effluent vs water - screening and corrosion	Nr	2	\$ 20,000.00	40,000	40,000	40,000	N/A
11.4	Water supply for flushing the CPs, and pumpset in shed	Nr	1	\$ 25,000.00	25,000	25,000	25,000	N/A
11.5	Upgrade CPs to vary flow rate by isolating nozzles	Nr	2	\$ 50,000.00	100,000	100,000	100,000	N/A
11.6	Upgrade CPs for boon backs for outer spans	Nr	2	\$ 11,000.00	22,000	22,000	22,000	N/A
11.7	Scope Risk Contingency	%	5%	\$ 485,740.00	24,287	24,287	24,287	N/A
				Subtotal 11	510,027	510,027	510,027	-
12	SUBSURFACE DRIP IRRIGATION							
12.1	First 37Ha in year 0. All-in rate to include backflushing	Ha	37	\$ 41,143.00	N/A	N/A	N/A	1,522,291
12.2	Second 37Ha in year 10. NPV at 6% discount rate	Ha	37	\$ 22,974.25	N/A	N/A	N/A	850,047
12.3	Replace first 37Ha in year 20. NPV at 6% discount rate	Ha	37	\$ 12,828.39	N/A	N/A	N/A	474,650
12.4	Arrival balance tank. 2hr peak capacity = 200m3. Glass coated steel	LS	1	\$ 175,000.00	N/A	N/A	N/A	175,000
12.5	Rising Main filter to protecting drippers from sloughing etc of pipeline.	LS	1	\$ 120,000.00	N/A	N/A	N/A	120,000
12.6	Holding tank to accept backwash from rising main filters	LS	1	\$ 20,000.00	N/A	N/A	N/A	20,000
12.7	Pump set to feed SDI system	LS	1	\$ 40,000.00	N/A	N/A	N/A	40,000
12.8	Scope Risk Contingency	%	20%	\$ 3,201,988.63	NA	NA	NA	640,398
				Subtotal 12	-	-	-	3,842,386
				SUBTOTAL 1- 12	11,555,485	13,795,635	15,439,035	17,204,272
13	ALLOWANCES							
13.1	Construction Contingency (post Contract award)	%	10%		1,155,548	1,379,563.49	1,543,903.49	1,720,427
13.2	Market Risk - competitiveness/volatility	%	TBC		TBC	TBC	TBC	TBC
13.3	Unknown items - identified per category, see above	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13.4	Remote location - relocate workforce	%	TBC		TBC	TBC	TBC	TBC
				Subtotal 13	1,155,548	1,379,563	1,543,903	1,720,427
	TOTAL ESTIMATED CONSTRUCTION CONTRACT VALUE			TOTAL 1-13	12,711,033	15,175,198	16,982,938	18,924,700
14	EXTERNAL TO CONSTRUCTION CONTRACT							
14.1	Additional consenting	LS	1.00		15,000	25,000	25,000	100,000
14.2	Engineering	%	10%		1,271,103	1,517,520	1,698,294	1,892,470
14.3	Design Contingency. Further design to develop/prove concept	LS	1.00		-	100,000	100,000	300,000
14.4	SDC Project Management	%	2%		254,221	303,504	339,659	378,494
14.5	Environmental Management Plan including OMP/Mitigation measures	LS	1.00	\$ 50,000.00	50,000	50,000	50,000	50,000
14.6	Other Costs (SDC to advise)	LS	1	\$ 200,000.00	200,000	200,000	200,000	200,000
				SUBTOTAL 14	1,790,324	2,196,024	2,412,953	2,920,964
	TOTAL ESTIMATED CAPEX REQUIREMENT			TOTAL	14,501,357	17,371,222	19,395,891	21,845,664

TEANAU SEWERAGE - KEPLER PROPOSAL

Operational Cost Estimate (Based on daily average flow of 1,500m3 in 35yrs time).

2/11/2017 12:04

Depreciation is Excluded

Approx 2014 daily average flow is 900m3/day, approx 60% of 35yr flow in Flows report.

Last Updated 2-Nov-17

Prepared by Roger Oakley, Reviewed by P.Jacobson. Numerical check by L.Boyd

Updates reviewed in conjunction with input from Ecogent estimates, and Davoren Technical Memo 2/11/2017

					OPTION ONE BASE CASE	OPTION 2A CONSENTED OPTION + BASE FLOW MF + CPI	OPTION 2B CONSENTED OPTION + PEAK FLOW MF + CPI	OPTION THREE MF + SDI
Item	Description	Unit	Quantity	Rate	Amount	Amount	Amount	Amount
1	PRELIMINARY & GENERAL							
1.1	Base operator input - TeAnau region. Includes personal overheads	Hrs pa	800	\$ 80.00	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000
1.2	Operator support, vehicle, laptop, tools etc	LS	1	\$ 20,000.00	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
				Subtotal 1	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000
2,3	TE ANAU PONDS (capital items 2 & 3)							
2.1	Inlet screens, as a percentage of capital value	%	1%	\$ 100,000.00	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
2.2	Aerators, as a percentage of capital value	%	1%	\$ 300,000.00	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
2.3	Civil Structures, as a % of capital value	%	0.5%	\$ 100,000.00	\$ 500	\$ 500	\$ 500	\$ 500
2.4	Ground maintenance	Hrs pa	100	\$ 60	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
2.5	Acces road maintenance	LS	1	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
2.6	Disposal of screen debris	LS	1	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
2.7	Annual desludging allowance - treat as separate capital project	tonne	0	\$ 400	NA	N/A	N/A	NA
				Subtotal 2,3	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500
4	TELEMETRY AND SCADA FOR WWTP SITE							
4.1	SCADA and PLC tech support	Hrs pa	40	\$ 150	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
4.2	Control and instrumentation physical maintenance, as a % of capex	LS	\$ 200,000	5%	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
				Subtotal 4	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
5	MEMBRANE FILTRATION AT PONDS							
5.1	Chemical usage	LS	1	\$ 12,000	NA	\$ 12,000	\$ 12,000	\$ 12,000
5.2	Membrane replacement (5yr guarantee, 7yr budget duration)	year	0.14	\$ 179,200	NA	\$ 12,800	\$ 25,600	\$ 25,600
5.3	Civil at 0.5% of capital	%	0.5%	\$ 690,000	NA	\$ 1,960	\$ 3,450	\$ 3,450
5.4	M&E at 1% of capital	%	1%	\$ 1,580,000	NA	\$ 8,000	\$ 15,800	\$ 15,800
5.5	Additional Operator input 20 hrs per week	hrs	80	\$ 700	NA	\$ 56,000	\$ 56,000	\$ 56,000
				Subtotal 5	\$ -	\$ 90,760	\$ 112,850	\$ 112,850
6	RISING MAIN PUMPSTATION TO KEPLER							
6.1	Pumpstation civil, as a percentage of capital value	m	0.5%	\$ 300,000	\$ 1,500.00	\$ 1,500	\$ 1,500	\$ 1,500
6.1	Pumpstation M+E, as a percentage of capital value	m	1%	\$ 500,000	\$ 5,000.00	\$ 5,000	\$ 5,000	\$ 5,000
				Subtotal 6	\$ 6,500.00	\$ 6,500	\$ 6,500	\$ 6,500
7	RISING MAIN							
	Odour control maintenance on pipeline, and carbon filters	LS	1		\$ 6,000	\$ 2,000	\$ 3,000	\$ 3,000
	Civil maintenance at 0.5% of capital	%	0.5%	\$ 6,059,690	\$ 30,298	\$ 30,298	\$ 30,298	\$ 30,298
				Subtotal 7	\$ 36,298	\$ 32,298	\$ 33,298	\$ 33,298
8	KEPLER ENABLING WORKS							
	Civil at 0.5% of capital	%	0.5%	50,000	\$ 250.00	\$ 250	\$ 250	\$ 250.00
	M&E at 1% of capital	%	1%	196,500	\$ 1,965.00	\$ 1,965	\$ 1,965	\$ 1,965.00
	Tree maintenance	LS	1	\$ 2,000	\$ 2,000.00	\$ 2,000	\$ 2,000	\$ 2,000.00
				Subtotal 8	\$ 4,215.00	\$ 4,215	\$ 4,215	\$ 4,215.00
9	ODOUR CONTROL - Trickling filter, biofilter and chem dosing.							
	Soil filter rehabilitation	LS	1	\$ 2,000	\$ 2,000.00	\$ 2,000	\$ 2,000	N/A
	Civil, as a percentage of capital value	LS	0.5%	\$ 1,000,000	\$ 5,000.00	\$ 5,000	\$ 5,000	N/A
	M+E, as a percentage of capital value	LS	1%	\$ 600,000	\$ 6,000.00	\$ 6,000	\$ 6,000	N/A
	Oxidant chemicals, 10% sodium hypochlorite.	IBC's	2	\$ 3,000.00	\$ 6,000.00	N/A	N/A	N/A
	Additional Operator input	hrs	260	\$ 80.00	\$ 20,800.00	\$ 20,800	\$ 20,800	N/A
				Subtotal 9	\$ 39,800.00	\$ 33,800	\$ 33,800	\$ -
10	KEPLER SITE MAINTENANCE							
	Fencing and gates	LS	1	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
	Tracks, incl irrigator wheel tracks	LS	1	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	N/A
	Tree pruning	LS	1	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
	Peat bog and 'bridges' over for irrigator	LS	1	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	N/A
	Ground maintenance in odour/SDI treatment compound	LS	1	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
	Paddock Development, replant grass	Ha/yr	10	\$ 500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
				Subtotal 10	\$ 14,000	\$ 14,000	\$ 14,000	\$ 11,000
11	CENTRE PIVOT IRRIGATION							
11.1	Annual overhaul by specialist, plus any callouts.	LS	1	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
11.2	CP Spray nozzle and filter maintenance	LS	1	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	N/A
11.3	CP Tyres, general parts replacement	LS	1	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	N/A
11.4	M+E, as a percentage of capital value	LS	1%	485,740	\$ 4,857	\$ 4,857	\$ 4,857	N/A
				Subtotal 11	\$ 14,857	\$ 14,857	\$ 14,857	\$ 4,000.00
12	SDI IRRIGATION							
12.1	SDI backflushing chemicals	LS	1	\$ 18,000	N/A	N/A	N/A	\$ 18,000
12.2	Civil, as a percentage of capital value	LS	0.5%	\$ 195,000	N/A	N/A	N/A	\$ 975
12.1	M+E, as a percentage of capital value	LS	1%	\$ 160,000	N/A	N/A	N/A	\$ 1,600
				Subtotal 12	\$ -	\$ -	\$ -	\$ 20,575.00
13	CONSENT MONITORING							
13.1	6 Monitoring bores sampling	LS	24	\$ 150	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
13.2	Monitoring, overseer, reporting, updating EMP to meet consent requirements	LS	1	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
13.3	Maintaining and calibrating spray drift and soil moisture sensors	LS	1	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
				Subtotal 13	\$ 31,600.00	\$ 31,600	\$ 31,600	\$ 31,600.00

14	PASTURE OPERATION (see estimate below)								
14.1	Operating costs	LS	1		\$ 237,775	\$ 237,775	\$ 237,775	\$ 237,775	
14.2	Income from baleage	LS	1	-\$ 247,240.00	-\$ 247,240	-\$ 247,240	-\$ 247,240	-\$ 247,240	
				Subtotal 14	-\$9,465	-\$9,465	-\$9,465	-\$9,465	
Power	POWER- all items - see est on separate spreadsheet								
P.1	Te Anau Pumpstation	KWh	158,601	\$ 0.14	\$ 22,204	\$ 22,204	\$ 22,204	\$ 22,204	
P.2	TF pumpstation	KWh	34,762	\$ 0.14	\$ 4,867	\$ 4,867	\$ 4,867	N/A	
P.3	Centrepivot pumpstation	KWh	17,381	\$ 0.14	\$ 2,433	\$ 2,433	\$ 2,433	N/A	
P.4	Pond inlet screen	KWh	6,570	\$ 0.14	\$ 920	\$ 920	\$ 920	\$ 920	
P.5	Aerators (6)	KWh	262,800	\$ 0.14	\$ 36,792	\$ 36,792	\$ 36,792	\$ 36,792	
P.6	Membrane inlet screen	KWh	6,570	\$ 0.14	N/A	\$ 920	\$ 920	\$ 920	
P.7	Membrane Filtration plant	KWh	158,601	\$ 0.14	N/A	\$ 21,094	\$ 22,204	\$ 22,204	
P.8	Irrigator wheel drive	KWh	35,040	\$ 0.14	\$ 4,906	\$ 4,906	\$ 4,906	N/A	
P.9	SDI system, incl hydrochlorous acid generator	LS	1	\$ 32,000.00	N/A	N/A	N/A	\$ 32,000	
P.10	Elec capacity charges at Ponds (250kVA transformer assumed)	LS	1	\$ 16,000.00	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	
P.11	Elec capacity charges at Kepler (100kVA transformer assumed)	LS	1	\$ 8,000.00	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	
				Subtotal power	\$ 96,122	\$ 118,135	\$ 119,246	\$ 139,040	
	TOTAL ANNUAL OPEX COSTS				TOTAL	\$ 347,427	\$ 450,201	\$ 474,401	
				check	\$ 347,427	\$ 450,201	\$ 474,401	\$ 467,113	
	NET PRESENT VALUE AT 6%, 25 YEARS			factor 12.783	\$ 4,441,165	\$ 5,754,922	\$ 6,064,273	\$ 5,971,110	
Manapouri capex					\$ 1,450,000.00	\$ 1,450,000.00	\$ 1,450,000.00	\$ 1,450,000.00	
Manapouri opex					\$ 29,000.00	\$ 29,000.00	\$ 29,000.00	\$ 29,000.00	
MANAPOURI NET PRESENT VALUE AT 6%, 25 YEARS				factor 12.783	\$ 370,707	\$ 370,707	\$ 370,707	\$ 370,707	
Total NPV Te Anau and Manapouri					\$ 20,763,229.10	\$ 24,946,850.85	\$ 27,280,870.92	\$ 29,637,481.00	

Excluded:
Depreciation
SDC head office staff time

Other references:
Opex estimate for options in MWH 2006 report 'Initial Consideration of Future Treatment and Disposal Options'
Pumping and headloss estimates in MWH Dec 2008 draft report 'Te Anau Sewerage - WWTW to Kepler Block Rising Main'

Notes:
Fixed line charges are potentially very high, highlighting the need for load management in peak times.

Estimate for Pasture Maintenance and Dry Matter Production
Note: Scope of estimate limited to the 125Ha North Kepler block.

					Least cost (optimistic)	Mid range	low range (conservative)
Item	Description	Unit	Quantity	Rate	Amount	Amount	Amount
1	Farm Operating Costs						
1.1	Pasture management by Landcorp	LS	1	\$ 3,000.00	\$ 3,000.00		
1.2	Fertiliser (probably need 2 spreads pa of Urea, for N shortage)	per Ha/yr	125	\$ 95.00	\$ 11,875.00		
1.3	Cut of baleage, incl transportation of cut asap - irrigated land, 11.25t/Ha	per Ha/yr	40	\$ 1,970.00	\$ 78,800.00		
1.4	Cut of baleage, incl transportation of cut asap - unirrigated land, 9.5t/Ha	per Ha/yr	85	\$ 1,660.00	\$ 141,100.00		
1.5	Lab testing of baleage.	pa	1	\$ 3,000.00	\$ 3,000.00		
				Subtotal	\$ 237,775.00	\$ 237,775.00	\$ 237,775.00
2	INCOME per annum - optimistic						
2.1	Irrigated land - with recovery of 10.4 tonne dry matter/Ha/yr. Use 40Ha for the 'irrigated' 75Ha, as irrigated area sized to cope with peak flows.	tonne DM	416	-\$ 280.00	-\$ 116,480.00		
2.2	Unirrigated land - based on recovery of 9t/Ha/yr on 75Ha	tonne DM	675	-\$ 280.00	-\$ 189,000.00		
3	INCOME per annum - mid range						
3.1	Irrigated land - with recovery of 10.4 tonne dry matter/Ha/yr. Use 40Ha for the 'irrigated' 75Ha, as irrigated area sized to cope with peak flows.	tonne DM	416	-\$ 140.00		-\$ 58,240.00	
3.2	Unirrigated land - based on recovery of 9t/Ha/yr on 75Ha	tonne DM	675	-\$ 280.00		-\$ 189,000.00	
4	INCOME per annum - conservative						
4.1	Irrigated land - with recovery of 10.4 tonne dry matter/Ha/yr. Use 40Ha for the 'irrigated' 75Ha, as irrigated area sized to cope with peak flows.	tonne DM	416	\$ -			\$ -
4.2	Unirrigated land - based on recovery of 9t/Ha/yr on 75Ha	tonne DM	675	-\$ 280.00			-\$ 189,000.00
				Subtotal	-\$ 305,480.00	-\$ 247,240.00	-\$ 189,000.00
				Total	-\$ 67,705.00	\$ 9,465.00	\$ 48,775.00

Notes on Pasture costs:

1 Also refer to section E, from p57 of Hydroservices April 2013 Report 'Report on Kepler Farm Site Assessment...' that was submitted as part of the consent application.

2 Travis Leslie, Landcorp site manager, doesn't envisage anything. So small allowance only

3 Travis Leslie, Landcorp site manager: local cost is \$45 -50/Ha/spread for urea, assuming a higher rate of \$80kg/Ha

4 T Leslie, local costs to cut and remove bales from site are \$42/round bale with a 600kg wet weight and 40%DM. ie \$42 for 240kgDry Matter.

5 Davoren, technical memo 2/11/2017 suggests a revised harvestable range of 8.0-12.75t/Ha/yr for irrigated land. - Use mid range estimate of 10.4 t/Ha/yr

6 Davoren, technical memo 2/11/2017 suggests a revised harvestable range of 6-12t/Ha/yr for unirrigated land - Use mid range estimate of 9t/Ha/yr

7 Davoren, technical memorandum 2/11/2017: Dean Carson suggest value of \$280 / t DM based on 2016-2017 season

TEANAU SEWERAGE - KEPLER PROPOSAL - ODOUR CONTROL COMPONENT
Updated Estimate

10/10/2017 2:01

Previous Estimate - June 2014

Updated by Roger Oakley, numerical check by RO

Reviewed by Simon Todd, June 2014

Last Updated 12-Jun-15

Red font = changes since last est

Item	Description	Unit	Quantity	Rate	Amount
1	PRELIMINARY & GENERAL				See Item 8
1.1	Preliminary and General (10%)	LS	1		
1.2	Unscheduled items (tenderer to itemise)				
					\$ -
2	TRICKLING FILTER 13m dia, 4m media depth 6m wall height				
2.1	Earthworks, foundations and reinstatement	m3	100	\$ 50.00	\$ 5,000.00
2.2	Pipework under the tank and valves/bends/flanges etc	LS	1	\$ 20,000.00	\$ 20,000.00
2.3	Site concrete under floor	m2	140	\$ 35.00	\$ 4,900.00
2.4	Tank floor - concrete 175mm thick, shaped	m3	23	\$ 2,000.00	\$ 46,000.00
2.5	Tank floor - concrete ring beam 125mm extra, and discharge channel	m3	6	\$ 2,000.00	\$ 12,000.00
2.6	Tank floor - sealants	m	60	\$ 60.00	\$ 3,600.00
2.7	Central column - steel with flanges and conc lined	LS	1	\$ 15,000.00	\$ 15,000.00
2.8	Central column - concrete surround and foundation	m3	6	\$ 2,000.00	\$ 12,000.00
2.9	Distributor arm assembly	m	12.5	\$ 12,000.00	\$ 150,000.00
2.10	Distributor arm delivery to site from UK	LS	1	\$ 50,000.00	\$ 50,000.00
2.11	Air pipework within tank	m	30	\$ 300.00	\$ 9,000.00
2.12	Plenum floor	m2	130	\$ 80.00	\$ 10,400.00
2.13	Plastic media from DCC, 240m3	LS	1	\$ 16,000.00	\$ 16,000.00
2.14	Plastic media, 260m3	m3	260	\$ 325.00	\$ 84,500.00
2.15	Media repackaging, loading and unloading	hr	180	\$ 30.00	\$ 5,400.00
2.16	Media cartage only - free from DCC. 60m3 per trip	trip	7	\$ 2,800.00	\$ 19,600.00
2.17	Media loading into TF (500m3, 23t)	m3	500	\$ 20.00	\$ 10,000.00
2.18	Tank roof with hatch and air vents (incl in Oceania Tanks price below)	m2	below	\$ 500.00	
2.19	Tank structure - glass coated steel, 13m diameter by 6m high. Oceania Tanks	LS	1	\$ 250,000.00	\$ 250,000.00
2.20	Tank modifications from standard (eg flush vents, air outlets, lights)	LS	1	\$ 10,000.00	\$ 10,000.00
2.21	Internal walkway	m	13	\$ 2,000.00	\$ 26,000.00
2.22	Hopper	LS	1	\$ 10,000.00	\$ 10,000.00
2.23	Fans on plinths feeding air to plenum at base	Nr	2	\$ 15,000.00	\$ 30,000.00
2.24	Electrical and Control incl SCADA connection	LS	1	\$ 40,000.00	in main est
					\$ 799,400.00
3	AIR SYSTEMS AND SOIL FILTER (2,300m3/hr, 30m2)				
	<i>Assume an above ground soil filter 1.5m deep and 6m x 5m</i>				
3.1	Foundations, strip topsoil etc	LS	1	\$ 2,000.00	\$ 2,000.00
3.2	Site concrete under filter	m2	30	\$ 35.00	\$ 1,050.00
3.3	Assume timber walls	m2	40	\$ 200.00	\$ 8,000.00
3.4	Wall/floor lining and gravity drain to pump chamber	LS	1	\$ 5,000.00	\$ 5,000.00
3.5	Above ground pipework from TF, say 400mm diameter	m	30	\$ 500.00	\$ 15,000.00
3.6	Plenum chamber media and separation barrier to media	m3	26	\$ 150.00	\$ 3,900.00
3.7	Plenum distribution pipework	LS	1	\$ 10,000.00	\$ 10,000.00
3.8	Supply and install filter media	m3	26	\$ 60.00	\$ 1,560.00
3.9	Media irrigation system	LS	1	\$ 3,000.00	\$ 3,000.00
3.10	Fans	Nr	2	\$ 10,000.00	\$ 20,000.00
3.11	Electrical and Control incl SCADA connection	LS	1	\$ 20,000.00	in main est
3.12	Smoke testing and commissioning	LS	1	\$ 2,000.00	\$ 2,000.00
				Subtotal	\$ 71,510.00
4	RECIRCULATION PUMPSTATION				
	<i>Assume 3 chamber. Internal 3.3m deep x 3m x 8.1m. 4.5MLD design flow.</i>				
4.1	Excavation	m3	540	\$ 12.00	\$ 6,480.00
4.2	Site concrete	m2	44	\$ 35.00	\$ 1,540.00
4.3	Backfill and compaction with excavated material	m3	440	\$ 20.00	\$ 8,800.00
4.4	Concrete structure (250mm walls - lined so not water retaining concrete design)	m3	24	\$ 2,700.00	\$ 64,800.00
4.5	Internal weir, penstock and flap valve	LS	1	\$ 12,000.00	\$ 12,000.00
4.6	PVC lining floors and walls	m2	79	\$ 370.00	\$ 29,230.00
4.7	Top slab 200mm thick - precast	m3	6	\$ 2,000.00	\$ 12,000.00
4.8	Aluminium lids - non trafficable	LS	1	\$ 6,000.00	\$ 6,000.00
4.9	Internal pipework and (above ground) valve chamber	LS	1	\$ 60,000.00	\$ 60,000.00
4.11	Pipework to and from TF, say 30m steel at 300dia with bends etc	m	30	\$ 600.00	\$ 18,000.00
4.12	Pipework branch to and from Te Anau to CP irrigators, incl valves, to PS's	LS	1	\$ 12,000.00	\$ 12,000.00
4.13	Recirc pumps, 3.2MLD constant recirc rate = 37l/s. Duty/standby	Nr	2	\$ 8,000.00	\$ 16,000.00
4.14	Irrigation pumps, installed, 0.5 - 3MLD (6-35l/s) initially	Nr	3	\$ 12,000.00	\$ 36,000.00
4.15	Electrical and Control incl SCADA connection	LS	1	\$ 90,000.00	in main est
4.16					\$ -
				Subtotal	\$ 282,850.00
5	CHEMICAL DOSING				
5.1	Lump sum allowance	LS	1	\$ 200,000.00	\$ 200,000.00
5.2					\$ -
				Subtotal	\$ 200,000.00
6	MISCELLANEOUS ODOUR CONTROL WORKS				
6.1	Carbon filters on air valves (quantity from main estimate)	Nr	18	\$ 2,000.00	in main est
6.2	Tracks/hardsstanding around Trickling Filter and pumpstations	LS	1	\$ 4,000.00	\$ 4,000.00
6.3	Fencing - low	m	100	\$ 20.00	\$ 2,000.00
6.4	Landscaping	LS	1	\$ 2,000.00	\$ 2,000.00
6.5	Upgrade of power supply to site from what is needed for CPs	LS	1	\$ 5,000.00	\$ 5,000.00
6.6	Spray drift sensors (detect horiz drift, sheltered from the rain).	ea	4	\$ 7,000.00	\$ 28,000.00
				Subtotal	\$ 41,000.00
7	COMMISSIONING				
7.1	Contractor attendance	Hr	150	\$ 90.00	\$ 13,500.00
7.2	Extra capital items	LS	1	\$ 20,000.00	\$ 20,000.00
7.3	Disbursements	LS	1	\$ 4,000.00	\$ 4,000.00
				Subtotal	\$ 37,500.00
				SUBTOTAL 1 - 7	\$ 1,432,260.00
8	ALLOWANCES				
8.1	Contingency and unscheduled items	%	15%	\$ 1,432,260.00	\$ 215,000.00
8.2	Preliminary and General	%	10%	\$ 1,432,260.00	\$ 143,000.00
8.3	Engineering	%	10%	\$ 1,432,260.00	\$ 143,000.00
				SUBTOTAL 5	\$ 501,000.00
				TOTAL	\$ 1,933,260.00

TEANAU SEWERAGE - KEPLER PROPOSAL
Estimate for Raising the Te Anau Ponds

10/10/2017 2:01

Previous Estimate - n/a

Prepared by Roger Oakley, numerical check by Jonny Kemp

Reviewed by Tom Knewstubb, Lee Paterson

Last Updated 3-Feb-15

Red font = changes since last est (June 2011)

Item	Description	Unit	Quantity	Rate	Amount
1	PRELIMINARY & GENERAL				See Item 5
1.1	Preliminary and General (10%)	LS	1		
1.2	Contractor Accommodation	LS	1		
1.3	Liaison with utilities authorities, property owners and the general public	LS	1		
1.4	Occupational Health and Safety (OSH) Management	LS	1		
1.5	Recording of "As-Built" construction information	LS	1		
1.6	Traffic Plans and Traffic Management	LS	1		
1.7	Reinstatement of road markings	LS	1		
1.8	Conduct condition survey including photos of surrounding surfaces and buildings on or adjacent to the boundaries of the site and submission to Engineer (refer Spec 1000 Clause 3.1.2)	LS	1		
1.9	Project signs: preparation, installation, maintenance and removal	LS	1		
1.10	Unscheduled items (tenderer to itemise)				
					\$ -
2	POND 1 CONSTRUCTION OF EARTH BERMS - 400mm high				
2.1	Standard profile on flat land. 4m wide at base, 1:3 slopes, 1.6m wide at top		400	assumed length	
2.1.1	Strip topsoil to stockpile or waste, 150mm deep, 4m wide	m3	240	\$ 40.00	\$ 9,600.00
2.1.2	Compacted selected fill 450mm thick, 1.26m3/m	m3	504	\$ 80.00	\$ 40,320.00
2.1.3	Geotextile liner, 1.5m wide strip on 1:3 slope plus 500mm lap	m2	800	\$ 35.00	\$ 28,000.00
2.1.4	Site concrete waveband, 1.5m wide on 1:3 slope, 50mm thick	m3	30	\$ 700.00	\$ 21,000.00
2.1.5	Topsoil 100mm thick, 3m wide	m3	120	\$ 80.00	\$ 9,600.00
2.2	Concrete Kerb profile between Pond 2		120	assumed length	
2.2.1	Strip topsoil to waste, 1.2m wide strip, 300mm deep	m3	43.2	\$ 40.00	\$ 1,728.00
2.2.2	Base for concrete kerb, 100mm thick	m3	14.4	\$ 80.00	\$ 1,152.00
2.2.3	Concrete kerb. Av cross section 400mm wide by 600mm high	m3	28.8	\$ 1,600.00	\$ 46,080.00
2.2.4	Puddle clay reinstatement in front of kerb 300mm wide by 200mm deep	m3	7.2	\$ 100.00	\$ 720.00
2.2.5	Site concrete waveband, 1.0m wide strip on nominal slope, 50mm thick	m3	6	\$ 700.00	\$ 4,200.00
2.2.6	Backfill behind kerb. 300mm x 200mm topsoil	m3	7.2	\$ 80.00	\$ 576.00
2.3	Profile for narrower crest with backslope, 1:3 slopes, 1.6m wide at to. (Allowance for filling down the backslope)		280	assumed length	
	Strip topsoil to stockpile or waste, 150mm deep, 6m wide	m3	252	\$ 40.00	\$ 10,080.00
	Compacted selected fill 450mm thick, 2m3/m	m3	560	\$ 80.00	\$ 44,800.00
	Geotextile liner, 1.5m wide strip on 1:3 slope plus 500mm lap	m2	560	\$ 35.00	\$ 19,600.00
	Site concrete waveband, 1.5m wide on 1:3 slope, 50mm thick	m3	21	\$ 700.00	\$ 14,700.00
	Topsoil 100mm thick, 5m wide	m3	140	\$ 80.00	\$ 11,200.00
					\$ 263,356.00
3	SITE TIDY UP ON COMPLETION				
3.1	Regrassing	m2	4000	\$ 3.00	\$ 12,000.00
3.2	Replanting of bushes etc	LS	1	\$ 3,000.00	\$ 3,000.00
3.3		Nr	1		\$ -
					\$ 15,000.00
4	PIPEWORK				
4.1	Outlet structure from Pond 1	LS	1	\$ 40,000.00	\$ 40,000.00
4.2	Pipework and valves	LS	1	\$ 15,000.00	\$ 15,000.00
4.3	Automation and Control for outlet structure	LS	1	\$ 20,000.00	\$ 20,000.00
				Subtotal	\$ 75,000.00
5	SPARE				
5.1		LS			\$ -
				Subtotal	\$ -
				SUBTOTAL 1- 5	\$ 353,356.00
5	ALLOWANCES				
5.1	Contingency and unscheduled items	%	15%	\$ 353,356.00	\$ 53,000.00
5.2	Preliminary and General	%	10%	\$ 353,356.00	\$ 35,000.00
5.3	Engineering	%	10%	\$ 353,356.00	\$ 35,000.00
				SUBTOTAL 5	\$ 123,000.00
				TOTAL	\$ 476,356.00

Appendix 6: LGA, Significance Policy and Public Law Principles.

A more detailed summary of the specific provisions of the LGA, Council's Significance and Engagement policy and the associated public law principles, as they apply to this Business Case, is provided below.

Local Government Act 2002 Decision Making Requirements

The decision-making and public consultation provisions in Part 6 of the Local Government Act 2002, apply to the decisions that Council is being asked to make in considering this Business Case for approval.

The effect of these requirements is that Council's decision-making processes must:

- involve consideration of all reasonably practicable options, including the advantages and disadvantages of those options (section 77);
- involve consideration of the views and preferences of persons likely to be affected by or have an interest in the matters of the decision-making process (section 78);
- identify and explain any significant inconsistency between the decision and any policy or plan adopted by Council (section 78);
- provide opportunities for Maori to contribute to the processes (section 81) and if the matter involves a significant decision in relation to land or water then it must take into account the relationship of Maori and their culture and traditions with their ancestral land and water (section 77).

If the decision to be made is deemed to be a Significant Decision then the thresholds for determining compliance with the decision-making requirements of the Act are increased (section 76).

Section 79 of the Act gives Council the discretion to determine how it might best comply with the decision-making provisions including:

- the degree to which it identifies and assesses options in respect of each decision or matter
- the extent to which costs and benefits are identified;
- the extent and detail of any information to be considered;
- the extent and nature of any written record to be kept of the decision.

The degree of compliance should be proportional to the significance of the decision.

Council's obligations in respect of financial management are detailed in Part 6, sub-part 3 of the Local Government Act 2002. These provisions include a requirement to manage the local authority's assets and liabilities prudently and in a manner that promotes the current and future interests of the district.

Significance and Engagement Policy

Council's Significance and Engagement Policy provides that the significance of a decision will be assessed by having regard to the likely impact on, and likely consequences for:

- the current and future social, economic, environmental or cultural wellbeing of the district or region;
- people who are likely to be particularly affected by or interested in, the issue, proposal decision or matter;
- the capacity of Council to perform its role, and the financial and other costs of doing so;
- the ownership or function of a strategic asset.

Wastewater schemes are also defined in the Policy as being strategic assets.

Given the size of the proposed project and the importance of the Te Anau Wastewater scheme to this community a decision on whether to proceed with the upgrading of the Te Anau Wastewater Scheme as proposed in this business case is considered to be a significant decision. As a result Council must ensure that there is an appropriate level of compliance with the decision-making provisions.

Public Law Principles

All council decision-makers are subject to public law principles which are enforced by the High Court in judicial review proceedings. These principles require public decision-makers to act lawfully, fairly and reasonably.

The concept of acting lawfully includes:

- having the necessary power or delegation to make the decision
- acting in accordance with the purpose of the power being exercised, and within the scope of the discretion granted to the decision-maker
- taking into account all relevant considerations and ignoring any irrelevant considerations
- exercising independent judgement in making the decision.

The concept of acting fairly includes:

- ensuring a proper process is followed, including consulting where appropriate
- being unbiased and free from conflicts of interest
- fairly considering all relevant views put forward and not predetermining the decision
- complying with the legitimate expectations (e.g. keeping a promise to do something in a particular way that has been relied on)
- complying with any applicable principles of natural justice.

The concept of acting reasonably includes:

- ensuring the decision is rational, based on legitimate reasons and one that a reasonable decision-maker could make
- ensuring the decision is proportionate to the purpose being served by the decision.

Appendix 7: Rate affordability by community

The table shows the rates affordability for each town for each option

Community	Average household income per 2013 census data	16-17 rate as a % of average household income (2013)	Option 1 as a % of average household income (2013)	Option 2a as a % of average household income (2013)	Option 2b as a % of average household income (2013)	Option 3 as a % of average household income (2013)
Balfour	\$47,100	4.37%	4.65%	4.72%	4.75%	4.79%
Edendale	\$69,000	3.71%	3.93%	3.98%	4.01%	4.04%
Gorge Road	\$70,600	1.90%	2.02%	2.04%	2.06%	2.07%
Lumsden	\$56,400	4.04%	4.33%	4.40%	4.44%	4.47%
Manapouri	\$54,900	4.45%	4.74%	4.81%	4.85%	4.88%
Nightcaps	\$39,900	5.26%	5.65%	5.75%	5.80%	5.84%
Ohai	\$34,200	6.20%	6.66%	6.77%	6.83%	6.89%
Otautau	\$55,700	4.09%	4.36%	4.42%	4.46%	4.49%
Riversdale	\$67,200	2.60%	2.83%	2.88%	2.91%	2.94%
Riverton	\$53,700	4.63%	4.90%	4.97%	5.01%	5.04%
Stewart Island	\$64,700	2.94%	3.19%	3.25%	3.28%	3.31%
Te Anau	\$62,800	4.13%	4.39%	4.45%	4.49%	4.52%
Tokanui & Waimahaka	\$56,900	1.92%	2.06%	2.09%	2.11%	2.13%
Tuatapere	\$49,000	4.13%	5.15%	5.23%	5.27%	5.31%
Wallacetown	\$73,100	2.59%	2.79%	2.84%	2.86%	2.89%
Winton	\$63,300	3.63%	3.86%	3.92%	3.95%	3.97%
Wyndham	\$54,900	4.80%	5.08%	5.15%	5.19%	5.22%

Appendix 8: Kepler Block Resource Consent

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AUTH-302625-01

Cnr North Road and Price Street
(Private Bag 90116)
Invercargill

Telephone (03) 211 5115
Fax No. (03) 211 5252
Southland Freephone No. 0800 76 88 45

Discharge Permit

Pursuant to Section 104B of the Resource Management Act 1991, a resource consent is hereby granted by the Southland Regional Council (the "Council") to Southland District Council (the "consent holder") of P O Box 903, Invercargill 9840 from 16 January 2017

Please read this Consent carefully, and ensure that any staff or contractors carrying out activities under this Consent on your behalf are aware of all the conditions of the Consent.

Details of Permit

Purpose for which permit is granted: To discharge treated wastewater onto land from the Te Anau wastewater treatment plant

Location - site locality 1701 Manapouri -Te Anau Highway, Te Anau
- map reference NZTM2000 E1182670 N4944369
- groundwater zone Te Anau
- catchment Waiau

Legal description of land at the site: Lot 2 DP 410687

Expiry date: 22 January 2040

Schedule of Conditions

Consent Period and Lapse

1. This resource consent:
 - (a) shall expire on 22 January 2040; but
 - (b) shall lapse if not given effect to within five years of it commencing.

Purpose

2. (a) This consent authorises the discharge of treated wastewater onto land from the Te Anau wastewater treatment plant, via a spray irrigation system, as described in the application to the north of the airport runway, onto land known as the Kepler Block and legally described as Lot 2 DP 410687 at or about map reference NZTM 2000 co-ordinates E1182670 N4944369 ("irrigation area").

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the Southland Regional Council

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AUTH-302625-01

- (b) The consented irrigation area is identified as 115 hectares north of the airport runway as shown on Attachment 1.
 - (c) The consented irrigation area is within an area designated by the Southland District Council for public utility purposes, also shown on Attachment 1. All of the designated area located north of the Te Anau- Manapouri Airport, which includes the consented irrigation area, is referred to in these conditions as the North Block.
3. This consent does not authorise the disposal of sludges or untreated sewage or treated wastewater from any other wastewater treatment system.

Accidental or Emergency Discharges

4. In the event of an emergency or accidental discharge of sewage or partially treated wastewater onto land, including outside of the irrigation area, or over application of chemical treatments, the consent holder (or the consent holder's agent) shall without undue delay, notify:
- the Medical Officer, or Health Protection Officer (ph (03) 211 0900);
 - Te Ao Marama Inc (ph (03) 931 1242); and
 - Environment Southland's Pollution Response Hotline (ph 0800 76 88 45).

Irrigation/Effluent Limits and Nutrient Loading

5. The land discharge operation is restricted to the following parameters:
- (a) the discharge onto land shall not exceed a maximum application rate of 4,500 m³ per day between 1 September and 30 April and 2,000 m³ per day between 1 May and 31 August;
 - (b) the depth of application shall not exceed:
 - (i) 6.5 mm across the irrigation area over any 24 hour period between 1 September and 30 April;
 - (ii) 2.9 mm across the irrigation area over any 24 hour period between 1 May and 31 August;
 - (c) the annual nitrogen loading rate onto the consented irrigation area from wastewater shall not exceed 290 kg N/ha/yr (kilograms of nitrogen per hectare per year);
 - (d) the combined nitrogen loading rate (for fertiliser and wastewater) applied to the irrigation area during the growing season shall not exceed 100 kg N/ha/month. Additional nitrogenous fertiliser shall only be applied if herbage or soil monitoring shows that it is required for optimal plant growth;
 - (e) the annual phosphorous loading rate shall not exceed 100 kg P/ha/year; and
 - (f) the application of wastewater onto land shall be managed so that the total annual loading is spread as evenly as practicable over the irrigation area;
 - (g) all sprinklers are to produce droplets that have a volume median diameter of 1,700 microns or greater.
6. (a) There shall be no surface run-off, prolonged ponding, or contamination of surface water, resulting from the application of treated wastewater onto the irrigated area. For the purpose of this consent, prolonged ponding is deemed to occur if wastewater remains on an area for more than three consecutive hours.
- (b) In the event of prolonged ponding the consent holder shall cease irrigation of the area of ponding until the ponding has dissipated.
- (c) Prior to commencement of the wastewater discharge on the North Block, a minimum of 10,000 cubic metres of storage shall be provided as a contingency measure for extreme weather events and/or equipment breakdown;

- (d) The irrigation system is to be operated at all times to avoid observable spray drift beyond the boundary of the North Block. For the purposes of the condition “observable” includes by sight, by taste or by touch.
 - (e) A minimum of two precipitation sensors are to be installed on the southern boundary of the North Block and continuously monitored, with the location to be determined by a suitably qualified air quality expert in agreement with Environment Southland. If those sensors detect droplets, the operation of the irrigators is to be adjusted, reduced or ceased to ensure water droplets are no longer detected by the precipitation sensors.
 - (f) End guns shall not be used on the centre pivots.
- 7.
- (a) The consent holder shall operate a cut and carry operation in accordance with the application.
 - (b) The consent holder is to record the amount of herbage removed per cut and per year.
 - (c) The consent holder is to sample the herbage to determine the N content for each cut event.
 - (d) The consent holder is to calculate the N applied and removed from the irrigation area per annum.
 - (e) The Consent Holder shall calculate the average annual amount of nitrogen loss to water for the previous year’s operation using the monitoring information obtained for that year. The modelled leaching of nitrogen from the North Block shall not exceed 32 kg N/ha/yr based on a 5-yearly rolling average if OVERSEER 6.1.3 is used or X kg/ha if a subsequent OVERSEER version is used. Where X equals the average annual nitrogen loss to water calculated using the subsequent version of OVERSEER when the original inputs are used. The original inputs are those which describe the proposed activity in the consent application and the calculation of the standard above. Any inputs used can be updated to reflect the current OVERSEER Best Practice Data Input Standards, but they must still describe the same activity.
 - (f) The consent holder is to provide results to Environment Southland annually and shall include a comparison against the 5-yearly rolling average specified in Condition 7(e).

Buffer for Discharge and Shelter Belt Retention and Planting

- 8.
- (a) No irrigation of treated wastewater onto land shall occur within 30 metres of the boundary between the North Block and the Te Anau-Manapouri Airport (Lots 2 & 3 DP 364549 and Section 7 Blk IV Manapouri SD);
 - (b) No irrigation of treated wastewater onto land shall occur within 10 metres of any other boundary within the North Block.
- 9.
- (a) Wind speed at Manapouri Airport shall be monitored continuously.
 - (b) When the wind is from the northeast sector and exceeds 6 m/s (10 minute average), no fixed sprinklers or sprinklers of the centre pivot shall operate within 75 metres of the southern boundary of the North Block.
10. Prior to commencement of the wastewater discharge on the North Block, the consent holder shall plant and maintain a shelter belt along the northern, western and eastern boundaries of the North Block. The consent holder shall maintain the shelter belt for the term of the consent. The shelter belts shall comprise three staggered rows of radiata pine and / or Douglas fir.

System Requirements

11. The consent holder shall erect and maintain:
 - (a) fencing around the consented irrigation area at an appropriate distance to restrict access to the irrigation area; and
 - (b) signage at the irrigation area warning the public that the area is used for the irrigation of treated wastewater.
12. The consent holder shall maintain a log of inspections, maintenance and works carried out on the trickling filter, bio-filter and irrigators and make the log available, upon request, to Environment Southland's Compliance Manager.
13. The consent holder shall:
 - (a) prepare an Environmental Management Plan (EMP) for the Kepler Block Irrigation System. Prior to commencement of the wastewater discharge on the North Block, the consent holder shall forward a copy of the EMP to Environment Southland's Compliance Manager. The EMP shall include:
 - (i) the appointment of a suitably qualified person responsible for the day-to-day operation of the irrigation system, including the trickling filter and bio-filter and as a point of contact for Environment Southland in respect of complaints;
 - (ii) the arrangements for the establishment, the farm manager, an odour specialist, a groundwater specialist and a soil specialist. The Working group will meet with Environment Southland staff twice in the first year of operation and annually thereafter to present information relating to the operation of the Te Anau system.
 - (iii) how the trickling filter, bio-filter, chemical dosing and irrigation system are to be operated to ensure that the discharge is optimised at all times, particularly during ramping up of the discharge in order to lower pond levels and again after prolonged shut-down;
 - (iv) how the fixed sprinkler system is to be operated in conjunction with the centre pivot irrigators to optimise the even spread of treated wastewater;
 - (v) the adaptive management responses to be adopted in response to groundwater and soil monitoring results;
 - (vi) an Odour Management Plan;
 - (vii) an assessment of risk and potential emergency events that could disrupt operation. The EMP is to identify options to manage and plan for that risk, including provision for any redundant capacity. The EMP is to provide for a review of the EMP by the consent holder following any significant event or disruption to determine if any changes should be made to incorporate any improvements learned from the experience of such an event;
 - (viii) how the 10,000 cubic metres storage facility required by Condition 6(c) shall be managed for extreme weather events and/or equipment breakdown and how the treatment ponds, wetland system and irrigation will be operated to provide an additional 5,000 cubic metres of storage capacity in anticipation of forecast rainfall events. This is to be reviewed annually;
 - (ix) actions to be taken, including listing of possible mitigation measures such as provision of potable water supply to well-users, as required by Condition 16;
 - (x) ensuring that the oxidant used for sulphide removal does not lead to the creation of residual chlorinated organic compounds;
 - (xi) procedures for shutting down, parking and securing the irrigators in very strong winds (> 35 m/s);
 - (xii) controlling birds in the vicinity of the airport so as to minimise the risk of bird strike by planes using the airport;

- (xiii) an assessment of emerging contaminants and whether a number of these should be monitored in the soil, herbage or groundwater, taking into account the degree of certainty about the fate and risk to the environment from these contaminants and which contaminants should be monitored.
 - (b) review the EMP annually and whenever there are significant changes to the Te Anau WWTP (Wastewater Treatment Plant) and Kepler Block irrigation system or their operation; and
 - (c) operate and maintain the Te Anau WWTP and Kepler Block Irrigation System in accordance with the EMP.
14. (a) Within three months of the first exercise of this consent, the consent holder shall invite the following bodies to provide one representative each to form a Consultative Reference Group:
- Te Anau Community Board;
 - Manapouri Community Development Area Subcommittee;
 - Te Ao Marama Inc
 - Public Health South.
- The purpose of the Consultative Reference Group shall be to facilitate consultation between the consent holder and above groups during the term of the consent.
- (b) The Reference Group shall have the following functions:
- To receive and review the monitoring data and reports from the physical and biological monitoring. If necessary, a reasonable level of technical expertise shall be made available by the consent holder to interpret the monitoring data.
 - To receive and review the reports these conditions require be provided to Environment Southland.
 - To make recommendations to the consent holder on management actions to avoid, remedy or mitigate any adverse effects of the treatment and disposal system.
- (c) The consent holder shall, at least annually, invite the Consultative Reference Group to a meeting to discuss any matter relating to the exercise and monitoring of this consent.
- (i) The consent holder shall meet reasonable costs of attending meetings of the Consultative Reference Group.
 - (ii) The consent holder shall keep minutes of any meeting of the Consultative Reference Group.

Monitoring

15. As part of the EMP, and at least one year prior to commissioning of the irrigation scheme, the consent holder shall develop a detailed groundwater monitoring programme (GMP), giving effect to Conditions 16 - 21. Prior to the GMP being implemented the consent holder shall forward a copy of the GMP to Environment Southland's Compliance Manager for it to be certified that it covers the following matters. As a minimum, the GMP shall:
- (a) include wells designed for the following purposes:
 - (i) at least two monitoring wells sited up gradient of the irrigation area to determine background groundwater quality, unaffected by the waste water irrigation;
 - (ii) at least two monitoring wells to determine groundwater quality down gradient of the waste water irrigation area;
 - (b) identify whether there is a need for the installation of additional monitoring wells to adequately determine the effects of the irrigation on groundwater quality and to

ensure that any deterioration in down gradient groundwater quality that exceeds the trigger levels in Condition 21(b) is identified before it has the potential to impact on groundwater users, particularly drinking water supplies, in the surrounding area;

- (c) review data from selected existing monitoring wells to monitor any changes in groundwater flow direction in the vicinity of the airport. Wells used or established for this purpose shall be referred to as “local gradient wells” in these conditions;
- (d) determine the location of new wells if required, based on review of the above data;
- (e) determine the design (depth and internal diameter) of new wells to ensure they are fit for purpose; and
- (f) provide for reporting of the groundwater monitoring programme to be made annually to Environment Southland.

The TWG will be responsible for assessing the monitoring results and determining any changes to the management of the irrigation system in light of the results.

16. If the monitoring of wells identified in the GMP required by condition 15 down gradient of the irrigation area exceed the trigger values for the parameters specified in condition 21, the consent holder shall undertake one or more of the following:
 - (a) check for anomalous results;
 - (b) assess monitoring results from the up-gradient well to determine whether the exceedance of the trigger value is the result of other land uses;
 - (c) identify any mitigation measures that are considered necessary to ensure that groundwater quality is consistent with the predictions of the application document;
 - (d) determine any mounding effect in the groundwater levels, and whether there is any change in groundwater flow direction from that predicted; and
 - (e) submit a report of the actions undertaken to Environment Southland’s Compliance Manager which identifies any mitigation measures that have been identified and a programme for implementing these measures.
17. The consent holder shall undertake sampling of groundwater from the wells identified in the GMP and Condition 15 for the purposes of establishing “baseline” groundwater quality and levels as follows:
 - (a) samples shall be taken on a three monthly basis for at least one year prior to commencement of the wastewater discharge on the North Block;
 - (b) groundwater level shall be recorded at each well and each sample shall be analysed for:
 - pH;
 - Electrical conductivity;
 - Carbonaceous biochemical oxygen demand (CBOD5);
 - Total ammoniacal nitrogen;
 - Total nitrogen;
 - Nitrate nitrogen;
 - Total phosphorus;
 - Dissolved reactive phosphorus;
 - E-coli; and
 - Chloride.

- (c) in addition, each sample shall also be analysed for the following heavy metals and trace elements:
 - Copper;
 - Zinc;
 - Chromium;
 - Cadmium;
 - Arsenic;
 - Nickel;
 - Lead.
 - (d) In addition, the local gradient wells shall be monitored for groundwater levels, nitrate-nitrogen and E.coli but not the other parameters in (b) and (c).
18. The consent holder shall monitor:
- (a) the daily volume of treated wastewater discharged onto land at the Kepler Block;
 - (b) the quality of treated wastewater by taking a representative sample of the discharge from the feed main immediately prior to the irrigators at the Kepler Block as follows:
 - (i) samples shall be taken on a three monthly basis for the first three years and twice per year thereafter;
 - (ii) each sample shall be analysed for:
 - pH;
 - Electrical conductivity;
 - Carbonaceous biochemical oxygen demand (CBOD5);
 - Total ammoniacal nitrogen;
 - Total nitrogen;
 - Nitrate nitrogen;
 - Total phosphorus
 - Dissolved reactive phosphorus;
 - Sulphide;
 - E-coli; and
 - Chloride.
19. The consent holder shall undertake sampling of groundwater from the wells identified in the GMP for the purposes of monitoring the effects of the discharge of treated wastewater onto land at the Kepler Block on groundwater quality and levels as follows:
- (a) samples shall be taken on a three monthly basis for at least three years from the commencement of the irrigation of treated wastewater authorised by this consent and twice per year for the duration of the consent;
 - (b) groundwater level shall be recorded at each well and each sample shall be analysed for:
 - pH;

- Electrical conductivity;
 - Carbonaceous biochemical oxygen demand (CBOD5);
 - Total ammoniacal nitrogen;
 - Total nitrogen;
 - Nitrate nitrogen;
 - Total phosphorus;
 - Dissolved reactive phosphorus;
 - E-coli; and
 - Chloride.
- (c) once every five years, for the duration of the consent, samples shall be taken and analysed for the heavy metal parameters listed in Condition 17(c);
- (d) In addition, the local gradient wells shall be monitored for groundwater levels, nitrate-nitrogen and E.coli but not the other parameters in (b) or (c);
20. (a) Sample collection, preservation and analysis, as required by conditions 17, 18 and 19, shall be carried out in accordance with the most recent edition of APHA “Standard Methods for the Examination of Water and Wastewater”.
- (b) The monitoring and analyses are to be carried out by a laboratory with IANZ registration or equivalent.
- (c) The sample results and results of analysis, carried out in accordance with conditions 17, 18 and 19, shall be supplied to Environment Southland’s Compliance Manager no later than 20 working days from receipt of the sample results by the consent holder. The methods of the analysis are to be specified with the results.
21. (a) The wastewater discharge shall not cause the groundwater quality outside of the irrigation area (as measured in wells identified for this purpose in the GMP in condition 15) to exceed the following standards:
- (i) the nitrate nitrogen concentration shall be below 11.3 mg/l; and
 - (ii) E-coli shall be below 10 cfu/100 ml.
- (b) The groundwater quality trigger levels which will result in the actions required by condition 16 are:
- (i) the nitrate nitrogen concentration exceeding 5.5 mg/l in any individual sample;
 - (ii) in respect of the airport bore and local gradient wells, E.coli exceeding or equal to 1cfu/100 mls in any individual sample; and
 - (iii) E-coli exceeding 10 cfu/100 ml in any individual sample or >1 cfu/100ml in consecutive samples in respect of other wells.
22. For the purposes of establishing “baseline” soil quality within the proposed irrigation area, the consent holder shall, in the months of June or July preceding the commencement of irrigation of treated wastewater:
- (a) carry out sampling within the proposed irrigation area. The sample shall be collected from a soil depth of 0–7.5 cm and shall be a composite of sub-samples taken from 10 locations in the irrigation area. The soil sample shall be analysed for:
- pH;
 - phosphorous;
 - potassium;

- calcium;
 - magnesium;
 - chloride;
 - sodium;
 - sulphur or sulphate sulphur;
 - total organic carbon;
 - total nitrogen;
 - nitrate N;
 - Olsen P;
 - base saturation %;
 - cation exchange capacity (CEC);
- (b) have the samples taken in accordance with (a) analysed for the following heavy metals:
- Copper;
 - Zinc;
 - Chromium;
 - Cadmium;
 - Arsenic;
 - Nickel;
 - Lead.
- (c) supply the sample results to Environment Southland's Compliance Manager no later than 20 working days from receipt of the sample results by the consent holder.
23. For the purpose of monitoring the effects of the irrigation of treated wastewater on soils, the consent holder shall:
- (a) carry out sampling in June or July each year. The sample shall be collected from a soil depth of 0 – 7.5 cm and shall be a composite of sub-samples taken from 10 locations within the irrigation area. The soil samples shall be analysed for:
- pH;
 - phosphorous;
 - potassium;
 - calcium;
 - magnesium;
 - chloride;
 - sodium;
 - sulphur or sulphate sulphur;
 - total organic carbon;

- total nitrogen;
 - nitrate N;
 - Olsen P;
 - base saturation %;
 - cation exchange capacity (CEC);
- (b) carry out sampling in June or July each year within a control area, outside the irrigation area. The sample shall be collected from a soil depth of 0 – 7.5 cm and shall be a composite of sub-samples taken from 10 locations in the control area. The soil samples shall be analysed for the same parameters as (a).
- (c) once every five years, for the duration of the consent, have the composite samples analysed for the heavy metal parameters listed in Condition 22(b);
- (d) once every five years, for the duration of the consent, have composite samples taken at depths of 10 – 20 cm and 30 – 50 cm from 10 locations within the irrigation area and analysed for total P and Olsen P;
- (e) supply the sample results to Environment Southland's Compliance Manager no later than 20 working days from receipt of the sample results by the consent holder.

Complaints

24. The consent holder shall maintain a register of complaints received about the wastewater disposal system. The register shall record the response and actions taken to each complaint. A copy of the complaints register shall be forwarded to Environment Southland's Compliance Manager annually, within three months of the anniversary of the granting of this consent or on request.

Environmental Effects Review and Reporting

25. Three years after commencement of operation of the irrigation system and thereafter every five years, the consent holder shall undertake a review of the Te Anau WWTP system and Kepler Block Irrigation System. Each review shall assess, but not be limited to the following:
- the operation and performance of the treatment and irrigation systems;
 - the results of all monitoring undertaken in association with this resource consent;
 - any other relevant data that is available and of relevance to the discharge;
 - whether there is any adverse effect on the environment that can be "avoided, remedied or mitigated" by changes to the treatment and/or irrigation system;
 - the nature of any improvements, if considered necessary (including the viability and proven track record of any technology improvements that might be required to achieve compliance with the consent that is not addressed by adaptive management); and
 - impacts of any changes on the resource consent conditions.
26. In association with condition 25, the consent holder shall prepare an "Environmental Effects Review" report that is to be submitted to Environment Southland's Compliance Manager within three months of each review being completed. The report shall outline all relevant outcomes of the review process.

27. The reports the consent holder are required to submit to Environment Southland under this consent will also be provided to the Consultative Reference Group required by Condition 14 and posted on the consent holder's website.

Annual Charges

28. The consent holder shall pay an annual administration charge to the Southland Regional Council, collected in accordance with Section 36 of the Resource Management Act, payable in advance on the first day of July each year.

Review

29. The Southland Regional Council may serve notice of its intention to review the conditions of this consent, in accordance with the conditions of this resource consent and Sections 128 and 129 of the Resource Management Act 1991, during the period March to September each year, for the purposes of:
- (a) requiring review of monitoring of the discharge or its effects;
 - (b) dealing with any adverse or cumulative effects on the environment which may arise from the exercise of this consent that is not addressed by adaptive management (including any viable and proven technology that might be required to achieve compliance with the conditions of this consent); or
 - (c) complying with the requirements of a regional plan.

Consents granted by independent commissioners
for the **Southland Regional Council**



M Durand
Consents Manager

[illegible]

Dunedin

Level 3 John Wickliffe House, 265 Princes Street
Dunedin 9016

PO Box 13-052, Armagh

Christchurch 8141

Tel +64 3 477 0885

Fax +64 3 477 0616

Please visit www.stantec.com to learn more about
how Stantec design with community in mind.

Attachment 4: Letter of Support: Deputy Mayor of the Southland
District Council



30 April 2021

To Whom It May Concern,

RE: TIF Applications for Te Anau and Manapouri

As current Councillor for Fiordland and Deputy Mayor of the Southland District, as well as resident and business owner in Te Anau, I would like to provide my support towards these applications and highlight their importance.

I have seen Te Anau and Manapouri go from small towns that were thriving with increasing numbers of tourists to a region that is struggling to survive.

Te Anau is hugely reliant on international visitors. Pre COVID, 80-85% of the Fiordland market was international visitors. When the borders closed, every business was affected and approximately 85% of local businesses were critically impacted. This flow on effect has resulted in a very empty main street with businesses either mothballing their operation or closing all together.

Currently, only 15-20% of businesses in Te Anau can operate. Even if businesses did want to increase their operation, there is a decrease in the workforce pool as people have had to move out of region to secure work. In pre COVID times, the town also relied on the transient workforce but that is also currently not available. Trying to attract new labour is proving difficult as there is no security of employment and both businesses and individuals are facing financial strain which does not help the situation.

Pre COVID, Fiordland was seeing continued tourism growth which was resulting in strains on the infrastructure that the town was struggling to cope with and manage. In particular, infrastructure which was created for a community with a population of 2500 and 400, was not fit for purpose to meet the needs of visitation in the area of approximately 1 million people. It is no longer an option to do nothing and infrastructure issues can no longer be put off and the Southland District Council is proposing to increase rates in the Fiordland area to cover these much-needed infrastructure upgrades.

However, every rate payer has been affected by COVID. Although there has been a significant decrease in income for businesses, their overheads have either remained the same or increased. The only cost that decreased was wages. The community cannot afford the proposed rates increases and that is why there is such a need for government funding and support.

I strongly support this application to provide financial relief for a community that has been hardest hit by the effects of COVID.

By securing funding to pay off this loan it means that ratepayers will not have to take on this additional financial burden on top of what they are experiencing with other rates increases and of course the effects of COVID. Financial relief may also have a flow on effect which could allow employers to increase their casual hours and their rate of recovery.

I fully endorse this funding application as it is going to help ensure that Fiordland and the community are able to survive and when tourism numbers bounce back, which I have no doubt they will – considering we are the Gateway to the Fiordland National Park and one of New Zealand's iconic destinations – Milford

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
sdc@southlanddc.govt.nz
southlanddc.govt.nz



Sound. Our desire as a community is to continue to provide an exceptional experience for those travelling into Te Anau and the wider Fiordland and Southland areas to encourage them to stay longer and spend more which of course will have flow on economic impacts for this community.

I welcome any questions on any of this and should you require to discuss it further please feel free to call me on 027 510 7785

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ebel Kremer", written over a light blue horizontal line.

Ebel Kremer
Southland District Councillor
Deputy Mayor

Attachment 5: Letter of Support: Chair of the Community Board

MBIE-MAKO-18514486

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form April 2021



30 April 2021

To Whom it May Concern

Letter of Support – Tourism Infrastructure Funding Application – Te Anau Wastewater scheme

I am writing on behalf of the Fiordland Community Board to support the Southland District Council application for TIF funding for the Te Anau Wastewater Scheme.

Exploration into how to best dispose of Te Anau's wastewater was initiated due to the existing consent allowing discharge to the Upukerora River coming to an end. Community discussion, debate and consultation over this scheme has occurred over many years.

Requirements around ensuring we provide an environmentally sustainable solution, as well as providing one that was socially, culturally and economically sound, have been a key consideration for residents. The need to ensure that our local ratepayers were not going to be negatively impacted has always been a key consideration given we live in a world class heritage area.

The Community did not feel that the initial proposal which involved pivot irrigators was environmentally sustainable. It felt very strongly that the scheme should be a sub-surface scheme and a working group called Fiordland Sewerage Options (FSO) was established in 2014 pulling together key experts to support their pleas to Council for this to happen. Their research included investigation of overseas schemes, soil assessments and impact assessments.

By 2018, full costings for both options had been developed and the Board rescinded an earlier decision to approve the pivot irrigator scheme in favour of a sub-surface option. Funding this through local ratepayers has always been a concern, however, in 2018 it was felt that the additional cost was appropriate to provide the best outcome for our community. Since the severe economic downturn due to Covid and its devastating impact on tourism and business, this concern has been further exacerbated and the Community Board would like to see a further funding allocation made to the scheme to lessen the burden on the local ratepayers.

The tireless efforts of the FSO and the Wastewater Liaison Group who were brought together so that Community and Council could work together on getting the right outcome need to be commended. Had it not been for their perseverance the community would have been faced with a poor outcome which would have negatively impacted the Fiordland image and reputation as well as local business.

Fiordland businesses and many ratepayers cannot afford further increases in rates. Following poor summer trading, businesses still face an uncertain future keeping their operations afloat over winter.

On this basis, we hope that the necessary support will be available to us through the Tourism Infrastructure Fund and thank you for your consideration.

Yours faithfully

A handwritten signature in black ink that reads "Sarah Greaney".

Sarah Greaney

Fiordland Community Board

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
southlanddc.govt.nz

Attachment 6: Letter of Support: Regional Tourism Organisation

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MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

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30 April 2021

To Whom It May Concern,

Re: Regional Tourism Organisation Support for Te Anau and Manapouri TIF Applications

Great South is writing to support the TIF applications being submitted in April 2021.

Great South is the regional development agency responsible for business, events, tourism and community development in Southland. Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland and encourage the region's overall wellbeing and success.

As an agency that is supported by the Southland District, Invercargill City and Gore District Councils, the region's two Regional Tourism Organisations (RTOs) operate out of Great South – Visit Fiordland and Visit Southland. These two RTOs promote and market Southland and Fiordland and more recently have supported businesses navigate through the impacts of COVID-19.

Iconic Hero Destination

Te Anau, with a resident population of about 2500, lies on the eastern shores of Lake Te Anau and is one of Southland's most popular locations for tourism. Known as the Gateway to Fiordland National Park and Milford Sound Piopiotahi, visitors are drawn to Te Anau for its spectacular scenery – in fact, almost 1 million visitors experienced Milford Sound Piopiotahi pre-COVID. Fiordland National Park is home to 3 of New Zealand's 9 Great Walks. In 2014, readers of New Zealand Wilderness Magazine voted it as the best place in New Zealand for tramping opportunities.

Tourism in the region pre-COVID was growing year on year at significant rates. So much so that infrastructure was struggling to cope and this was impacting the overall visitor experience. The challenge of course is the very low rate payer base which is responsible for the costs of a significant number of visitors. Pre-COVID, on any given day there were 3 visitors in the area for every local person. The Te Anau wastewater scheme has to be nearly six times larger than that needed to cater for the permanent population, because of visitors to the town.

Impact of COVID-19

COVID has been catastrophic for the region and statistics show that this RTO is the worst impacted in the country. What is concerning is the very slow rate of recovery compared to other regions which can be attributed to the region's isolation, high dependence on international visitors and lack of skilled labour. This is concerning and Great South is partnering with others to address these issues and support the local community and tourism sector.



Southland Regional Development Agency

143 Spey Street, PO Box 1306, Invercargill 9840, Southland, New Zealand
Phone +64 3 211 1400 Email info@greatsouth.nz

greatsouth.nz

We believe that visitors will certainly return to the area because of the uniqueness and international appeal of the area and experience on offer. Being the gateway to New Zealand's largest park is significant enough, let alone we believe that visitors worldwide will seek out these types of experiences after experiencing COVID.

Wider Regional Implications

Altogether, Southland Murihiku has 2 national parks and soon to be 4 of the 10 Great Walks. There is increasing connectivity between these as people seek to experience all of these places. It is important to acknowledge that what happens in Fiordland has a flow on affect for the rest of Southland and the wider Otago region as iconic Milford Sound Piopiotahi and Patea Doubtful Sound are major attractors for visitors to this country.

In recent times, we have seen increasing access to Fiordland through the southern gateway of Invercargill. This aligns with the fact that a quarter of all people who visit Rakiura Stewart Island actually also visit Fiordland. This is a key focus for us to continue to promote in order to encourage regional dispersal of visitors as the New Zealand Aotearoa Government Tourism Strategy.

Improved Visitor Infrastructure is Essential

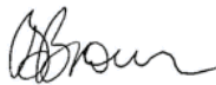
Alongside DOC, central government and a number of tourism stakeholders, Great South facilitated the development of the Southland Murihiku Destination Strategy in late 2019. This important framework which is a destination management plan, sets out the priorities for developing tourism in our region in a sustainable manner and alongside our people and our place. One of the five key pillars was associated with infrastructure and the need for it to be fit for purpose in order to protect and enhance the natural environment (flora, fauna and wildlife) as well as enhance the visitor experience. Fiordland was an area identified as requiring improved visitor infrastructure alongside the significant product development opportunities possible. We note the importance of the Milford Opportunities project in terms of the future opportunities for the Fiordland basin.

Great South is aware of the need to upgrade infrastructure in Fiordland as reflected in these TIF applications. This will address previous impacts caused by significant volumes of visitors (international and domestic) as well as assist with the future proofing the resilience of tourism.

With this in mind, Great South fully endorses these applications.

Please do not hesitate to contact me for further information.

Yours faithfully,



Great South
GM Tourism & Events



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĀKINA WHAKATUTUKI

TOURISM INFRASTRUCTURE FUND

Application Form

April 2021

Tourism Infrastructure Fund

Completing this form

This form is designed to be completed in association with the 'Guidance for Applicants' document. If you need any assistance with completing this form, please contact the TIF secretariat on tif@mbie.govt.nz.

Please complete the form in full, and submit it electronically to tif@mbie.govt.nz. Completed proposals must be received by the TIF secretariat no later than 5pm on the deadline date. All deadlines are available on the TIF website and are subject to change.

MBIE reserves the right to accept late proposals in the following situations:

- if it is MBIE's fault that the proposal was received late
- in exceptional circumstances, where MBIE considers that there is no material prejudice to other applicants. MBIE will not accept a late proposal if it considers that there is risk of collusion on the part of an applicant, or the applicant may have knowledge of the content of any other proposal.

There is no scope within the TIF process to assess out-of-round applications (including for feasibility studies). Applications submitted to the TIF Secretariat between funding rounds will be returned to the applicant for resubmission at the next funding round.

Proposal checklist

Before you apply be sure to complete the following:

- ☐ Check the TIF website to ensure you have downloaded the most recent version of each document.
- ☐ Read the 'Guidance for Applicants' document available on the website.
- ☐ Read the supporting information on the TIF website

When filling out this form please ensure:

- ☐ All answers are typed into the space provided for each section in font no smaller than size 10 point.
- ☐ You provide the information required for each question. This is outlined clearly within the TIF 'Guidance for Applicants' document.
- ☐ You have read and understood the declaration details outlined in Section 4 and have signed the declaration.

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Once you have completed this form, email a copy to the TIF secretariat at tif@mbie.govt.nz and ensure that you attach any supporting information you wish to provide.

Note: There is a 20MB size limit for emails. For larger applications, please separate them into different emails.

Evidence

When MBIE assesses proposals against the eligibility and/or the assessment criteria, we will consider whether the evidence provided supports the claims, as well as the quality of that evidence. Where questions ask for evidence to support claims, it is highly recommended that you provide reference sources that attest the accuracy and quality of the evidence.

MBIE will assess the application using the information provided by the applicant.

Section 1: Eligibility and project overview

1.1 Eligibility checklist

Do you meet AT LEAST one of the eligibility criteria below:	
Annual tourism revenue in your territorial authority less than \$1 billion	<input checked="" type="checkbox"/> Yes
Visitor to rating unit ratio of 5 or more	<input checked="" type="checkbox"/> Yes
Local Government Finance Agency lending limits have been reached	<input type="checkbox"/> Yes
Project eligibility:	
Is your project for publicly-available infrastructure used significantly by visitors?	<input checked="" type="checkbox"/> Yes
Is your project for new facilities or enhancements?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not for the development of new attractions, accommodation or commercial activities?	<input checked="" type="checkbox"/> Yes
Have you ensured your project will not compete with local private commercial activities?	<input checked="" type="checkbox"/> Yes
Are you seeking co-funding of \$25,000 or more?	<input checked="" type="checkbox"/> Yes
Is your project financially sustainable?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not receiving NZTA funding?	<input checked="" type="checkbox"/> Yes
NOTE: If you do not answer 'Yes' to the project eligibility questions above, your project is unlikely to be eligible for TIF co-funding.	<input checked="" type="checkbox"/> Yes

1.2 Project overview

a. Is your project addressing a need that is current or anticipated?	<input checked="" type="checkbox"/> Current <input type="checkbox"/> Anticipated
b. Will your project deliver visitor benefits and also benefits to your local community?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
c. Is TIF co-funding critical to the project starting, happening sooner, or being of better quality [Tick all relevant boxes]	<input type="checkbox"/> Starting <input checked="" type="checkbox"/> Happen sooner <input checked="" type="checkbox"/> Better quality
d. Is your proposed co-funding the maximum you can commit to the project, and in monetary form only?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
e. Do you have certainty of land access over the expected life of the proposed infrastructure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f. Does your organisation have systems in place to ensure the proposed project complies with health and safety regulations? (You will need to demonstrate this prior to contracting)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
g. Do your procurement processes require all external contractors involved in construction projects to have valid health and safety processes/plans in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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Section 2: Proposal and applicant key details

Please enter answers in the right-hand column.

2.1 Proposal key details	
Name of project [A short title that describes your proposed project.]	Manapouri Visitor Infrastructure and Facilities Upgrade
Short description of proposed project to be co-funded	<p>Manapouri, which is located in Fiordland and just over 20kms from Te Anau, is the western most township in New Zealand, situated on the eastern shore of Lake Manapouri – New Zealand’s second deepest lake. It has a population of approximately 230 people and pre-COVID has seen over 100,000 visitors per annum (<i>refer Appendix A</i>).</p> <p>Manapouri is a critical location as the only gateway for journeys into Doubtful and Dusky Sound, as well as a variety of walks including the Circle Track, Kepler Track Great Walk and the more remote Dusky Track.</p> <p>Te Anau Airport is situated within a five-minute drive from the town and has the potential to expand to potentially service a higher-yielding fly-in market for excursions to the various fiords as suggested in the Milford Opportunities project. All indications are that the township will continue to see significant numbers of visitors.</p> <p>The Manapouri Visitor infrastructure and Facilities Upgrade is a bundle of projects associated with two key visitor precincts in Manapouri, Pearl Harbour precinct and Frasers Beach precinct along with an additional public toilet centrally located in Manapouri.</p> <p>These individual projects all combine to ensure that fit for purpose infrastructure is provided to meet current and future demand and enhance the visitor experience in Manapouri.</p> <p>1. Pearl Harbour precinct</p> <ul style="list-style-type: none"> - Boat ramp upgrade - New toilet facility - Car park development and walkway upgrade and realignment - Shoreline protection

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	<p>2. Frasers Beach precinct</p> <ul style="list-style-type: none"> - Access road upgrade - Toilet rationalisation and new facility <p>3. Centrally located public toilet facility</p> <p>The combination of these projects improves the overall co-ordination and flow of the Manapouri area, as all of the Pearl Harbour projects complement one another, as do the Frasers Beach projects.</p> <p>Visitors are likely to explore other areas of Manapouri rather than just remain in one part, which is why it is good to look at visitor experiences in the broader sense.</p>
	\$2,200,000
Amount of TIF co-funding sought – this must exceed \$25,000 (excl. GST)	\$1,100,000
Is this a discrete project or a bundle of projects?	<input type="checkbox"/> Discrete project <input checked="" type="checkbox"/> Bundle of projects

2.2 Applicants' key details	
Applicant Organisation name	Southland District Council (SDC)
Applicant address, including postcode	P O Box 903, 15 Forth Street Invercargill 9840 www.southlanddc.govt.nz
Contact person	
Job title or Role	
Contact phone	
Contact email address	Cameron McIntosh
Contact postal address (including postcode)(if different to applicant address)	Chief Executive Officer
	0800 732 732
	cameron.mcintosh@southlanddc.govt.nz

Section 3: Project Description

3.1 Problem definition and need for additional infrastructure

3.1.1 Briefly describe the challenge(s) you are facing as a result of current or anticipated visitor growth that underpin this application. Where possible, please provide qualitative and/or quantitative evidence to indicate the scale of challenge(s).

BACKGROUND

An area of high significance and value

The Te Anau and Manapouri townships are bordered by the Fiordland National Park which was officially constituted in 1952 and covers over 1.2 million hectares. It is by far the largest of New Zealand's 14 national parks and also one of the largest in the world and was declared a UNESCO World Heritage Area in 1986.

Fiordland National Park contains the majority of the largest area of unmodified vegetation in New Zealand and as such is a significant refuge for many threatened native animals, ranging from dolphins and bats to reptiles, insects, and birds. Among the birds are several endangered species endemic to New Zealand such as the takahē, mōhua (yellowhead), and the critically endangered kakapo, the only flightless parrot in the world. The vulnerable Fiordland crested penguin and southern brown kiwi are also almost exclusively found within the park.

Fiordland contains some of the oldest rocks in New Zealand and lying close to the alpine fault where two plates of the Earth's crust meet, the area has been folded, faulted, uplifted and submerged many times. Current day examples of this underpin much of what attract visitors to the area for example, Te Anau Caves which feature a limestone grotto of glow-worms and an underground waterfall, Lake Hauroko (New Zealand's deepest lake) and Milford Sound which is widely accepted as one of New Zealand's most iconic destinations with images representing New Zealand well known around the world.

Lakes Te Anau and Manapouri (and the Upper Waiau River that connects them), are Ngai Tahu statutory acknowledgement areas under the Ngai Tahu Claims Settlement Act 1998 and are identified in the regional water plan as natural state waters. Fiordland (Ata Whenua) was well known to the Māori, and many legends recount its formation and naming. Demigod Tuterakiwhanoa is said to have carved the rugged landscape from formless rock. Few Māori were permanent residents of the region, but seasonal food-gathering camps were linked by well-worn trails. Takiwai, a translucent greenstone, was sought from Anita Bay and elsewhere near the mouth of Milford Sound/Piopiotahi

SIGNIFICANT VISITOR GROWTH

In the Southland Murihiku Destination Strategy 2019 – 2029, *Summary of community survey findings* the number one favourite things to do/places was Fiordland – visiting Milford Sound and Doubtful Sound.

The area has significant international appeal and uniqueness and as such attracted close to 1 million people per annum before COVID-19 (*refer Appendix A*). This rapid growth in numbers and visitation resulted in negative impacts on the local environment, community and ultimately the visitor experience. This was compounded by Queenstown's rapid growth. In particular, infrastructure which was created for a community with a population of 2,500 in Te Anau and 230 in Manapouri is not fit for purpose to meet the needs of visitation in the area of 1 million people. Three quarters of all visitors to Fiordland were from overseas and Queenstown was a key access point for visitors to the region (*refer Appendix A*).

Manapouri is the western most township in New Zealand and is situated on the eastern shore of Lake Manapouri – New Zealand's second deepest lake. Manapouri provides a base for journeys into Doubtful

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Sound, which can be accessed by sea kayak or cruise boat, as well as a variety of walks including the Circle Track, Kepler Track Great Walk and the more remote Dusky Track. Te Anau Airport is situated within a five-minute drive from the town and has the potential to expand to potentially service a higher-yielding fly-in market for excursions to the various fiords.

A cycle trail has been developed that connects Te Anau with neighbouring Manapouri and is providing an added attraction and the opportunity to link with the Great Ride, Around the Mountains Cycle trail are being explored.

Pearl Harbour is the primary access point to West Arm/Deep Cove, Doubtful Sound and the more remote Dusky Sound. Visitors travelling to the destinations utilise the infrastructure at Pearl Harbour as their stepping-off point.

Impact of COVID-19

Fiordland has been one of the worst hit destinations as a result of COVID-19 and its recovery once lock down restrictions were lifted, has not mirrored recovery in the rest of the country. The Fiordland RTO is the worst affected in New Zealand with a change in spend down -55%, according to spend data supplied by MBIE's TECT (*refer Appendix A*). It is thought that this is due to a combination of factors including its isolation and distance to main populations (which is a barrier to weekend visitation for the domestic market) as well as the fact that it had primarily attracted international visitors pre COVID-19 and did not have high market awareness with New Zealanders (*refer Appendix A*).

While visitors travelling across Lake Manapouri to access Doubtful Sound and through the southern fiords, are showing a reduction in visitor numbers during 2020 of 32%, it is markedly less than the reduction of visitor numbers to Milford Sound which is down 65% (*refer Appendix A*).

There are approximately 8 operators that use Pearl Harbour as the starting point for transporting passengers across Lake Manapouri to overnight vessels with operations based in Doubtful Sound and the southern fiords. Operators who have tweaked and pivoted their product offering post COVID are reporting high domestic visitor demand, with at least two operators now offering additional multi-night cruises in Doubtful Sound and an additional boat has been relocated from Milford Sound to Doubtful Sound to cope with the demand.

Fit for purpose infrastructure and an enhanced visitor experience is essential for Manapouri to cope with the previous and current pressures of visitor demand.

Anticipated Visitor Growth - Post COVID-19

In short, visitor growth is anticipated to grow both from domestic and international visitors, and this is primarily linked to the fact that this destination is the only launching pad by water for access to Doubtful Sound, as well as the southern fiords of the National Park.

The Southern Scenic Route is a coastal journey linking Dunedin to Queenstown, via coastal Southland including the Catlins, Manapouri, and Te Anau. The route is a key tourism drawcard for Southland with Manapouri, in particular Doubtful Sound and Frasers Beach, key destinations promoted and accessed by the self-drive market touring this route. Great South has reported significant growth in travel along the Southern Scenic Route in recent times which supports that New Zealanders are 'trying something new' and travelling previously unexplored places. This is subsequently putting pressure on infrastructure at both of the Pearl Harbour and Fraser Beach precincts in relation to public toilets, boat ramps and car park facilities.

Great South, Southland's economic development agency and regional tourism organisation, is actively working on a collaborative project between the eight RTOs of the lower South Island on developing a network of touring routes throughout Otago and Southland.

The project, which includes wayfinding strategy, analysis of existing production offer and identification of gaps and opportunities to encourage greater visitor dispersal around the region, will give Southland more product and opportunities for self-driving tourists, which will create additional pressure on infrastructure (car parking, toilets, access roads) at the key destinations along this touring route.

RESULTING CHALLENGES

Due to this significant visitor growth experienced in Fiordland pre-Covid-19 and the subsequent anticipated rebound of the visitor market once the international borders are opened, the resulting challenges have been identified in the following precincts within Manapouri.

Pearl Harbour precinct

- Boat ramp upgrade
- New toilets facility
- Car park development and walkway upgrade and realignment
- Shoreline protection

Frasers Beach precinct

- Access road upgrade
- Toilet rationalisation and new facility

Centrally located public toilet facility

Combining the projects within precincts is due to the overall co-ordination and improvement of flow and visitor enhancement of that particular area, however visitors are likely to explore other areas of Manapouri rather than just remain in one particular area, which is why it is good to look at visitor experiences in the broader sense throughout Manapouri.

Aerial map of Manapouri showing the projects in this application.



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PEARL HARBOUR PRECINCT

The Pearl Harbour precinct, which also includes the Manapouri Visitor Centre, is the hub for tourism operations on Lake Manapouri and access to hero locations Doubtful Sound and Dusky Sound. It is also the transit facility for commercial tourism operators, local concessioners and contractors travelling to West Arm and accessing Fiordland National Park.

The number of visitors travelling across Lake Manapouri for the past four years has seen steady growth (*refer Appendix A*) however what the data doesn't show is the anecdotal increase of use of the Pearl Harbour precinct transporting hunters and recreational explorers, school trips or groups to Deep Cove Education Centre, loading supplies for overnight vessels, transporting Meridian staff into the West Arm power station, transporting DOC staff and cruise operator staff into the Sounds along with recreational and holiday boats.

In 2019 112,000 visitors passed through the Manapouri Visitor Centre annually. While half these visitors will arrive and depart by coach, the other half will take a self-drive option. (*refer to Appendix A*)



Boat Ramp Upgrade

This is the only free publicly accessible boat ramp access for Lake Manapouri and is a major drawcard of the Pearl Harbour precinct. Pre-COVID total visitor growth for Manapouri was increasing annually and that included a strong growth in the domestic market (*refer Appendix A*).

Leisure activities based on Lake Manapouri, such as water sports, fishing and use of pleasure crafts, are a focus for the domestic visitor to Manapouri, which has placed pressure on the aging infrastructure that provides the only public access to the lake for visitors.

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Anecdotal evidence over a recent long weekend in 2021 showed a queue of more than 18 vehicles waiting upwards of 2-3 hours to get their boat off the lake at the boat ramp. This current asset is not user friendly and creates a safety hazard in peak times across the whole of the Pearl Harbour precinct.

With a rapid increase of use as visitor number pre-COVID increased, the asset has deteriorated over time and a condition assessment was undertaken by engineering and infrastructure consultants, WSP Invercargill in 2019. This report showed that the Manapouri boat ramp was in poor condition.

The current access to the boat ramp is very restrictive and causes congestion on Waiau Street. Vehicles will come down Waiau Street and then do a U-turn to access the boat ramp which causes congestion and provides an unsafe area for all visitors in the precinct, as the public toilet block and current carpark is also located immediately beside the current access way to the boat ramp.

Southland District Council would like to ensure that they provide a safe, compliant and user-friendly boat ramp which improves and enhances the visitor experience by providing high quality facilities.

Current state of boat ramp at the Pearl Harbour precinct.



Current access from Waiau Street to boat ramp in Pearl Harbour precinct.



New Toilet facility

The existing facility is the only public accessible toilets in the Pearl Harbour precinct. The Manapouri Visitor Centre does not have facilities available to the public within their centre and therefore it is imperative that a public toilet facility remain available and of a standard which improves and enhances the visitor experience by providing high quality facilities.

There are approximately 8 operators that use Pearl Harbour as the starting point for transporting passengers across Lake Manapouri to overnight vessels with operations based in Doubtful Sound and the southern fiords, along with day trips out to the fiords and the lake.

With increased growth in visitation pre-COVID showing Fiordland received over 2000 international a day, with a further 1,600 domestic visitors (*Source: DataVentures refer Appendix A*) the impact on current infrastructure has been extremely high.

Southland District Council would like to ensure they provide a safe and compliant toilet facility for visitors.

A detailed seismic assessment was undertaken by engineering and infrastructure consultants, WSP Invercargill in July 2020 as part of a wider assessment of all concrete toilet block structures in the Southland district. The building has been rated lower than 30% NBS (IL2). This rating is based on the weakest critical structural element, categorising the buildings as high earthquake risk in terms of the building act 2004.

MBIE MAKO 18514496

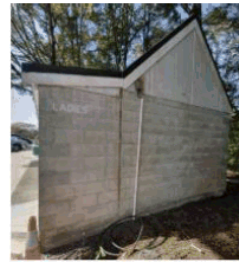
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Pictures of the current Manapouri public toilets



North elevation



West elevation



South elevation



East elevation

Car park development and walkway upgrade and realignment

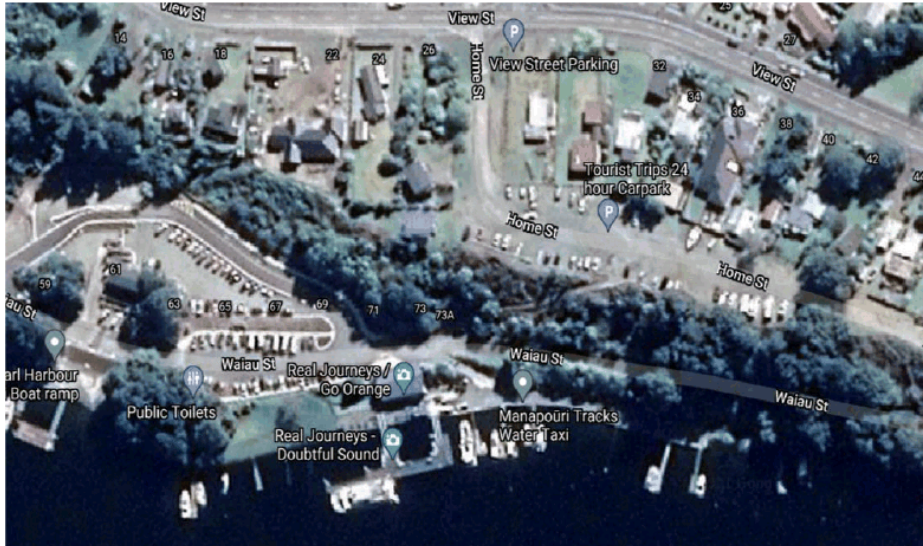
With increased growth in visitation the current carparking area, which is located across from the Manapouri Visitor Centre, is full to capacity. This current carpark was not designed for vehicles with boat trailers and larger vehicles such as Motor homes, campervans.

Southland District Council is proposing to extend the View Street carpark which will increase capacity in the Pearl Harbour precinct, improve traffic flows and also allow for overflow of larger vehicles such as Motor homes and camper vans and vehicles with trailers. These further developments will ensure this precinct can cater for the current visitor demand and the future anticipated visitor growth of the area.

The View Street carpark is elevated from the Pearl Harbour precinct and there is a steep bank that needs to be descended to access the Pearl Harbour precinct which includes the Manapouri Visitor Centre and public toilets. There is currently a walkway that runs between the carpark which is steep and not as easy to navigate for those with accessibility challenges and is rapidly deteriorating due to increased use from increased visitor demand.

Aerial view of the Pearl Harbour precinct, which shows the

- View Street carpark on the right-hand side
- Lower carpark in the Pearl Harbour precinct on the left-hand side



Shoreline deterioration mitigation

The Pearl Harbour precinct, which also includes the Manapouri Visitor Centre, is the hub for tourism operations on Lake Manapouri and Doubtful Sound. It is also the transit facility for tourism operators, local concessioners and contractors travelling to West Arm and/or on to Doubtful Sound.

The area from the Pearl Harbour boat ramp downriver towards the Manapouri Information Centre is currently stabilised using gabion baskets. These were installed during the construction of the West Arm power station and they are now showing their age with the wire baskets rusting and spilling out the rocks onto the riverbed.

As growth in visitation continues, this means increased boat and launch activity from those tourism operator and concession holders from their moorings at Pearl Harbour which is creating more water movement and activity around the shoreline. Engineering and infrastructure consultants, WSP Invercargill, identified shoreline deterioration in 2020 and Southland District Council has identified the need to support the bank of the Waiau River, which accesses Lake Manapouri, to mitigate further deterioration. Without a remedial action the structural integrity of the wall is at risk of complete collapse.



View of the deterioration of the existing Gabion basket which are stabilising the shoreline.

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FRASERS BEACH PRECINCT

As we see growth in the self-drive market accessing Fiordland, and in particular Manapouri, (in 2019 112,000 visitors passed through the Manapouri Visitor Centre annually. While half these visitors will arrive and depart by coach, the other half will take a self-drive option, *refer to Appendix A*) the Frasers Beach precinct has now seen increased visitors flows.

As a key activity point promoted on the Southern Scenic route, Frasers Beach is a true Southern gem, popular for boating, swimming, paddle boarding or soaking up the sun and glorious views and is a popular location for visitors to the area with their boats and also families utilising the lakefront.

Many vehicles, both with and without trailers, often park along the length of Frasers Beach Road, especially with lack of vehicle parking currently at the boat ramp in the Pearl Harbour precinct.

A cycle trail has been developed by a local community Trust, Lake 2 Lake, that connects Te Anau with neighbouring Manapouri and has provided an added attraction to the precinct with the cycle trail running parallel to Frasers Beach access road. There are future options to connect this trail wider to the Around the Mountains Cycle Trail a Nga Haerenga Great Ride as well as to Te Anau Downs/Milford Sound corridor.

Cycling is a key priority tourism development opportunity for the region.



Access road upgrade

The Frasers Beach access road currently has a gravel surface and particularly over the summer season the gravel dries out and causes dust clouds when vehicles travel along the road. This has an environmental impact on the vegetation along the foreshore, the houses along Cathedral Drive and visitors along the beach front along with those cyclists on the Lake 2 Lake cycle trail which runs alongside the access road, impacting the overall visitor experience.

There are also parking issues along the road with larger vehicles and those vehicles with boat trailers parking on either side of the road. This is creating a health and safety and traffic flow issue for visitors who are accessing the lakefront for recreational activities, such as swimming and recreational boating, diminishing the overall visitor experience.



Toilet rationalisation and new facility

There are currently Norski toilets at three locations in the Frasers Beach precinct. With the increase in visitor growth, along with the number of cyclists increasingly using the Lake2Lake cycle trail, it is proposed to rationalise these three existing toilets in the Frasers Beach precinct and provide an enhanced, modern and user-friendly facility along the access road.

Centrally located public toilet facility

As the growth in visitors increase to Manapouri, many of them with children, they naturally congregate to the centrally located reserve area where a Flying Fox has been recently installed.

Currently there is with no public toilet access in this area, and with anecdotal evidence is visitors are relieving themselves in 'nature' causing environmental impact concerns and diminishing the visitor experience.

A proposed new toilet block would be located here and will provide much needed infrastructure to cater for the current and anticipated visitor growth for the future sustainability and enhancing the visitor experience.

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Aerial view of reserve with Flying Fox.



Territorial Authority Rating Base – Southland District Council

The TA of Southland District Council is already identified as having a lower ratepayer base and is disproportionately affected by visitor growth, particularly evident in the Fiordland region.

Manapouri, a small rural community, which experiences significant fluctuations in population through summer and holiday periods with strong domestic and international products.

Based on historical data provide by DataVentures (Statistics New Zealand), we know that for every local in Fiordland, there are up to 3 visitors (approximately 1 will be from the wider Southland region, 1 from the New Zealand (exc. Southland) and 1 international visitor).

The area has significant international appeal and uniqueness and as such attracted close to 1 million people per annum before COVID-19 (*refer Appendix A*).

Infrastructure which was created for a community with a resident population of 2,500 in Te Anau and 230 in Manapouri is not fit for purpose to meet the needs of visitation in the Fiordland area of 1 million people (*refer Appendix A*).

3.2 Proposed infrastructure

3.2.1 Briefly describe the infrastructure you propose to construct, and how it addresses the challenge(s) you have identified above. Please also list the other options considered and explain why the proposed project is fit-for-purpose and offers value for money.

Public toilet infrastructure

The Southland Murihiku Destination Strategy 2019 – 2029 which is our region's destination management guiding strategy demonstrated strong alignment between the 16 Destination Management components as identified by MBIE in their Best Practice guides, with Amenities, Services and Infrastructure a key focus with an awareness of importance as enablers to manage current and support future growth.

For Southland to develop and grow as a sustainable visitor destination a number of challenges and barriers need to be addressed. The strategy has identified one of the key barriers to growth is **limited public toilet facilities**. Consultation feedback from Government agencies, community and industry sources indicates concern at the lack of public toilets in both town and remote locations near visitor attractions. This reflects both a lack of any toilets and a lack of sufficient public toilet capacity leading to environmental degradation and potential public health issues.

Boat Ramp upgrades

One of the key product development recommendations for Fiordland (Manapouri and Te Anau), is water-based tourism product. A proactive approach to encouraging seasonal products to support the positions of Te Anau and Manapouri as a staging post for Fiordland and Milford would be beneficial and include such options as kayaking on the lakes, including tours, passive activities such as paddle boarding or other recreational activities and potentially other opportunities such as wind surfing, kite surfing. All of these activities require access to the respective lakes via public available boat ramps, which are required to be fit for purpose, safe and ensure an enhanced visitor experience.

PEARL HARBOUR PRECINCT

Boat Ramp Upgrade

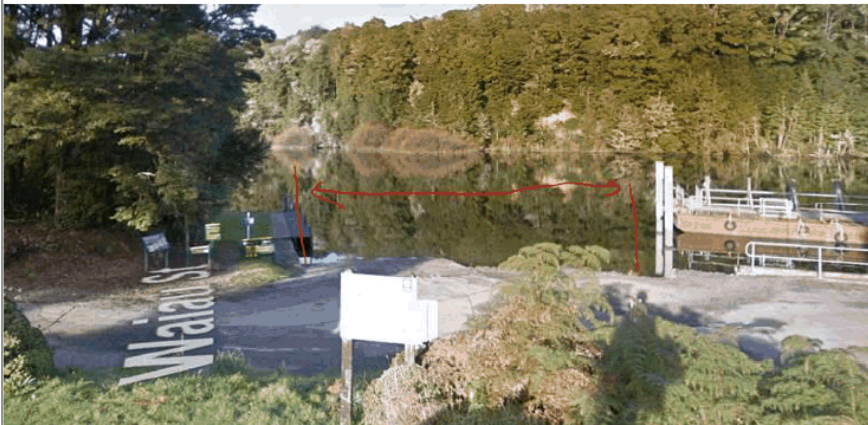
The existing boat ramp will be removed and a new boat ramp that meets standards, is safe and compliant will be installed. Further enhancing the visitor experience would be the installation of a dual access ramp, which would be preferable to a single lane ramp, however this is dependent on funding.

Improving the access and usability of the ramp with an additional access point that would be created at the point indicated by the red arrow.



To improve the access and usability of the boat ramp we would create an additional access point at the point indicated by the red arrow above. This would allow boats to come down Waiau Street, drive across the road and enter the access road, then back down the boat ramp.

By providing a double width ramp, as indicated in the picture below, the additional width will allow two vehicles to use the ramp at once. This would mean that the congestion issues that are currently experienced would be mitigated.



Indication of creating a dual access boat ramp.

Other key considerations and alternatives that have been investigated were

1. remedial work to the structure, specifically the installation of rock rip rap. This however is a short-term solution and therefore given the high demand on this asset Southland District Council consider that this is not fit for purpose for the anticipated long-term increased usage of the Boat ramp.

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2. Consideration to removing the boat ramp and partner with the Manapouri Boat Club to provide access to their member-only boat ramp for the public. However on further investigation it was identified that their boat ramp and parking facilities are not able to cater for an increase in the number of users over and above their current boat club membership.

New Toilet facility

The existing toilet facility would be demolished and a new 4-pan accessible toilet block would be installed. The Southland District Council have developed a standard toilet design concept that it is being using across the district which are a modular design that still looks consistent regardless of whether it is a 1 pan or 4 pan toilet.

This concept includes an external wrap that is designed to tell the story of its location and enhance the visitor experience by remaining fit for purpose and attractive but sympathetic their surrounding environment.

The new toilet facility will also be connected to power as the current one doesn't have power to it, which ensures a further enhanced visitor experience, ensuring a pleasant, well-lit and safe use of the facility for visitors.

Having this consistent design concept provides efficiencies when going through the procurement process.

Other considerations for the toilet upgrade have been

- investigate demolishing the toilet and no longer providing this type of facility at Pearl Harbour. This however is not an option due to the realised visitor growth and anticipated visitor growth as discussed above which would leave the Pearl Harbour precinct without a public toilet facility.
- Strengthening the existing building, however this is not a viable option from a financial perspective as the toilet block requires significant work to bring it up to code.

A new toilet is the most cost effective and best outcome in terms of visitor experience.

Car park development and walkway upgrade and realignment

Access to parking in the Pearl Harbour precinct has been partially resolved by the new car parking development that has been completed in 2018, however this didn't include parking for vehicles with boat trailers, or larger vehicles such as campervan and motorhomes.

There is no short-or long-term parking available for these vehicles even though the only public boat ramp is located directly opposite the recent parking development.

Southland District Council have an area that caters for larger vehicles, and those with boats that is accessed off View Street. This area off View Street is also used as an overflow area from the Pearl Harbour car park. The carpark development proposed will increase the size of the parking area, install safety barriers along the steep drop off to Waiau Street below and realign the walkway that leads down to the Pearl Harbour precinct to ensure a safe and accessible pedestrian access to the carpark on View Street.

To further enhance the visitor experience for this busy Pearl Harbour precinct the carpark development allows for provision of seating and picnic facilities.

Other options and considerations

Given the available land and limited access points to Pearl Harbour from the View Street car park, there are no other viable options to improve these facilities.

An option for the walkway would be remedial work to the structure of the current walkway but this does not address the health and safety issues that have been identified in accessing Pearl Harbour from the carpark.

Improvements are required to the walkway to improve the visitor experience and ensure it is fit for purpose from a health and safety perspective.

It is also proposed to also realign the walkway entrance into Pearl Harbour precinct, extending it to finish at the lower car park on Waiau Street, which will also provide improved pedestrian safety and enhance the visitor experience in accessing this precinct from the View Street carpark.

Shoreline deterioration mitigation

There are two rows of baskets along the base and one row along the top. The gabion baskets are the only structure that is supporting the grassed area between the riverbank and the road. They are also there to reduce the impact of boat wake on the rivers edge.

The outer bottom row of baskets is more affected by the corrosion due to them being in the water all of the time. The condition of the inner layer of baskets was not able to be assessed however the assumption is that these are also corroded to the same extent.

The current gabion baskets need to be replaced with new baskets.

A gabion is a cage, cylinder or box filled with rocks, concrete or sometimes sand and soil for use in civil engineering, road building, military applications, and landscaping.



Other options and considerations that have been considered to protect the riverbank, which include

- Encase existing gabion baskets with an appropriate material to stop more material spilling out of the baskets.
- Replace the baskets with an alternative material (concrete) to protect the riverbank.
- Incorporate a wharf as part of the replacement structure to allow for a dual access boat ramp.

FRASERS BEACH PRECINCT*Access road upgrade*

To mitigate the issues of dust clouds on the access road it is proposed to "Otta" seal the road. This is a more cost-effective option to applying a standard sealed surface and also reduces maintenance costs associated with maintaining a gravel surface.

Included in the proposed Otta sealing would be the development of pull off areas to allow for safe vehicle parking to manage parking for larger vehicles and improve visitor management flows

With these improvements the experience for visitors to this area, as well as cyclists on the Lake2Lake cycle trail and residents will be greatly enhanced.

Other options and considerations

Alternative is to leave as status quo and continue to maintain the existing gravel road, which will diminish the visitor experience.

Toilet rationalisation and new facility

There are currently three Norski toilets located along Frasers Beach. Two of these have been identified in the Long-Term Plan for replacement in year five of the plan, with the third getting refurbished in year three. By removing these three facilities and installing a single 2 pan accessible toilet facility at the mid-way point along the access road would provide a higher level of service to visitors to the lake front.

There would also be economies in scale achieved as this toilet would be the same design as the one proposed for Te Anau (in a further TIF application for Te Anau Boat ramps and new toilet facility).

Picture below is an example of a toilet block on Frasers Beach



Other options and considerations

Alternative is to leave as status quo and continue to maintain the existing Norski toilets, which ultimately diminishes the visitor experience.

Centrally located public toilet facility

Southland District Council installed a flying fox at this location in the last financial year with the intention to further develop the site as a play/picnic area for visitors, along with the community. There is no publicly accessible toilet within proximity to the site and the provision of a 2-pan accessible toilet would enhance the visitor experience.

This is an additional new toilet that is part of the rationalisation identified in year five of the Long-Term Plan.

The alternative options is do nothing which will means there will be no centrally located public toilet facility in Manapouri, leaving the Fraser Beach and Pearl Harbour toilets the only accessible ones, which are currently identified for refurbishment or replacement.

Overall Southland District Council are suggesting an approach of packaging the procurement for the Manapouri Visitor Infrastructure and Facilities projects which leverages economies of scale and ensures the most efficient use of time and money.

3.2.2 Please demonstrate that the proposed project has the support of the local community (e.g. has gone through some type of consultative process) and has support from the local economic development agency or regional tourism organisation.

Please Note: During the project recipients will be asked to keep the Ministry aware of any subsequent consultation process which could result in the project either not proceeding or requiring significant change from the original proposal.

The Pearl Harbour precinct projects have all been discussed in-depth and confirmed by the Fiordland Community Board and therefore included in the Southland District Council LTP. There were no objections to these projects as part of the Long-Term plan consultation and submission process.

The Pearl Harbour precinct projects are in the current Long-Term Plan (LTP) and have been included in the current draft LTP at an indicative cost/s

- Pearl Harbour precinct boat ramp \$317,034 funded by a 30-year loan in 2023/24
- Pearl Harbour precinct gabion baskets \$400,000 funded by a 30-year loan in 2021/22
- Pearl Harbour precinct carpark development and walking track \$200,000 funded by a 15-year loan in 2021/22
- Pearl Harbour precinct toilets \$200,000 funded by a 15-year loan in 2021/22

At its recent meeting on the 14th April 2021 the Council considered a paper on the TIF applications and the associated funding and *"Acknowledge[d] that it has committed the above funding to the above stated Pearl Harbour precinct projects.*

The Frasers Beach precinct and centrally located toilet projects are not included within the Long-Term plan however has received support from the Fiordland Community Board. The Fiordland Community Board represents the interests and views of the local community and a submission in support of applying to the Tourism Infrastructure Fund was received by the Fiordland Community Board – *refer to Appendix B for letter of support from Fiordland Cr E Kremer.*

Great South as the regional tourism organisation for Southland supports and endorses these projects - *refer to Appendix C for letter of support.*

Support at from Central government has been widely acknowledged for the Fiordland area, which has been one of the hardest hit regions impacted by COVID-19. Support by way of investment to ensure visitor related infrastructure in Fiordland can continue to be improved over this uncertain time will ensure the visitor experience for kiwis and international visitors when they return is improved.

3.2.3 List all the benefits that you expect will flow from your proposed project (focusing particularly at the visitor benefits).

Visitors are likely to explore other areas of Manapouri rather than just remain in one part, which is why it is good to look at visitor experiences in the broader sense. The combination of these projects improves the overall co-ordination and flow of the Manapouri area, as all of the Pearl Harbour projects complement one another, as do the Frasers Beach projects.

The visitor access point to Doubtful Sound, and the more remote Dusky Sound, is only via the Pearl Harbour precinct in Manapouri and fit for purpose infrastructure and an enhanced visitor experience is essential for Manapouri to cope with the previous and current pressures of visitor demand.

The exceptional benefits from the Manapouri Visitor Infrastructure and Facilities upgrade projects tie in with the Southland Regional Development Strategy 2015-2025 which identifies improving tourism experience and opportunities as the second challenge in diversification of the regional economy.

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Southland Murihiku Destination Strategy 2019 - 2029

The Southland Murihiku Destination Strategy 2019 – 2029 was a key outcome from the Southland Regional Development Strategy 2015 – 2025. The strategy is our regions destination management framework which demonstrates strong alignment to the New Zealand-Aotearoa Government Tourism Strategy. The strategy demonstrates strong alignment with the 16 Destination Management components as identified by MBIE in their Best Practice guides.

Amenities, Services and Infrastructure are a key focus of the Strategy to manage current and support future growth.

The Manapouri Visitor Infrastructure and Facilities projects are important pieces of infrastructure that supports the fundamental needs of visitors and the community, particularly in relation to what they expect in the way of services and on their perceptions of the place and the visitor 'product'.

It is about dealing not only with the issues now but providing for the growth of visitor numbers and their needs into the future. This will enable Manapouri to further grow as a regional destination in its own right over time and will have significant benefits in terms of visitor enjoyment of a specific site.

In this day and age visitors have an expectation that they will have modern and accessible toilet facilities and can experience quality visitor management – in terms of improved parking, safer walkway, and better pedestrian access in town such as Manapouri.

The greatest benefit, and consequently the greatest risk, is to New Zealand's tourism brand. Poor visitor perception and access to our most basic of infrastructure could mean that visitors will go away from Manapouri with the view that New Zealand of a quality visitor experience.

Negative perceptions of our brands can impact on New Zealand tourism particularly where they are related to iconic visitor destinations. The use and prevalence of social media as a way of communicating a visitor's views on a place, activity, or issue means that these infrastructure issues need particular care and attention.

Link to other strategic programmes

Milford Opportunities Project, which is supported through the representation of a number of government agencies on the governance group including DOC, NZTA, MBIE, as well as Ngai Tahu and the Mayors of both Southland and Queenstown.

Milford Opportunities is considering a number of visitor related projects that will improve the Milford experience. These projects are broad ranging and include looking at ways to develop and promote Te Anau as the gateway to Fiordland and enhance the Milford journey which will tie in with the drive toward the regional distribution of visitors, including Manapouri.

From the perspective of the visitor these projects provide improvements to the overall visitor experience in the greater Fiordland region. Modern, user friendly, safe and compliant facilities and structures will increase the visitor experience as a package.

The proposed scope of works responds to the demand and the continued popularity of Manapouri and allow it to cope with the growing visitor demand.

3.3 Funding the project

3.3.1 Briefly describe the current financial situation of your organisation and why TIF co-funding is required for the proposed project.

To support your application, please provide the following information:

- How the proposed project will be funded if TIF co-funding is not received (from debt, cash flow, or some other source)
- If funded from rates, what will be the impact be on ratepayers? Will the impact be on a specific group or general ratepayers? If this will impact on a specific group, please identify the financial impact and which group this will be.
- Brief analysis of the Council's unallocated reserves (what are these, forecast levels, and proposed use over the period of the LTP)

On paper Southland District Council has a strong financial position with \$1.58 billion in net assets on its balance sheet at 30 June 2020. However, the majority of the value is associated with infrastructure assets that are not easily realisable on the open markets (roads, water, wastewater and stormwater) totaling \$1.57 billion. Council's actual cash position is in the order of \$11 million but that is needed to maintain cash flow between rates installments.

Southland District Council has \$41.8 million of reserves at 30 June 2020. A significant portion of these reserves are held for a community or specific asset class. These funds have predominately been loaned out to our communities by way of internal loans to assist with asset development across the district.

Council has three general reserves with a balance of \$11.3 million at 30 June 2020. The interest income from one of these general reserves (\$8.5 million) has traditionally been used to offset the roading rate, this is due to the reserve being created when the roading operation was sold. However, as part of the draft long-term plan 2021-2031 it is proposed that part of these funds will be used to fund some of the increased roading capital programme in the first four years. The expected balance at the end of 2030-31 is \$4.2 million. The other two reserves have a total balance at 30 June 2020 of \$2.8 million are intended to provide coverage in the event of unexpected costs (including a natural disaster). These two reserves are forecast to be \$2.7 million at the end of 2030-31.

There are currently four reserves specifically for use in Manapouri. Two of these are for the hall and swimming pools, one for use at Fraser's Breach and a general reserve. At 30 June 2020 the total of all four reserves was \$158,000. The expected balance at the end of 2030-31 is \$58,000 with the reserves being used to fund capital work where appropriate.

The Southland District Council draft long term plan 2021-2031 includes the following:

- Pearl Harbour Boat ramp \$317,034 funded by a 30 year loan in 2023/24
- Pearl Harbour Gabion baskets \$400,000 funded by a 30 year loan in 2021/22
- Pearl Harbour Walking Track and carpark \$200,000 funded by a 15 year loan in 2021/22
- Pearl Harbour Toilets \$200,000 funded by a 15 year loan in 2021/22

There is currently no projects included in the draft long term plan relating to the three projects at Fraser Beach precinct (two toilets and the otta sealing). This reflects the absence of detailed scoping that has currently occurred on them.

The loans on the first three projects listed above are funded through the Fiordland Community Board rate. There are currently 5,197 ratepayers that pay the Fiordland Community Board rate paying a combination urban, semi urban and rural rate. A differential is applied to semi urban of 0.5 and to rural of 0.25 of the urban rate. The proposed urban rate for 2021/22 is \$239.30 GST incl (\$208.09 GST excl); for a total value of \$601,837 GST incl (\$523,337 GST excl).

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The Fiordland Community Board rate includes both Manapouri and Te Anau (along with parts of the surrounding rural area).

The loans for work completed in 2021/22 require additional rates for repayments of loans from 2022/23 of \$46,820; 8.95% of the total Fiordland Community Board rate for 2021/22. This is an additional \$21.41 GST inclusive for an urban rating unit.

Along with these projects the Otta seal would be funded from the Fiordland Community Board rate by a 5 year loan. If the additional \$1.1 million requested through the tourism infrastructure fund for the four projects had to be funded by loan repaid from the Fiordland community board rate an additional \$89,252 per annum (17.05%) would be required in 2022/23 from the Fiordland ratepayers. This is an additional \$40.81 GST inclusive for an urban rating unit.

The loan for the toilet at pearl harbour is funded by the ratepayers across the district through the general rate. This is collected through a combination of fixed rate and a rate in the dollar on capital value. The loans for work completed in 2021/22 require additional rates for repayments of loans from 2022/23 of \$15,565; 0.07% of the total general rate in 2021/22.

Along with these projects the toilet at the flying fox and at Frasers Beach would be funded by the general rate. If the additional \$1.1million requested through the tourism infrastructure fund for the three projects had to be funded from the general rate an additional \$85,608 per annum (0.39%) would be required in 2022/23 from the district ratepayers.

Refer to Appendix D for 2019 2020 Southland District Household Rates Affordability table.

3.3.2 Describe what alternative sources of funding were explored before this co-funding request was made.

No other funding sources have been investigated to date.

Tourism infrastructure funding is not a funding priority for community funders and even more so in today's COVID-19 funding environment.

3.3.3 Please list any other active TIF funded projects and provide an update on progress.

Please Note: strong preference will be given to applications from councils that have completed previously approved projects.

Southland District Council currently has two active TIF applications, the Southern Scenic Route and Te Anau Wastewater applications.

The Southern Scenic Route application consisted of four separate projects -

- Waikawa Toilet Upgrade (complete)
- Te Anau Town Centre Toilet (complete)
- Monkey Island Camping Area Development (incomplete)
There is some interpretation work to complete and the shelter to be replaced
- Clifden Bridge Camping Area Development (incomplete)
There is some outstanding interpretation work to complete.

Due to unforeseen issues with both of these pieces of the project Southland District Council have included the funding for the outstanding work in the first year of the Long-Term Plan.

Te Anau Wastewater

Construction is currently 80% complete with this project. Delays have been observed due to COVID-19 with two key items still remaining on back order but there has been confirmation these items are now in transit and due into New Zealand in the month of May 2021, with the result of no current foreseeable delays to the project completion.

The project forecast is tracking well to budget and is calculated to be completed within the allocated budget.

Southland District Council have successfully received funding from MBIE via the Tourism Infrastructure Fund for previously completed projects –

- Lumsden Upgrade got TIF funding in 2017
- Real Journey's Manapouri Carpark got TIF funding in 2019

Knobs Flat Wastewater Disposal Upgrade

The TIF allocated funding towards an upgrade of wastewater disposal system at Knobs Flat in collaboration with Milford Sound Tourism. Milford Sound Tourism has since advised that they are not continuing with the project at this stage so have not picked up the funding.

3.3.3 Financials for proposed project Provide a breakdown of the tasks and associated costs required to complete the project. All costs should exclude GST. Use the 'insert row' function if you wish to add more milestones/tasks.

Marginal operating and maintenance costs for the first 2 years may be taken into consideration by the TIF Panel when assessing an appropriate level of funding. i.e. the additional operational and maintenance costs when the proposed project is completed.

Note: In most circumstances TIF co-funding will not be available of obtaining land access, resource consents, building consents, staff resourcing or on-going servicing of existing infrastructure.

Note: The TIF decision-making process could take up to 2-3 months from the closing date of applications. Please take this into account when planning your project timeline, especially if the project start date is contingent on TIF funding being secured.

Milestones and Project Tasks	Estimated Start Date	Estimated Completion Date	Total cost	TIF funding sought	Applicant co-funding	Key assumptions made in estimating costs
'Milestone one' -						
Submit TIF Application	19 April 2021	30 April 2021				
Resource Consent Application	28 May 2021	30 June 2021	\$50,000	\$25,000	\$25,000	
Building Consent Application	28 May 2021	30 June 2021	\$50,000	\$25,000	\$25,000	
Geotechnical Survey	28 May 2021	30 June 2021	\$40,000	\$20,000	\$20,000	
Easement Legalisation	3 May 2021	25 February 2022	\$30,000	\$15,000	\$15,000	
Sub-Totals:			\$170,000	\$85,000	\$85,000	
'Milestone two' -						
Finalise TIF Funding	2 August 2021	5 August 2021				
Finalise scope of project	16 August 2021	20 August 2021				
Finalise and sign contract	23 August 2021	27 August 2021				

Sub-Totals (do <u>not</u> include Annual operating / maintenance):						
'Milestone three' -						
Procurement	30 August 2021	8 October 2021	\$30,000	\$15,000	\$15,000	Lawyer Costs
Sub-Totals:			\$30,000	\$15,000	\$15,000	
'Milestone four' -						
Demolition and site prep	1 March 2022	31 March 2022	\$200,000	\$100,000	\$100,000	
Sub-Totals:			\$200,000	\$100,000	\$100,000	
'Milestone five' -						
Construction	1 April 2022	30 June 2022	\$1,800,000	\$900,000.00	\$900,000.00	
Sub-Totals:			\$1,800,000	\$900,000.00	\$900,000.00	
				Total Cost	TIF funding sought	Applicant co-funding
Totals (do not include Annual operating / maintenance): (Must equate to the project cost detailed in Section 1.1)			\$2,200,000	\$1,100,000	\$1,100,000	
Total Annual operating / maintenance costs only:						

Overall Southland District Council are suggesting an approach of packaging the procurement for the Manapouri Visitor Infrastructure and Facilities projects which leverages economies of scale and ensures the most efficient use of time and money.

3.4 Risks and Mitigations

Describe any risks associated with this project that you have identified and list the mitigations for each risk.

	Risk	Mitigation
	Unfavourable weather conditions cause a schedule delay	Works will be carried out during the spring to allow for better conditions. Mitigated risk assessed as low.
	Availability of materials and contractors	Package this work together with other projects that have been identified in the LTP to make it more attractive to prospective tenders.
	Unfavourable ground conditions	Obtain a geotechnical assessment prior to starting any work.
	Operations to continue through construction phase	Schedule work outside peak visitor times.

Section 4: Declaration by lead applicant

I declare on behalf of the applicant(s), that:

- I have read this form, and the Guidance for Applicants, and fully understand the procedures, terms, conditions and criteria for TIF co-funding;
- this application form outlines the basis on which this application is made;
- I have read, understand and accept MBIE's standard form contract, including the terms and conditions, a copy of which is attached as Schedule 1 in the Guidance for Applicants;
- the statements in this application are true and the information provided is complete and correct and there have been no misleading statements or omission of any relevant facts nor any misrepresentation made;
- I understand MBIE and its advisers may disclose to or obtain from any government department or agency, private person or organisation, any information about the applicant(s) or project for the purposes of gaining or providing information related to the processing and assessment of this application;
- the applicant(s) will, if requested by MBIE or its advisers in connection with this funding process, provide any additional information sought and provide access to its records and suitable personnel;
- I understand MBIE may undertake due diligence checks as needed to meet government requirements, and I consent to checks required being carried for those purposes;
- I consent to the public release, including publishing on the Internet, of the name of the applicant(s), the amount of grant sought, contact details of the applicant(s) and a general statement of the nature of the activity/project, and undertake to cooperate with MBIE on communications relating to this application;
- I understand MBIE's obligations under the Official Information Act 1982 and that, notwithstanding any relationship of confidence created as a result of this application, the provisions of this Act apply to all of the information provided in this application;
- the application involves an activity/project that is a lawful activity that will be carried out lawfully;
- the applicant(s) is not in receivership or liquidation nor will the project be managed by an undischarged bankrupt or someone prohibited from managing a business;
- where external providers are being employed as part of the project/activity, the relevant providers will not be employees or directors of the applicant, and nor do they have any other direct or indirect interest in the applicant, whether financial or personal unless specifically stated in the application;
- I am authorised to make this application on behalf of the applicants identified in section 1;
- I understand that MBIE may withdraw its offer of funding should the proposed project fail to be completed within the agreed timeline (detailed in Section 3.2.4).


MBIE FORM 01/25/2020

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form April 2021

Signature of lead applicant

This acknowledgment must be signed by a person with the legal authority to commit your organisation to a transaction (e.g. Chief Executive or Mayor)

Name	Cameron McIntosh
Title	Chief Executive Officer
Organisation	Southland District Council
Signature	
Date	30 th April 2021

Section 5: Attachments

[Attach here, as a PDF, any additional information you consider necessary to support your application. Note that there is a 20MB size limit]

Appendix A



Southland Regional Development Agency

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greatsouth.nz



APPENDIX A:

VISITOR INSIGHTS FOR FIORDLAND RTO

PREPARED 30 APRIL 2021

Regional Context

Prior to the impacts of the COVID-19 pandemic and the subsequent international border closure, Southland was experiencing high levels of visitor growth across the entire region. This was critical to key touring routes developed through the region, including the Milford Road corridor (i.e., travel from Queenstown to Milford Sound) and through the Southern Scenic Route. For the calendar year of 2019, the total Southland region achieved 3% growth in visitor spend, equating to \$692 million, with the Southland and Fiordland Regional Tourism Organisations (RTO) up 2% and 5% respectively. This was driven by a buoyant international and domestic markets.

Similar levels of growth can be observed across all visitor indicators monitored by Great South, with strong growth observed in the accommodation sector, key destinations such as Rakiura Stewart Island, Milford and Doubtful Sounds and vehicle movements. The COVID-19 pandemic has severely impacted visitor spend and destination development of the region. Following the national lockdown and when domestic travel was becoming available again, a strong rebound was observed in Southland RTO, with high numbers of domestic travellers. Such a rebound has not been observed in Fiordland RTO due to high reliance on international travellers.

Great South monitors key tourism destination indicators for Fiordland RTO (encompassing both Te Anau and Manapouri townships). Through this appendix, we provide insight into the historical, and anticipated growth challenges for Te Anau and Manapouri. Key indicators reviewed, include:

- Guest nights (commercial accommodation)
- Destination specific indicators (passengers through Milford Sound and Manapouri Terminals)
- Daily visitor counts (DataVentures/Statistics New Zealand)
- Regional visitor flows through Southland region (UberMedia)
- Regional (tourism) spend data

A strong tourism industry impacted by COVID19

Data supplied by DataVentures, provides a daily estimate of number of people within the RTO boundary. Based on this data, prior to COVID19 Fiordland saw around 2,000 international visitors per day during the peak tourism season¹, and a further 1,600 domestic visitors (outside of Southland). Unsurprisingly, with the closure of the borders, only international visitors remaining in the country visited this season, averaging 144 international visitors² a day. With disruptions to domestic travel (e.g., regional COVID lockdowns), the average number of domestic visitors fell to 1,350 per day for this season.

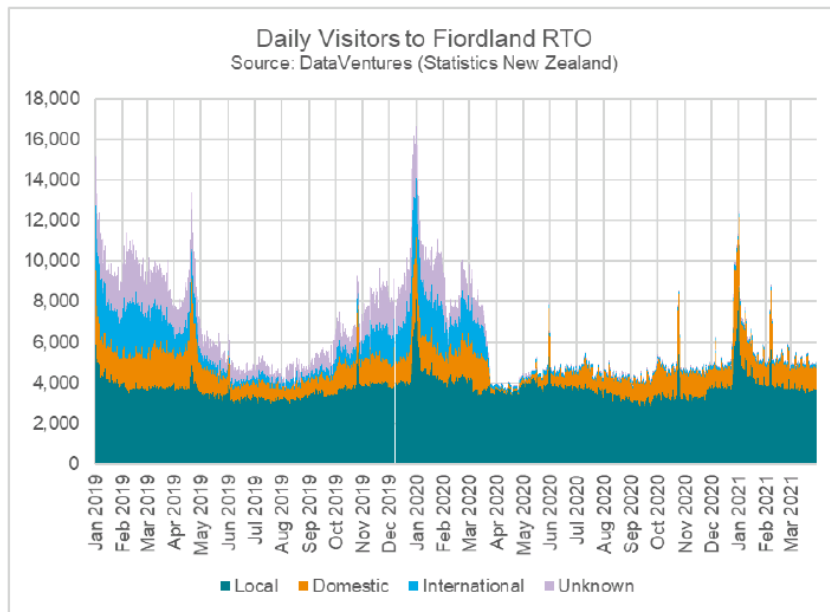
¹ November to March

² This number may be overestimating actual number of international 'visitors' (with migrant workers and New Zealanders returning home), however other data held by Great South shows a small number of international visitors still travelling around the region.

Southland Regional Development Agency

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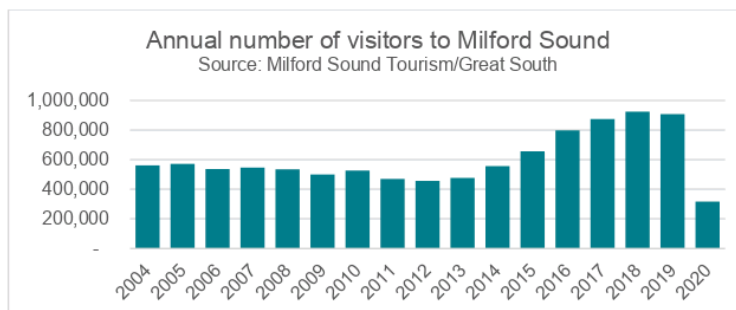
greatsouth.nz



Fiordland destinations – Milford and Doubtful Sounds

Milford Sound has experienced a high rate of visitor growth, averaging around 4% growth year on year for the past 16 years. However, since 2016, this increased to an average growth of 12% year on year. This was tracking towards 1 million visitors a year, with just over 900,000 visitors in 2019.

This increasing demand was heavily reliant on the international tourism market making greater than 50% of visitors to Milford Sound. With the impacts of the international border closure, and the closure of the Milford Road (with damage from the Fiordland floods), visitation to Milford Sound dropped to around 300,000 visitors in 2020, a 65% reduction.



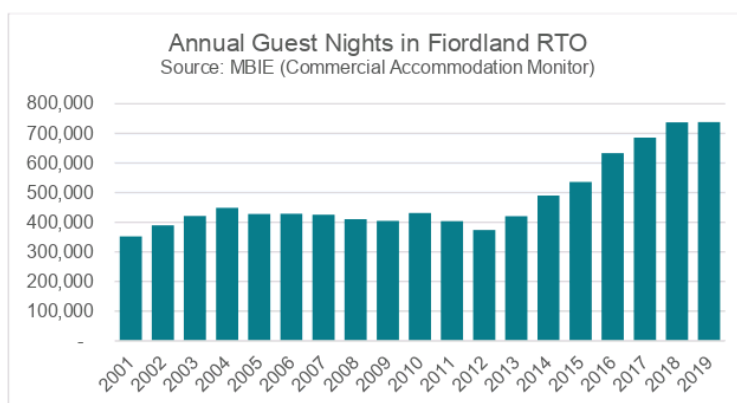
Data provided by Wayfare Group shows the number of visitors travelling across Lake Manapouri for the past 4 years. Travel across Manapouri is relevant both for cruises in Doubtful Sound, and some of the 'adventure' cruise travel through the southern fiords. Here, we see less of a marked impact of the closure of international borders, with only a 32% reduction in visitation during 2020, likely driven by high numbers of domestic visitors opting for Doubtful Sound/Southern Fiordland.

Calendar Year	Passengers Numbers	Change
2017	105,000	
2018	105,000	0.0%
2019	112,000	6.7%
2020	76,000	-32.1%

Accommodation indicators

Historical data held by MBIE through the Commercial Accommodation Monitor has shown a similar trend of growth through the Fiordland RTO boundary, with an average of 11.3% growth in annual guest nights, year on year between 2016 and 2018. This monitor was discontinued in late 2019³. Annual guest nights for Fiordland peaked at just over 730,000 in 2018.

The new metric adopted by MBIE (Accommodation Data Program) for June – December 2020 (6-month period), shows guest nights of just over 150,000 – less than half of what Fiordland used to see over a similar period.



Data held by TripTech, a platform showing visitation predominantly of the Free Independent Travellers, particularly international markets, also shows a marked drop in the number of visitors to the RTO area.

Period	Number of Nights	Change
Year End March 2020	21,391	
Year End March 2021	7,372	-65.5%

³ As the monitor concluded in September, an estimate is provided for October – December 2019

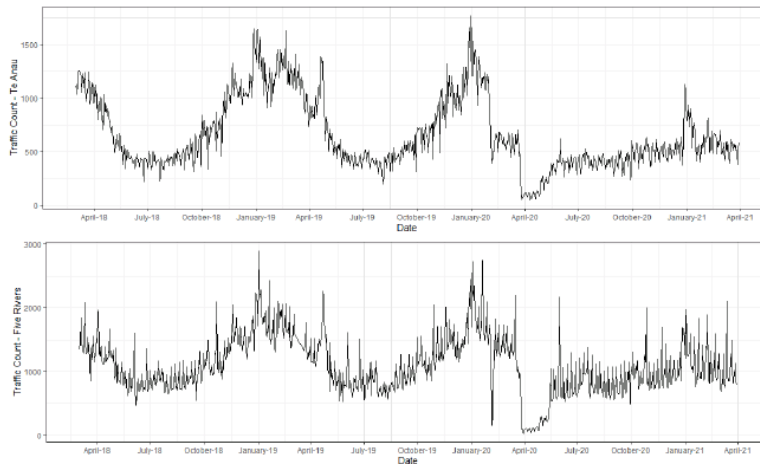
Vehicle movements, travel directions and flows

Data provided by Waka Kotahi New Zealand Transport Agency, shows general travel patterns through their permanent traffic monitoring sites at:

- Te Anau – on the outskirts of Te Anau, on the Milford Highway (State Highway 94)
- Five Rivers – on State Highway 6

At both sites, the number of light vehicles has been monitored⁴, and both show a reduction in traffic as a result of the closure of international borders and less rental/self-drive travellers through the region.

In Te Anau, the maximum number of daily vehicles heading towards Milford Sound, was just over 1,500 (January 2020), but this has dropped around 33% to 500 vehicles a day from February 2020⁵ and has not recovered since. At the Five Rivers site, the number has dropped from a peak of just under 3,000 (January 2019) to just over 1,000 per day, a drop of 67%.

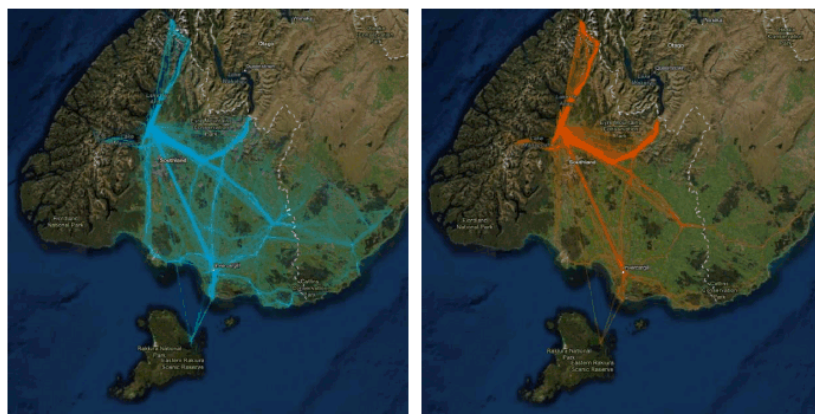


Great South has also reviewed route data of international and domestic (non-Southlanders) visitors, held by UberMedia for 2020, as a key insight into visitor flows. The figure presented below shows these patterns, with each line representing an independent traveller's route. Where their exact route is not known, a line is drawn between the two known points

This confirms the high numbers of international travellers on the Queenstown to Te Anau/Milford Corridor, as shown above through the traffic counts. It further shows the development of routes into Fiordland from the south, namely from Invercargill to Te Anau. Regardless, this shows a clear picture of Fiordland acting as a focal point of visitation to the wider Southland region, historically. Domestic travel, unsurprisingly, is more varied with more travellers opting for travel around the Southern Scenic Route (around the south coast).

⁴ Therefore, excludes the number of commercial buses, and trucks on the road.

⁵ Following the Fiordland Floods, and COVID border closures



Domestic Visitor Flows - 2020

International Visitor Flow - 2020

Note:

Where the travel route between two towns is unknown, a straight line is drawn between the towns. (e.g., between Te Anau and Invercargill). Data derived from UberMedia of 647 international travellers, and 1,371 domestic travellers

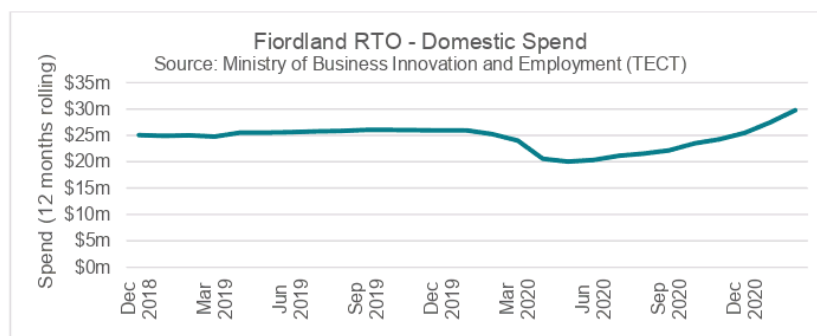
Spend indicators

Data provided by MBIE's Tourism Electronic Card Transactions (TECT) shows the proportion of electronic transactional spend through the regional tourism organisation area, by defined visitors. This provides an overall context of the impact of the COVID19 and associated closure of borders on the region.

The overall spend figure presented below shows Fiordland as the worst hit Regional Tourism Organisation area, when 12-month spend is compared to the previous year. As shown, Fiordland had a reduction in spend of 55%

	YE February 21	Change in Spend
Destination Fiordland	\$ 36m	-55%
Destination Queenstown	\$ 514m	-39%
Great South	\$ 204m	-9%

Through reviewing domestic spend for Fiordland, a stable trend (year on year) can be observed, with a slight increase in spend over the 2021 summer.



Future and anticipated growth

Forecasting undertaken by Infometrics suggests international tourism will return to about 80% by 2025. Our expectation is that Southland will achieve between 80% and 100% of current figures within this time, based on current indicators. The Tourism Satellite Account, for the Year End March 2020 (so prior to the impacts of the COVID 19 pandemic), estimated there would be 3.7 million international arrivals into New Zealand. 80% of this is 2.9 million international arrivals, similar levels to what was seen in 2015.



Adopting the assumptions of this model, then it is a fair assessment that Southland is likely to see the levels of demand for tourism infrastructure in 2025 that was seen in 2015. This includes:

- Approximately 500,000 guest nights across Te Anau and Manapouri and 20,000 guest nights freedom camping through the region.
- Approximately 650,000 visitors to Milford Sound, and 80,000 to 100,000 guests across Lake Manapouri

Summary

Based on this review, we find the following:

- Fiordland, and specifically Te Anau, Manapouri are a key part of the wider Southland tourism offering, with significant volumes of visitors opting to visit Fiordland tourism products. As such the area has had significant recent growth.
- With the closure of international borders, Fiordland has seen biggest reduction in spend on a percentage basis, nationally.
- However, domestic spend in Fiordland for the past two years has shown a slight increase.
- Visitors to Milford Sound have reduced 65% (YE Dec 2020) as a result of this closure. However Doubtful Sound visitation (through Manapouri) has only reduced by 32% (YE Dec 2020), this is due to the strong domestic offering of Doubtful Sound.
- Accommodation indicators show a similar picture, with strong growth in guest nights through until 2019, and the significant reduction (at least 50%) in 2020.
- Based on modelling undertaken by Infometrics, we expect visitation to return to 2015 levels within the next 4 years. Significant constraints on ageing infrastructures of this load with a strong domestic market and the return of these levels of tourism are expected.

Should you require any further context to this, please contact the undersigned.

Mat Darling
Great South Data Insights Analyst

Southland Regional Development Agency

greatsouth.nz

Appendix B



Southland Regional Development Agency

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30 April 2021

To Whom It May Concern,

RE: TIF Applications for Te Anau and Manapouri

As current Councillor for Fiordland and Deputy Mayor of the Southland District, as well as resident and business owner in Te Anau, I would like to provide my support towards these applications and highlight their importance.

I have seen Te Anau and Manapouri go from small towns that were thriving with increasing numbers of tourists to a region that is struggling to survive.

Te Anau is hugely reliant on international visitors. Pre COVID, 80-85% of the Fiordland market was international visitors. When the borders closed, every business was affected and approximately 85% of local business were critically impacted. This flow on effect has resulted in a very empty main street with businesses either mothballing their operation or closing all together.

Currently, only 15-20% of businesses in Te Anau can operate. Even if businesses did want to increase their operation, there is a decrease in the workforce pool as people have had to move out of region to secure work. In pre COVID times, the town also relied on the transient workforce but that is also currently not available. Trying to attract new labour is proving difficult as there is no security of employment and both businesses and individuals are facing financial strain which does not help the situation.

Pre COVID, Fiordland was seeing continued tourism growth which was resulting in strains on the infrastructure that the town was struggling to cope with and manage. In particular, infrastructure which was created for a community with a population of 2500 and 400, was not fit for purpose to meet the needs of visitation in the area of approximately 1 million people. It is no longer an option to do nothing and infrastructure issues can no longer be put off and the Southland District Council is proposing to increase rates in the Fiordland area to cover these much-needed infrastructure upgrades.

However, every rate payer has been affected by COVID. Although there has been a significant decrease in income for businesses, their overheads have either remained the same or increased. The only cost that decreased was wages. The community cannot afford the proposed rates increases and that is why there is such a need for government funding and support.

I strongly support this application to provide financial relief for a community that has been hardest hit by the effects of COVID.

By securing funding to pay off this loan it means that ratepayers will not have to take on this additional financial burden on top of what they are experiencing with other rates increases and of course the effects of COVID. Financial relief may also have a flow on effect which could allow employers to increase their casual hours and their rate of recovery.

I fully endorse this funding application as it is going to help ensure that Fiordland and the community are able to survive and when tourism numbers bounce back, which I have no doubt they will – considering we are the Gateway to the Fiordland National Park and one of New Zealand's iconic destinations – Milford

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

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sdc@southlanddc.govt.nz
southlanddc.govt.nz



Sound. Our desire as a community is to continue to provide an exceptional experience for those travelling into Te Anau and the wider Fiordland and Southland areas to encourage them to stay longer and spend more which of course will have flow on economic impacts for this community.

I welcome any questions on any of this and should you require to discuss it further please feel free to call me on 027 510 7785

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ebel Kremer", written over a light blue horizontal line.

Ebel Kremer
Southland District Councillor
Deputy Mayor

Appendix C



Southland Regional Development Agency

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30 April 2021

To Whom It May Concern,

Re: Regional Tourism Organisation Support for Te Anau and Manapouri TIF Applications

Great South is writing to support the TIF applications being submitted in April 2021.

Great South is the regional development agency responsible for business, events, tourism and community development in Southland. Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland and encourage the region's overall wellbeing and success.

As an agency that is supported by the Southland District, Invercargill City and Gore District Councils, the region's two Regional Tourism Organisations (RTOs) operate out of Great South – Visit Fiordland and Visit Southland. These two RTOs promote and market Southland and Fiordland and more recently have supported businesses navigate through the impacts of COVID-19.

Iconic Hero Destination

Te Anau, with a resident population of about 2500, lies on the eastern shores of Lake Te Anau and is one of Southland's most popular locations for tourism. Known as the Gateway to Fiordland National Park and Milford Sound Piopiotahi, visitors are drawn to Te Anau for its spectacular scenery – in fact, almost 1 million visitors experienced Milford Sound Piopiotahi pre-COVID. Fiordland National Park is home to 3 of New Zealand's 9 Great Walks. In 2014, readers of New Zealand Wilderness Magazine voted it as the best place in New Zealand for tramping opportunities.

Tourism in the region pre-COVID was growing year on year at significant rates. So much so that infrastructure was struggling to cope and this was impacting the overall visitor experience. The challenge of course is the very low rate payer base which is responsible for the costs of a significant number of visitors. Pre-COVID, on any given day there were 3 visitors in the area for every local person. The Te Anau wastewater scheme has to be nearly **six** times larger than that needed to cater for the permanent population, because of visitors to the town.

Impact of COVID-19

COVID has been catastrophic for the region and statistics show that this RTO is the worst impacted in the country. What is concerning is the very slow rate of recovery compared to other regions which can be attributed to the region's isolation, high dependence on international visitors and lack of skilled labour. This is concerning and Great South is partnering with others to address these issues and support the local community and tourism sector.



Southland Regional Development Agency

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We believe that visitors will certainly return to the area because of the uniqueness and international appeal of the area and experience on offer. Being the gateway to New Zealand's largest park is significant enough, let alone we believe that visitors worldwide will seek out these types of experiences after experiencing COVID.

Wider Regional Implications

Altogether, Southland Murihiku has 2 national parks and soon to be 4 of the 10 Great Walks. There is increasing connectivity between these as people seek to experience all of these places. It is important to acknowledge that what happens in Fiordland has a flow on affect for the rest of Southland and the wider Otago region as iconic Milford Sound Piopiotahi and Patea Doubtful Sound are major attractors for visitors to this country.

In recent times, we have seen increasing access to Fiordland through the southern gateway of Invercargill. This aligns with the fact that a quarter of all people who visit Rakiura Stewart Island actually also visit Fiordland. This is a key focus for us to continue to promote in order to encourage regional dispersal of visitors as the New Zealand Aotearoa Government Tourism Strategy.

Improved Visitor Infrastructure is Essential

Alongside DOC, central government and a number of tourism stakeholders, Great South facilitated the development of the Southland Murihiku Destination Strategy in late 2019. This important framework which is a destination management plan, sets out the priorities for developing tourism in our region in a sustainable manner and alongside our people and our place. One of the five key pillars was associated with infrastructure and the need for it to be fit for purpose in order to protect and enhance the natural environment (flora, fauna and wildlife) as well as enhance the visitor experience. Fiordland was an area identified as requiring improved visitor infrastructure alongside the significant product development opportunities possible. We note the importance of the Milford Opportunities project in terms of the future opportunities for the Fiordland basin.

Great South is aware of the need to upgrade infrastructure in Fiordland as reflected in these TIF applications. This will address previous impacts caused by significant volumes of visitors (international and domestic) as well as assist with the future proofing the resilience of tourism.

With this in mind, Great South fully endorses these applications.

Please do not hesitate to contact me for further information.

Yours faithfully,

Great South
GM Tourism & Events

Appendix D



Southland Regional Development Agency

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Table 1: Southland Residential Household Rates Affordability Summary by Area Unit

Area Unit	Rates % Household Income	Median Household Income	Rates 2019 (SDC + ES)			Usually Resident Population (2013)	Number of Households (2013)	Number of Rating Units (selected)	Median Property Value (selected)		2018 NZ Deprivation Index ¹ 1 (least)-10 (most)	Low Income Households (HH)		Rate Arrears		Rate Rebates		Accommodation Supplement	
			Median	Average	Total (\$m)				Capital Value	Land Value		% HH over AU share	% AU HH income under \$33k	% rating units over AU share	% AU rating units in arrears	% rating units over AU share	% AU rating units with rebate	% pop. over AU share	% AU pop. with supplement
Wairio ^(R)	10.19%	\$71,364	\$7,275	\$9,480	\$2.3	942	354	243	\$3.52m	\$2.88m	6		10-20%		5-10%		<5%		<3%
Ohai ^(U)	8.31%	\$30,427	\$2,527	\$2,533	\$0.4	303	126	151	\$57k	\$15k	9	1-2%	30+	2-3%	15%+	3-6%	10-15%	2-3%	7%+
Kaweku ^(R)	7.11%	\$88,072	\$6,262	\$8,364	\$1.4	567	204	166	\$2.92m	\$2.39m	5		<10%		<5%		<5%		
Riverton East ^(U)	7.01%	\$38,946	\$2,731	\$2,765	\$0.6	435	192	204	\$213k	\$57k	8	2-3%	30+	0<1%	5-10%	<3%	5-10%	2-3%	5-7%
Nightcaps ^(U)	6.81%	\$36,844	\$2,509	\$2,525	\$0.4	294	135	153	\$80k	\$22k	10	1-2%	30+	1-2%	10-15%	3-6%	10-15%	2-3%	7%+
Riverton West ^(U)	5.74%	\$51,559	\$2,959	\$3,015	\$2.5	999	459	823	\$360k	\$173k	6	2-3%	20-30%	1-2%	5-10%	3-6%	5-10%	2-3%	3-5%
Tuatapere ^(U)	5.65%	\$46,470	\$2,624	\$2,655	\$0.7	558	246	261	\$141k	\$32k	8	1-2%	20-30%	2-3%	15%+	6-10%	10-15%	2-3%	5-7%
Manapouri ^(M)	5.40%	\$55,764	\$3,010	\$3,206	\$0.8	228	105	244	\$315k	\$121k	4	<1%	20-30%		5-10%		<5%	<1%	3-5%
Wyndham ^(U)	5.35%	\$58,087	\$3,108	\$2,984	\$0.7	534	222	232	\$120k	\$17k	8	1-2%	20-30%	3%+	15%+	3-6%	5-10%	3-4%	7%+
Fairfax ^(R)	5.30%	\$84,863	\$4,499	\$7,340	\$3.7	1,908	693	510	\$1.97m	\$1.58m	5		10-20%		<5%		<5%		<3%
Otautau ^(U)	5.09%	\$52,887	\$2,694	\$2,707	\$0.9	669	291	320	\$185k	\$20k	8	1-2%	20-30%	2-3%	10-15%	3-6%	5-10%	5-6%	7%+
Lumsden ^(U)	5.06%	\$53,108	\$2,686	\$2,703	\$0.6	405	177	220	\$180k	\$29k	8	1-2%	20-30%	2-3%	10-15%	<3%	<5%	1-2%	5-7%
Te Anau ^(U)	4.96%	\$62,513	\$3,100	\$3,195	\$4.7	1,911	813	1,469	\$390k	\$155k	4	1-2%	10-20%		<5%		<5%		<3%
Winton ^(U)	4.66%	\$58,530	\$2,729	\$2,784	\$3.0	2,211	957	1,074	\$260k	\$99k	6	4%+	20-30%		5-10%	10%+	5-10%	6-7%	3-5%
Balfour ^(U)	4.51%	\$55,985	\$2,526	\$2,453	\$0.2	126	54	64	\$158k	\$20k	2	<1%	20-30%		5-10%	<3%	<5%		
Mararoa River ^(R)	4.08%	\$83,314	\$3,397	\$6,981	\$3.9	1,587	594	552	\$965k	\$390k	3		<10%		<5%		<5%		<3%
Stewart Island ^(U)	3.95%	\$59,526	\$2,353	\$2,479	\$0.8	381	171	334	\$310k	\$126k	5	1-2%	20-30%		<5%		<5%		<3%
Milford ^(U)	3.91%	\$52,555	\$2,054	\$2,283	\$0.05	117	30	20	\$673k	\$570k	3				<5%				
Toetoes ^(R)	3.86%	\$71,033	\$2,742	\$4,551	\$2.8	1,647	582	624	\$945k	\$640k	5		10-20%		5-10%		<5%		<3%
Mossburn ^(M)	3.84%	\$58,973	\$2,262	\$2,755	\$0.3	210	87	97	\$165k	\$20k	5		10-20%	<1%	5-10%	<3%	<5%	<1%	<3%
Edendale ^(U)	3.63%	\$74,241	\$2,697	\$2,884	\$0.7	555	231	253	\$220k	\$67k	5	<1%	10-20%		5-10%	<3%	<5%	<1%	3-5%
Riversdale ^(U)	3.40%	\$63,619	\$2,165	\$2,175	\$0.4	372	159	185	\$200k	\$29k	5		10-20%	<1%	5-10%		<5%		<3%
Waituna ^(R)	3.29%	\$85,416	\$2,808	\$6,595	\$3.1	1,683	612	466	\$1.05m	\$785k	4		<10%		5-10%		<5%		<3%
Waikaia ^(R)	3.15%	\$74,352	\$2,340	\$6,823	\$4.5	1,656	642	663	\$560k	\$220k	5		10-20%		5-10%		<5%		<3%
Te Waewae ^(R)	3.13%	\$65,168	\$2,043	\$4,396	\$2.7	1,380	534	604	\$465k	\$185k	6	1-2%	20-30%	<1%	5-10%		<5%		<3%
Hokonui ^(R)	2.98%	\$87,850	\$2,615	\$5,665	\$5.3	3,087	1,089	939	\$840k	\$275k	4		<10%		5-10%		<5%		<3%
Wallacetown ^(U)	2.89%	\$78,999	\$2,281	\$2,353	\$0.6	663	243	263	\$255k	\$56k	4		10-20%	1-2%	10-15%	<3%	<5%		<3%
Dacre ^(R)	2.53%	\$93,161	\$2,356	\$5,309	\$2.7	1,617	579	504	\$933k	\$535k	4		<10%		5-10%		<5%		<3%
Woodlands ^(U)	2.46%	\$71,918	\$1,769	\$2,789	\$0.3	264	111	111	\$340k	\$80k	4		10-20%		5-10%	<3%	<5%		<3%
Waianiwa ^(R)	2.29%	\$85,748	\$1,966	\$4,617	\$2.9	1,968	711	620	\$603k	\$228k	4		<10%		5-10%		<5%		<3%
Makarewa North ^(R)	1.74%	\$90,727	\$1,579	\$1,780	\$0.2	327	120	129	\$475k	\$170k	2		10-20%		<5%		<5%		
Southland	3.95%	\$70,590	\$2,789	\$4,317	\$54.0	29,613	11,523	12,498	\$365k	\$143k									

1 – These figures have been obtained by calculating the weighted average deprivation score for Statistical Area 1 areas contained within the specified area unit. Note – the [NZDep2018](#) figures are from the December 2019 Interim Research Report.
(U) denotes a mainly urban area; (R) denotes a mainly rural area; (M) denotes a mix of urban and rural areas



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

TOURISM INFRASTRUCTURE FUND

Application Form

April 2021

Tourism Infrastructure Fund

Completing this form

This form is designed to be completed in association with the 'Guidance for Applicants' document. If you need any assistance with completing this form, please contact the TIF secretariat on tif@mbie.govt.nz.

Please complete the form in full, and submit it electronically to tif@mbie.govt.nz. Completed proposals must be received by the TIF secretariat no later than 5pm on the deadline date. All deadlines are available on the TIF website and are subject to change.

MBIE reserves the right to accept late proposals in the following situations:

- if it is MBIE's fault that the proposal was received late
- in exceptional circumstances, where MBIE considers that there is no material prejudice to other applicants. MBIE will not accept a late proposal if it considers that there is risk of collusion on the part of an applicant, or the applicant may have knowledge of the content of any other proposal.

There is no scope within the TIF process to assess out-of-round applications (including for feasibility studies). Applications submitted to the TIF Secretariat between funding rounds will be returned to the applicant for resubmission at the next funding round.

Proposal checklist

Before you apply be sure to complete the following:

- ☐ Check the TIF website to ensure you have downloaded the most recent version of each document.
- ☐ Read the 'Guidance for Applicants' document available on the website.
- ☐ Read the supporting information on the TIF website

When filling out this form please ensure:

- ☐ All answers are typed into the space provided for each section in font no smaller than size 10 point.
- ☐ You provide the information required for each question. This is outlined clearly within the TIF 'Guidance for Applicants' document.
- ☐ You have read and understood the declaration details outlined in Section 4 and have signed the declaration.

Once you have completed this form, email a copy to the TIF secretariat at tif@mbie.govt.nz and ensure that you attach any supporting information you wish to provide.

Note: There is a 20MB size limit for emails. For larger applications, please separate them into different emails.

Evidence

When MBIE assesses proposals against the eligibility and/or the assessment criteria, we will consider whether the evidence provided supports the claims, as well as the quality of that evidence. Where questions ask for evidence to support claims, it is highly recommended that you provide reference sources that attest the accuracy and quality of the evidence.

MBIE will assess the application using the information provided by the applicant.

Section 1: Eligibility and project overview

1.1 Eligibility checklist

Do you meet AT LEAST one of the eligibility criteria below:

Annual tourism revenue in your territorial authority less than \$1 billion

☒ Yes

Visitor to rating unit ratio of 5 or more

☒ Yes

Local Government Finance Agency lending limits have been reached

☐ Yes

Project eligibility:

Is your project for publicly-available infrastructure used significantly by visitors?

☒ Yes

Is your project for new facilities or enhancements?

☒ Yes

Have you ensured your project is not for the development of new attractions, accommodation or commercial activities?

☒ Yes

Have you ensured your project will not compete with local private commercial activities?

☒ Yes

Are you seeking co-funding of \$25,000 or more?

☒ Yes

Is your project financially sustainable?

☒ Yes

Have you ensured your project is not receiving NZTA funding?

☒ Yes

NOTE: If you do not answer 'Yes' to the project eligibility questions above, your project is unlikely to be eligible for TIF co-funding.

☒ Yes

1.2 Project overview

a. Is your project addressing a need that is current or anticipated?	<input checked="" type="checkbox"/> Current <input type="checkbox"/> Anticipated
b. Will your project deliver visitor benefits and also benefits to your local community?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
c. Is TIF co-funding critical to the project starting, happening sooner, or being of better quality [Tick all relevant boxes]	<input type="checkbox"/> Starting <input checked="" type="checkbox"/> Happen sooner <input checked="" type="checkbox"/> Better quality
d. Is your proposed co-funding the maximum you can commit to the project, and in monetary form only?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
e. Do you have certainty of land access over the expected life of the proposed infrastructure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f. Does your organisation have systems in place to ensure the proposed project complies with health and safety regulations? (You will need to demonstrate this prior to contracting)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
g. Do your procurement processes require all external contractors involved in construction projects to have valid health and safety processes/plans in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MBIE MAYO 18514496

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Section 2: Proposal and applicant key details

Please enter answers in the right-hand column.

2.1 Proposal key details	
Name of project [A short title that describes your proposed project.]	Te Anau Visitor Boat ramp replacements and new toilet facility.
Short description of proposed project to be co-funded	<p>Te Anau, with a resident population of approximately 2,500, lies on the eastern shores of Lake Te Anau and is one of Southland's most popular locations for tourism. Known as the Gateway to Fiordland National Park and Milford Sound, visitors are drawn to Te Anau for its spectacular scenery. Fiordland National Park is home to 3 of New Zealand's 9 Great Walks with Te Anau the launching pad for visitors on those 3 Great Walks.</p> <p>In 2014, readers of New Zealand Wilderness Magazine voted it as the best place in New Zealand for tramping opportunities.</p> <p>The area has significant international appeal and uniqueness and as such attracted close to 1 million people per annum before COVID-19. This rapid growth in numbers and visitation has resulted in negative impacts on the visitor experience, with respect of the local environment, community and in particular infrastructure, which was created for a community with a population of 2,500 and not fit for purpose to meet the needs of visitation in the area of 1 million people.</p> <p>The Te Anau Visitor Boat ramp replacements and new toilet facility are key visitor infrastructure projects that will ensure Te Anau continues to meet the needs of current and anticipated visitor growth, is fit for purpose and delivers an enhanced visitor experience.</p>
Estimated total cost of project	\$880,000
Amount of TIF co-funding sought – this must exceed \$25,000 (excl. GST)	\$440,000
Is this a discrete project or a bundle of projects?	<input type="checkbox"/> Discrete project <input checked="" type="checkbox"/> Bundle of projects

MBIE MAKO-18514496

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2.2 Applicants' key details	
Applicant Organisation name	Southland District Council (SDC)
Applicant address, including postcode	P O Box 903, 15 Forth Street Invercargill 9840 www.southlanddc.govt.nz
Contact person	Cameron McIntosh
Job title or Role	Chief Executive Officer
Contact phone	0800 732 732
Contact email address	cameron.mcintosh@southlanddc.govt.nz
Contact postal address (including postcode)(if different to applicant address)	

Section 3: Project Description

3.1 Problem definition and need for additional infrastructure

3.1.1 Briefly describe the challenge(s) you are facing as a result of current or anticipated visitor growth that underpin this application. Where possible, please provide qualitative and/or quantitative evidence to indicate the scale of challenge(s).

BACKGROUND

An area of high significance and value

The Te Anau and Manapouri townships are bordered by the Fiordland National Park which was officially constituted in 1952 and covers over 1.2 million hectares. It is by far the largest of New Zealand's 14 national parks and also one of the largest in the world and was declared a UNESCO World Heritage Area in 1986.

Fiordland National Park contains the majority of the largest area of unmodified vegetation in New Zealand and as such is a significant refuge for many threatened native animals, ranging from dolphins and bats to reptiles, insects, and birds. Among the birds are several endangered species endemic to New Zealand such as the takahē, mōhua (yellowhead), and the critically endangered kakapo, the only flightless parrot in the world. The vulnerable Fiordland crested penguin and southern brown kiwi are also almost exclusively found within the park.

Fiordland contains some of the oldest rocks in New Zealand and lying close to the alpine fault where two plates of the Earth's crust meet, the area has been folded, faulted, uplifted and submerged many times. Current day examples of this underpin much of what attract visitors to the area for example, Te Anau Caves which feature a limestone grotto of glow-worms and an underground waterfall, Lake Hauko (New Zealand's deepest lake) and Milford Sound which is widely accepted as one of New Zealand's most iconic destinations with images representing New Zealand well known around the world.

Lakes Te Anau and Manapouri (and the Upper Waiau River that connects them), are Ngai Tahu statutory acknowledgement areas under the Ngai Tahu Claims Settlement Act 1998 and are identified in the regional water plan as natural state waters. Fiordland (Ata Whenua) was well known to the Māori, and many legends recount its formation and naming. Demigod Tuterakiwhanoa is said to have carved the rugged landscape from formless rock. Few Māori were permanent residents of the region, but seasonal food-gathering camps were linked by well-worn trails. Takiwai, a translucent greenstone, was sought from Anita Bay and elsewhere near the mouth of Milford Sound/Piopiota.

Te Anau, with a resident population of about 2,500, lies on the eastern shores of Lake Te Anau and is one of Southland's most popular locations for tourism. Known as the Gateway to Fiordland National Park and Milford Sound, visitors are drawn to Te Anau for its spectacular scenery and in 2014, readers of New Zealand Wilderness Magazine voted it as the best place in New Zealand for tramping opportunities.

Fiordland National Park is home to 3 of New Zealand's 9 Great Walks with Te Anau the launch pad for visitors who are there for tramping experiences.

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SIGNIFICANT VISITOR GROWTH

In the Southland Murihiku Destination Strategy 2019 – 2029, *Summary of community survey findings* the number one favourite things to do/places was Fiordland – visiting Milford Sound and Doubtful Sound.

The area has significant international appeal and uniqueness and as such attracted close to 1 million people per annum before COVID-19 (*refer Appendix A*). This rapid growth in numbers and visitation resulted in negative impacts on the local environment, community and ultimately the visitor experience. This was compounded by Queenstown's rapid growth. In particular, infrastructure which was created for a community with a population of 2,500 was not fit for purpose to meet the needs of visitation in the area of 1 million people. Three quarters of all visitors to Fiordland were from overseas and Queenstown was a key access point for visitors to the region (*refer Appendix A*).

Te Anau, with a resident population of approximately 2,500, lies on the eastern shores of Lake Te Anau and is one of Southland's most popular locations for tourism. Known as the Gateway to Fiordland National Park and Milford Sound, visitors are drawn to Te Anau for its spectacular scenery. Fiordland National Park is home to 3 of New Zealand's 9 Great Walks with Te Anau the launching pad for visitors on those 3 Great Walks.

A cycle trail has been developed that connects Te Anau with neighbouring Manapouri and is providing an added attraction and the opportunity to link with the Great Ride, Around the Mountains Cycle trail are being explored.

Impact of COVID-19

Fiordland has been one of the worst hits destinations as a result of COVID-19 and its recovery once lock down restrictions were lifted, has not mirrored recovery in the rest of the country. The Fiordland RTO is one of the worst hit in New Zealand with a change in spend at -55%, according to spend data provided in MBIE's TECT (*refer Appendix A*). It is thought that this is due to a combination of factors including its isolation and distance to main populations (which is a barrier to weekend visitation for the domestic market) as well as the fact that it had primarily attracted international visitors pre COVID-19 and did not have market awareness with New Zealanders (*refer Appendix A*).

Anticipated Visitor growth - Post COVID-19

In short, visitor growth is anticipated to grow from domestic and international visitors and this is primarily linked to the fact that this destination is the launching pad for 3 of the Great Walks as well as high level of interest in Milford South.

The Southern Scenic Route is a coastal journey linking Dunedin to Queenstown, via coastal Southland including the Catlins, Manapouri, and Te Anau. The route is a key tourism drawcard for Southland with Te Anau, in particular Milford Sound, key destinations promoted and accessed by the self-drive market touring this route. Great South has reported growth in travel along the Southern Scenic Route in recent times which supports that New Zealanders are 'trying something new' and travelling previously unexplored places. This is subsequently putting pressure on Te Anau's infrastructure particularly public toilets and boat ramps.

Great South, Southland's economic development agency and regional tourism organisation, is actively working on a collaborative project between the eight RTO's of the lower South Island on developing a network of touring routes throughout Otago and Southland.

The project, which includes wayfinding strategy, analysis of existing production offer and identification of gaps and opportunities to encourage greater visitor dispersal around the region, will give Southland more product and opportunities for self-driving tourists, which will create additional pressure on infrastructure (toilets, roads, boat ramps) at the key destinations along this touring route.

RESULTING CHALLENGES

Due to significant visitor growth experienced in Fiordland pre-Covid-19, with an average of 11.3% growth in annual guest nights, year on year between 2016 – 2018 (*CAM, MBIE refer Appendix A*) and the subsequent anticipated rebound of the visitor market once the international borders are opened, the resulting challenges have been identified for key infrastructure in providing access to Lake Te Anau (two separate boat ramps) and a new public toilet facility.

Boat ramp upgrades in two Lake Te Anau locations

- **68 Manapouri Te Anau Highway (priority)**
- **opposite 158 Te Anau Terrace**

Pre-COVID total visitor growth for Fiordland was increasing annually and that includes strong domestic growth (*refer Appendix A*). Leisure activities based on Lake Te Anau, such as water sports, fishing and use of pleasure crafts, that are a focus for the domestic visitor to Te Anau and have placed pressure on the aging infrastructure that provides access to the lake for visitors at both these boat ramp locations.

A future focus of product development recommendations for Fiordland (Manapouri and Te Anau) is water-based tourism. A proactive approach to encouraging seasonal products to support the positions of Te Anau and Manapouri as a staging post for Fiordland and Milford would be beneficial and include such options as kayaking on the lakes, including tours, passive activities such as paddle boarding or other recreational activities and potentially other opportunities such as wind surfing, kite surfing.

With demand on this infrastructure already high due to domestic visitation, and future water-based tourism products requiring access to the lakes via public available boat ramps, additional demands on the current infrastructure will continue.

Southland District Council have an obligation to ensure they provide a safe, compliant and user-friendly boat ramps which improve and enhance the visitor experience by providing high quality facilities.

Boat Ramp Upgrade 1 – 68 Manapouri Te Anau Highway

This free publicly accessible boat ramp is also centrally located in the township of Te Anau and just along from the Fiordland National Park Visitor Centre. It has suitable vehicle and boat trailer parking facilities near the boat ramp and is in position to help reduce the pressure of current demand on the boat ramp opposite 158 Te Anau terrace. This asset was included as part of condition assessments completed by infrastructure and engineering consultants, WSP Invercargill, on public boat ramps in the Waiau catchment. The report identifies that there is work required on this ramp and at a current width of 3.6m it does not meet the minimum ramp width of 4.5 metres according to AS3962-2001 C17.2.3.2(c)

This boat ramp currently does not meet the standards for boat ramps, being too narrow, and subsequently is not a preferred option for our recreational leisure boaters due to its narrowness. If

upgraded, it would provide an attractive and usable option for additional access to Lake Te Anau for our domestic visitors and ensure that we have future proofed safe access and enhanced the visitor experience in accessing Lake Te Anau.

Showing identified defects and damage of boat ramp at 68 Manapouri-Te Anau Highway



Boat Ramp Upgrade 2 – opposite 158 Te Anau Terrace

This free publicly accessible boat ramp accesses Lake Te Anau directly from the main lakefront of Te Anau, a short distance from the centre of town and is a clearly visible boat ramp for any visitors to the town. This asset was included as part of condition assessments completed by infrastructure and engineering consultants, WSP Invercargill, on public boat ramps in the Waiau catchment.

Whilst the overall condition is good the report does identify defects and damage given the level of use that this free public boat ramp gets, and Southland District Council are proposing a replacement of this boat ramp.

View of boat
ramp opposite
158 Te Anau
Terrace



Showing identified defects and
damage of boat ramp opposite 158
Te Anau Terrace



Showing identified defects and damage of boat ramp opposite 158 Te Anau Terrace



New Public Toilet Facility – 170 Te Anau Terrace

With increased growth in visitation to pre-COVID showing Fiordland received over 2000 international a day, with a further 1,600 domestic visitors (*Source: DataVentures refer Appendix A*) the impact on current infrastructure in Te Anau has been extremely high.

The Southland Murihiku Destination Strategy 2019 – 2029 which is our regions destination management principle guiding strategy demonstrated strong alignment between the 16 Destination Management components as identified by MBIE in their Best Practice guides, with Amenities, Services and Infrastructure a key focus with an awareness of importance as enablers to manage current and support future growth.

For Southland to develop and grow as a sustainable visitor destination a number of challenges and barriers need to be addressed. The strategy has identified one of the key barriers to growth is **limited public toilet facilities**. Consultation feedback from Government agencies, community and industry sources indicates concern at the lack of public toilets in both town and remote locations near visitor attractions. This reflects both a lack of any toilets and a lack of sufficient public toilet capacity leading to environmental degradation and potential public health issues.

The current toilet facility at 170 Te Anau Terrace has had an assessment undertaken by engineering and infrastructure consultants, WSP Invercargill, in November 2019 and the results of this assessment showed that there is a need to undertake work on strengthening the building due to its complex roof structure. With previous levels of visitor growth experienced and the anticipated levels it is proposed to demolish the current facility and build a new one that is fit for purpose and works to enhance the visitor experience in Te Anau.



Current Toilet block at
170 Te Anau Terrace

Territorial Authority rating base – Southland District Council

The TA of Southland District Council is already identified as having a lower ratepayer base and is disproportionately affected by visitor growth, particularly evident in the Fiordland region.

Te Anau, a small community of around 2,500 permanent residents experiences significant fluctuations in population through summer and holiday periods with strong domestic and international products.

Based on historical data provide by DataVentures (Statistics New Zealand), we know that for every local in Fiordland, there are up to 3 visitors (approximately 1 will be from the wider Southland region, 1 from the New Zealand (exc. Southland) and 1 international visitor).

The area has significant international appeal and uniqueness. Infrastructure which was created for a community with a resident population of 2,500 in Te Anau is not fit for purpose to meet the needs of visitation in the area of 1 million people (*refer Appendix A*).

3.2 Proposed infrastructure

3.2.1 Briefly describe the infrastructure you propose to construct, and how it addresses the challenge(s) you have identified above. Please also list the other options considered and explain why the proposed project is fit-for-purpose and offers value for money.

Milford Opportunities Project

Infrastructure must align with recommendations from the Milford Opportunities Project which will recommend further development of the Fiordland basin as the visitor hub for Milford Sound, Piopiotahi and the wider Fiordland experience. With a view to best managing Milford Sound, some draft concepts have suggested different way to access and travel through the park both by road and air. This could mean the possibility for a Park and Ride from Te Anau to Milford Sound which would require a base of operations on Te Anau. There was also discussion around an increased focus on Te Anau/Manapouri Airport as a base for more air flights into Milford Sound.

It is important to note that these are draft concepts and not confirmed. However, it is important to understand them and the subsequent implications on Te Anau. In short, Te Anau would see increased growth as the entry point to the Fiordland National Park and Milford Sound and would see more visitors and potentially more overnight stays and encouraging regional dispersal around the Fiordland region.

Infrastructure in Te Anau therefore needs to be fit for purpose to meet this transformational change.

Boat Ramp Upgrades

With an increased focus on the exceptional quality of the night sky and the current investigation of an International Dark Sky park for Fiordland National Park, it is anticipated that more tourism product development will be created around viewing the night sky, includes cruises and viewing on the lake. As part of installing new boat ramps, both ramps at 68 Manapouri Te Anau Highway and opposite 158 Te Anau Terrace would have lighting installed to ensure they are a safe and well-lit area, future proofing these assets for anticipated growth.

Lighting would remain sympathetic to the lighting requirements for an International Dark Sky park

Boat ramp 1 - 68 Manapouri Te Anau Highway

As this boat ramp currently does not meet the required standards for boat ramps, it is currently only 3.6m wide and the standard is 4.5m, the current boat ramp would be demolished and replaced with a ramp that meets the standards. New lighting would be installed.

An alternative option would be to extend the width of the existing ramp by adding a clip on to one side of the ramp. However, this may lead to additional maintenance costs in the future.

A full replacement is the preferred option.

Boat ramp 2 - opposite 158 Te Anau Terrace

The original boat ramp was added to in 1997 to extend the width so that it would cater for the higher volumes of boats that the town was experiencing at the time. The ramp is formed by a number of sections that have been tied to the original single lane ramp. Some of the issues that have been identified in the engineering and infrastructure consultants, WSP Invercargill, report relate to the ramp not being a single structure.

It is proposed to demolish the existing ramp and replace it with a new double width (9m) wide ramp and new lighting would be installed.

The other key consideration investigated was to undertake remedial work to the structure, however this is only a short-term solution and given the high demand on this asset Southland District Council consider that this would not be fit for purpose for the anticipated long-term increase usage of the boat ramp.

New Toilet Facility – 170 Te Anau Terrace

The current toilet facility would be demolished and a new toilet facility is proposed on the site of the existing toilet block at 170 Te Anau Terrace to cater for the increased visitor growth and anticipated growth to Te Anau. The toilet services the adjoining playground, visitors to Bluegum Point, users of the cycle/walk trail and recreational boaties accessing the lake from the public boat ramp and the marina.

The current toilet had a seismic assessment completed by engineering and infrastructure consultants, WSP Invercargill, in 2019. The report identified issues with the roof structure of the toilet and it is seen as a medium risk. Southland District Council has prioritised the replacement of its existing toilets that are of concrete block construction over the period of the LTP.

This new toilet facility would be a 2-pan accessible toilet will also have provision for a changing room and a disposal system at the building for boat effluent canisters will be included. This disposal system is in response to a request from the Te Anau Boat Club and it is envisaged that members of the boat club will be given a key to access this disposal system.

Other options considered were to undertake remedial work on the existing facility at 170 Te Anau Terrace. However, given the anticipated visitor growth and usage of these facilities currently remedial work would only be a short-term fix.

Overall Southland District Council are suggesting an approach of packaging the procurement for the Te Anau Boat ramp replacements and new toilet facility which leverages economies of scale and ensures the most efficient use of time and money.

3.2.2 Please demonstrate that the proposed project has the support of the local community (e.g. has gone through some type of consultative process), and has support from the local economic development agency or regional tourism organisation.

Please Note: During the project recipients will be asked to keep the Ministry aware of any subsequent consultation process which could result in the project either not proceeding or requiring significant change from the original proposal.

The Te Anau Visitor Boat ramp replacements and new toilet facility projects have all been discussed in-depth and confirmed by the Fiordland Community Board and therefore included in the Southland District Council LTP. There were no objections to these projects as part of the Long-Term plan consultation and submission process.

The projects have been included in the current draft LTP at an indicative cost/s

- Boat ramp refurbishment 68 Manapouri Te Anau Highway \$80,000 funded by a 30-year loan in 2021/22
- Boat ramp refurbishment opposite 158 Te Anau Terrace \$60,000 funded by a 30-year loan in 2021/22
- Te Anau Toilets - 170 Te Anau Terrace \$300,000 funded by a 15-year loan in 2021/22

At its recent meeting on the 14th April 2021 the Council considered a paper on the TIF applications and the associated funding and *"Acknowledge[d] that it has committed the above funding to the above stated Te Anau Visitor Boat ramp replacements and new toilet facility projects.*

The Fiordland Community Board represents the interests and views of the local community and a submission in support of applying to the Tourism Infrastructure Fund was received by the Fiordland Community Board – *refer to Appendix B letter of support from Fiordland Cr E Kremer.*

The Te Anau Boat Club, via the Fiordland Community Board, has provided support for a disposal system for boat effluent canisters.

Great South, as the Economic development agency and regional tourism organisation for Southland supports and endorses these projects - *refer to Appendix C for letter of support.*

Support at from Central government has been widely acknowledged for the Fiordland area, which has been one of the hardest hit regions impacted by COVID-19. Support by way of investment to ensure visitor related infrastructure in Fiordland can continue to be improved over this uncertain time will ensure the visitor experience for kiwis and international visitors when they return is improved.

3.2.3 List all the benefits that you expect will flow from your proposed project (focusing particularly at the visitor benefits).

Fiordland, and in particular Te Anau, has significant international appeal and uniqueness, however with infrastructure which was created for a community with a resident population of 2,500 is not fit for purpose to meet the needs of visitation in the area of 1 million people (*refer Appendix A*).

There is importance to ensure an enhanced visitor experience by creating modern accessible facilities to cater for a range of visitors to the marina, foreshore and playground. Installation of a boat effluent disposal system also ensured the risk of contamination to the environment is considerably reduced.

With demand on boat ramps already high due to domestic visitation, and future water-based tourism products requiring access to the lakes Southland District Council have an obligation to ensure they provide a safe, compliant and user-friendly boat ramps which improve and enhance the visitor experience by providing high quality facilities.

The benefits from the Te Anau Visitor Boat ramps replacements and new toilet facility tie in with the Southland Regional Development Strategy 2015-2025 which identifies improving tourism experience and opportunities as the second challenge in diversification of the regional economy.

Southland Murihiku Destination Strategy 2019 - 2029

The Southland Murihiku Destination Strategy 2019 – 2029 was a key outcome from the Southland Regional Development Strategy 2015 – 2025. The strategy is our regions destination management framework which demonstrates strong alignment to the New Zealand-Aotearoa Government Tourism Strategy. The strategy demonstrates strong alignment with the 16 Destination Management components as identified by MBIE in their Best Practice guides.

Amenities, Services and Infrastructure are a key focus of the Strategy to manage current and support future growth.

The Te Anau Visitor Boat ramps replacements and new toilet facility are important pieces of infrastructure that supports the fundamental needs of visitors and the community, particularly in relation to what they expect in the way of services and on their perceptions of the place and the visitor 'product'.

It is about dealing not only with the issues now but providing for the growth of visitor numbers and their needs into the future. This will enable Te Anau to further grow as a regional destination in its own right over time and will have significant benefits in terms of visitor enjoyment of a specific site.

In this day and age visitors have an expectation that they will have modern and accessible toilet facilities and can experience quality visitor facilities in towns such as Te Anau.

The greatest benefit, and consequently the greatest risk, is to New Zealand's tourism brand. Poor visitor perception and access to our most basic of infrastructure could mean that visitors will go away from Te Anau with the view that New Zealand of a quality visitor experience.

Negative perceptions of our brands can impact on New Zealand tourism particularly where they are related to iconic visitor destinations. The use and prevalence of social media as a way of communicating a visitor's views on a place, activity, or issue means that these infrastructure issues need particular care and attention.

Link to other strategic programmes

Milford Opportunities Project, which is supported through the representation of a number of government agencies on the governance group including DOC, NZTA, MBIE, as well as Ngai Tahu and the Mayors of both Southland and Queenstown.

Milford Opportunities is considering a number of visitor related projects that will improve the Milford experience. These projects are broad ranging and include looking at ways to develop and promote Te Anau as the gateway to Fiordland and enhance the Milford journey which will tie in with the drive toward the regional distribution of visitors.

From the perspective of the visitor these projects provide improvements to the overall visitor experience in the Te Anau area. Modern, user friendly, safe and compliant facilities and structures will increase the visitor experience as a package.

3.3 Funding the project

3.3.1 Briefly describe the current financial situation of your organisation and why TIF co-funding is required for the proposed project.

To support your application, please provide the following information:

- How the proposed project will be funded if TIF co-funding is not received (from debt, cash flow, or some other source)
- If funded from rates, what will be the impact be on ratepayers? Will the impact be on a specific group or general ratepayers? If this will impact on a specific group, please identify the financial impact and which group this will be.
- Brief analysis of the Council's unallocated reserves (what are these, forecast levels, and proposed use over the period of the LTP)

On paper Southland District Council has a strong financial position with \$1.58 billion in net assets on its balance sheet at 30 June 2020. However, the majority of the value is associated with infrastructure assets that are not easily realisable on the open markets (roads, water, wastewater and stormwater) totaling \$1.57 billion. Council's actual cash position is in the order of \$11 million but that is needed to maintain cash flow between rates installments.

Southland District Council has \$41.8 million of reserves at 30 June 2020. A significant portion of these reserves are held for a community or specific asset class. These funds have predominately been loaned out to our communities by way of internal loans to assist with asset development across the district.

Council has three general reserves with a balance of \$11.3 million at 30 June 2020. The interest income from one of these general reserves (\$8.5 million) has traditionally been used to offset the roading rate, this is due to the reserve being created when the roading operation was sold. However, as part of the draft long-term plan 2021-2031 it is proposed that part of these funds will be used to fund some of the increased roading capital programme in the first four years. The expected balance at the end of 2030-31 is \$4.2 million. The other two reserves have a total balance at 30 June 2020 of \$2.8 million are intended to provide coverage in the event of unexpected costs (including a natural disaster). These two reserves are forecast to be \$2.7 million at the end of 2030-31.

There are currently four reserves specifically for use in Te Anau. Two of these are for stormwater and a Luxmore, one for use at the carpark and a general reserve. At 30 June 2020 the total of all four reserves was \$2.3 million. The expected balance at the end of 2030-31 is \$1.8 million (with \$1.76 million for stormwater and Luxmore) with the reserves being used to fund capital work where appropriate.

The Southland District Council draft long term plan 2021-2031 includes the following:

- Boat ramp refurbishment Steamers Beach \$80,000 funded by a 30 year loan in 2021/22
- Boat ramp refurbishment Boat Harbour \$60,000 funded by a 30 year loan in 2021/22
- Te Anau Boat Harbour Toilets \$300,000 funded by a 15 year loan in 2021/22

The loans on the first two projects listed above are funded through the Fiordland Community Board rate. There are currently 5,197 ratepayers that pay the Fiordland Community Board rate paying a combination urban, semi urban and rural rate. A differential is applied to semi urban of 0.5 and to

rural of 0.25 of the urban rate. The proposed urban rate for 2021/22 is \$239.30 GST incl (\$208.09 GST excl); for a total value of \$601,837 GST incl (\$523,337 GST excl).

The Fiordland Community Board rate includes both Manapouri and Te Anau (along with parts of the surrounding rural area).

The loans for work completed in 2021/22 require additional rates for repayments of loans from 2022/23 of \$6,251; 1.19% of the total Fiordland Community Board rate for 2021/22. This is an additional \$2.86 GST inclusive for an urban rating unit.

If the additional \$140 thousand requested through the tourism infrastructure fund for the two projects had to be funded by loan repaid from the Fiordland community board rate an additional \$6,251 per annum (1.19%) would be required in 2022/23 from the Fiordland ratepayers. This is an additional \$2.86 GST inclusive for an urban rating unit.

The loan for the toilet at Te Anau boat harbour is funded by the ratepayers across the district through the general rate. This is collected through a combination of fixed rate and a rate in the dollar on capital value. The loans for work completed in 2021/22 require additional rates for repayments of loans from 2022/23 of \$23,348; 0.11% of the total general rate in 2021/22.

If the additional \$300 thousand requested through the tourism infrastructure fund for the three projects had to be funded from the general rate an additional \$23,348 per annum (0.11%) would be required in 2022/23 from the district ratepayers.

Refer to Appendix D for 2019 2020 Southland District Council Household Rates Affordability table.

3.3.2 Describe what alternative sources of funding were explored before this co-funding request was made.

No other funding sources have been investigated to date.

Tourism infrastructure funding is not a funding priority for community funders and even more so in today's COVID-19 funding environment.

3.3.3 Please list any other active TIF funded projects and provide an update on progress.

Please Note: strong preference will be given to applications from councils that have completed previously approved projects.

Southland District Council currently has two active TIF applications, the Southern Scenic Route and Te Anau Wastewater applications.

The Southern Scenic Route application consisted of four separate projects -

- Waikawa Toilet Upgrade (complete)
- Te Anau Town Centre Toilet (complete)
- Monkey Island Camping Area Development (incomplete)
There is some interpretation work to complete and the shelter to be replaced
- Clifden Bridge Camping Area Development (incomplete)
There is some outstanding interpretation work to complete.

Due to unforeseen issues with both of these pieces of the project Southland District Council have included the funding for the outstanding work in the first year of the Long-Term Plan.

MBIE MAKO 18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form April 2021

Te Anau Wastewater

Construction is currently 80% complete with this project. Delays have been observed due to COVID-19 with two key items still remaining on back order but there has been confirmation these items are now in transit and due into New Zealand in the month of May 2021, with the result of no current foreseeable delays to the project completion.

The project forecast is tracking well to budget and is calculated to be completed within the allocated budget.

Southland District Council have successfully received funding from MBIE via the Tourism Infrastructure Fund for previously completed projects –

- Lumsden Upgrade got TIF funding in 2017
- Real Journey's Manapouri Carpark got TIF funding in 2019

Knobs Flat Wastewater Disposal Upgrade

The TIF allocated funding towards an upgrade of wastewater disposal system at Knobs Flat in collaboration with Milford Sound Tourism. Milford Sound Tourism has since advised that they are not continuing with the project at this stage so have not picked up the funding.

3.3.3 Financials for proposed project Provide a breakdown of the tasks and associated costs required to complete the project. All costs should exclude GST. Use the 'insert row' function if you wish to add more milestones/tasks.

Marginal operating and maintenance costs for the first 2 years may be taken into consideration by the TIF Panel when assessing an appropriate level of funding. i.e. the additional operational and maintenance costs when the proposed project is completed.

Note: In most circumstances TIF co-funding will not be available of obtaining land access, resource consents, building consents, staff resourcing or on-going servicing of existing infrastructure.

Note: The TIF decision-making process could take up to 2-3 months from the closing date of applications. Please take this into account when planning your project timeline, especially if the project start date is contingent on TIF funding being secured.

Milestones and Project Tasks	Estimated Start Date	Estimated Completion Date	Total cost	TIF funding sought	Applicant co-funding	Key assumptions made in estimating costs
'Milestone one'						
Submit TIF Application	19 April 2021	30 April 2021				
Resource Consent Application	28 May 2021	30 June 2021	\$30,000	\$15,000	\$15,000	
Building Consent Application	28 May 2021	30 June 2021	\$20,000	\$10,000	\$10,000	
Geotechnical Survey	28 May 2021	30 June 2021	\$20,000	\$10,000	\$10,000	
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$70,000	\$35,000	\$35,000	
'Milestone two' -						
Finalise TIF Funding	2 August 2021	5 August 2021				
Finalise scope of project	16 August 2021	20 August 2021				
Finalise and sign contract	23 August 2021	27 August 2021				
Sub-Totals (do <u>not</u> include Annual operating / maintenance):						

'Milestone three' -						
Procurement	30 August 2021	8 October 2021	\$20,000	\$10,000	\$10,000	
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$20,000	\$10,000	\$10,000	
'Milestone four' -						
Demolition & site prep	1 March 2022	31 March 2022	\$100,000	\$50,000	\$50,000	
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$100,000	\$50,000	\$50,000	
'Milestone five' -						
Construction	1 April 2022	30 June 2022	\$690,000	\$345,000	\$345,000	
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$690,000	\$345,000	\$345,000	
			Total Cost	TIF funding sought	Applicant co-funding	
Totals (do <u>not</u> include Annual operating / maintenance): (Must equate to the project cost detailed in Section 1.1)			\$880,000	\$440,000	\$440,000	
Total Annual operating / maintenance costs only:						

Overall Southland District Council are suggesting an approach of packaging the procurement for the Te Anau Boat ramp replacements and new toilet facility which leverages economies of scale and ensures the most efficient use of time and money.

3.4 Risks and Mitigations

Describe any risks associated with this project that you have identified and list the mitigations for each risk.

	Risk	Mitigation
	Unfavourable weather conditions cause a schedule delay	Works will be carried out during the spring to allow for better conditions. Mitigated risk assessed as low.
	Availability of materials and contractors	Package this work together with other projects that have been identified in the LTP to make it more attractive to prospective tenders.
	Unfavourable ground conditions	Obtain a geotechnical assessment prior to starting any work.
	Operations to continue through construction phase	Schedule work outside peak visitor times.

Section 4: Declaration by lead applicant

I declare on behalf of the applicant(s), that:

- I have read this form, and the Guidance for Applicants, and fully understand the procedures, terms, conditions and criteria for TIF co-funding;
- this application form outlines the basis on which this application is made;
- I have read, understand and accept MBIE's standard form contract, including the terms and conditions, a copy of which is attached as Schedule 1 in the Guidance for Applicants;
- the statements in this application are true and the information provided is complete and correct and there have been no misleading statements or omission of any relevant facts nor any misrepresentation made;
- I understand MBIE and its advisers may disclose to or obtain from any government department or agency, private person or organisation, any information about the applicant(s) or project for the purposes of gaining or providing information related to the processing and assessment of this application;
- the applicant(s) will, if requested by MBIE or its advisers in connection with this funding process, provide any additional information sought and provide access to its records and suitable personnel;
- I understand MBIE may undertake due diligence checks as needed to meet government requirements, and I consent to checks required being carried for those purposes;
- I consent to the public release, including publishing on the Internet, of the name of the applicant(s), the amount of grant sought, contact details of the applicant(s) and a general statement of the nature of the activity/project, and undertake to cooperate with MBIE on communications relating to this application;
- I understand MBIE's obligations under the Official Information Act 1982 and that, notwithstanding any relationship of confidence created as a result of this application, the provisions of this Act apply to all of the information provided in this application;
- the application involves an activity/project that is a lawful activity that will be carried out lawfully;
- the applicant(s) is not in receivership or liquidation nor will the project be managed by an undischarged bankrupt or someone prohibited from managing a business;
- where external providers are being employed as part of the project/activity, the relevant providers will not be employees or directors of the applicant, and nor do they have any other direct or indirect interest in the applicant, whether financial or personal unless specifically stated in the application;
- I am authorised to make this application on behalf of the applicants identified in section 1;
- I understand that MBIE may withdraw its offer of funding should the proposed project fail to be completed within the agreed timeline (detailed in Section 3.2.4).

Signature of lead applicant This acknowledgment must be signed by a person with the legal authority to commit your organisation to a transaction (e.g. Chief Executive or Mayor)	
Name	Cameron McIntosh
Title	Chief Executive Officer
Organisation	Southland District Council
Signature	
Date	30 th April 2021

Section 5: Attachments

[Attach here, as a PDF, any additional information you consider necessary to support your application. Note that there is a 20MB size limit]

Appendix A



Southland Regional Development Agency

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greatsouth.nz



APPENDIX A:

VISITOR INSIGHTS FOR FIORDLAND RTO

PREPARED 30 APRIL 2021

Regional Context

Prior to the impacts of the COVID-19 pandemic and the subsequent international border closure, Southland was experiencing high levels of visitor growth across the entire region. This was critical to key touring routes developed through the region, including the Milford Road corridor (i.e., travel from Queenstown to Milford Sound) and through the Southern Scenic Route. For the calendar year of 2019, the total Southland region achieved 3% growth in visitor spend, equating to \$692 million, with the Southland and Fiordland Regional Tourism Organisations (RTO) up 2% and 5% respectively. This was driven by a buoyant international and domestic markets.

Similar levels of growth can be observed across all visitor indicators monitored by Great South, with strong growth observed in the accommodation sector, key destinations such as Rakiura Stewart Island, Milford and Doubtful Sounds and vehicle movements. The COVID-19 pandemic has severely impacted visitor spend and destination development of the region. Following the national lockdown and when domestic travel was becoming available again, a strong rebound was observed in Southland RTO, with high numbers of domestic travellers. Such a rebound has not been observed in Fiordland RTO due to high reliance on international travellers.

Great South monitors key tourism destination indicators for Fiordland RTO (encompassing both Te Anau and Manapouri townships). Through this appendix, we provide insight into the historical, and anticipated growth challenges for Te Anau and Manapouri. Key indicators reviewed, include:

- Guest nights (commercial accommodation)
- Destination specific indicators (passengers through Milford Sound and Manapouri Terminals)
- Daily visitor counts (DataVentures/Statistics New Zealand)
- Regional visitor flows through Southland region (UberMedia)
- Regional (tourism) spend data

A strong tourism industry impacted by COVID19

Data supplied by DataVentures, provides a daily estimate of number of people within the RTO boundary. Based on this data, prior to COVID19 Fiordland saw around 2,000 international visitors per day during the peak tourism season¹, and a further 1,600 domestic visitors (outside of Southland). Unsurprisingly, with the closure of the borders, only international visitors remaining in the country visited this season, averaging 144 international visitors² a day. With disruptions to domestic travel (e.g., regional COVID lockdowns), the average number of domestic visitors fell to 1,350 per day for this season.

¹ November to March

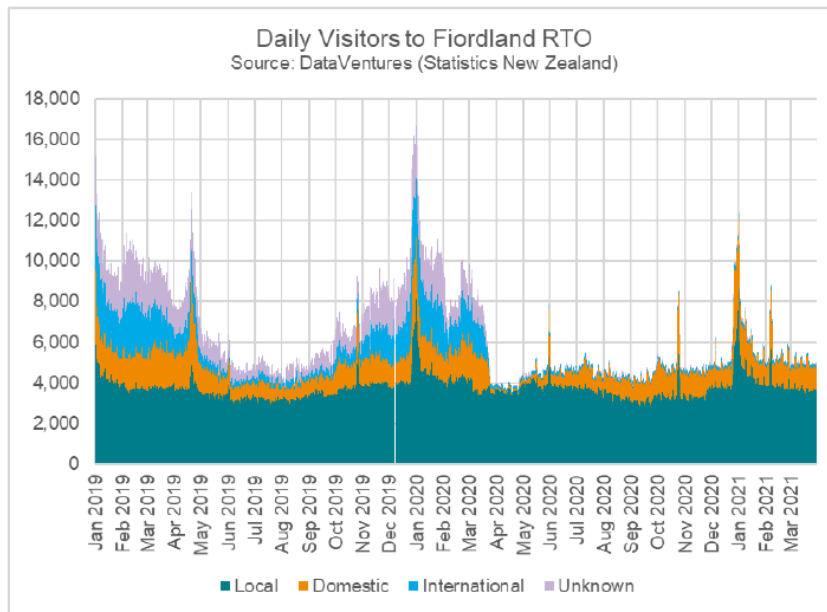
² This number may be overestimating actual number of international 'visitors' (with migrant workers and New Zealanders returning home), however other data held by Great South shows a small number of international visitors still travelling around the region.

Southland Regional Development Agency

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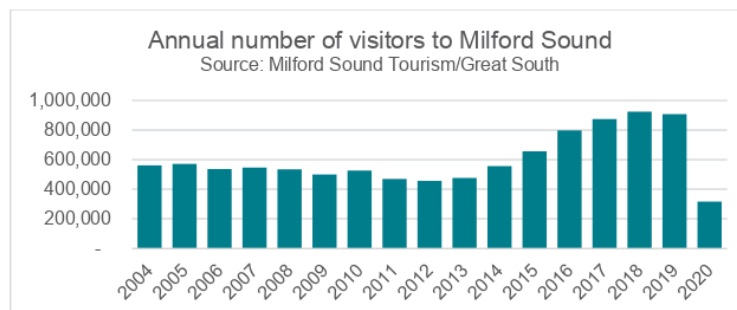




Fiordland destinations – Milford and Doubtful Sounds

Milford Sound has experienced a high rate of visitor growth, averaging around 4% growth year on year for the past 16 years. However, since 2016, this increased to an average growth of 12% year on year. This was tracking towards 1 million visitors a year, with just over 900,000 visitors in 2019.

This increasing demand was heavily reliant on the international tourism market making greater than 50% of visitors to Milford Sound. With the impacts of the international border closure, and the closure of the Milford Road (with damage from the Fiordland floods), visitation to Milford Sound dropped to around 300,000 visitors in 2020, a 65% reduction.



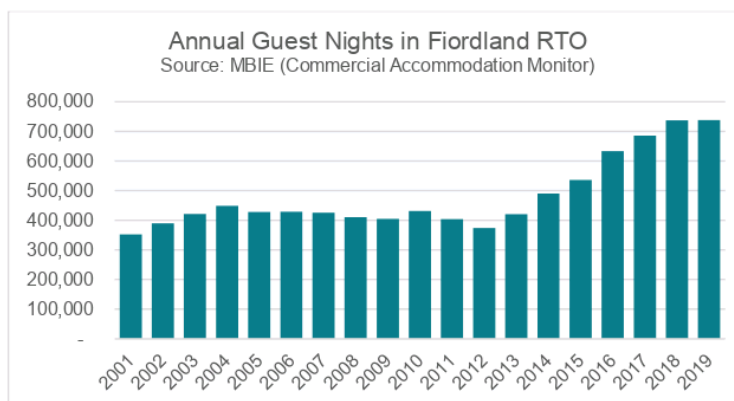
Data provided by Wayfare Group shows the number of visitors travelling across Lake Manapouri for the past 4 years. Travel across Manapouri is relevant both for cruises in Doubtful Sound, and some of the 'adventure' cruise travel through the southern fiords. Here, we see less of a marked impact of the closure of international borders, with only a 32% reduction in visitation during 2020, likely driven by high numbers of domestic visitors opting for Doubtful Sound/Southern Fiordland.

Calendar Year	Passengers Numbers	Change
2017	105,000	
2018	105,000	0.0%
2019	112,000	6.7%
2020	76,000	-32.1%

Accommodation indicators

Historical data held by MBIE through the Commercial Accommodation Monitor has shown a similar trend of growth through the Fiordland RTO boundary, with an average of 11.3% growth in annual guest nights, year on year between 2016 and 2018. This monitor was discontinued in late 2019³. Annual guest nights for Fiordland peaked at just over 730,000 in 2018.

The new metric adopted by MBIE (Accommodation Data Program) for June – December 2020 (6-month period), shows guest nights of just over 150,000 – less than half of what Fiordland used to see over a similar period.



Data held by TripTech, a platform showing visitation predominantly of the Free Independent Travellers, particularly international markets, also shows a marked drop in the number of visitors to the RTO area.

Period	Number of Nights	Change
Year End March 2020	21,391	
Year End March 2021	7,372	-65.5%

³ As the monitor concluded in September, an estimate is provided for October – December 2019

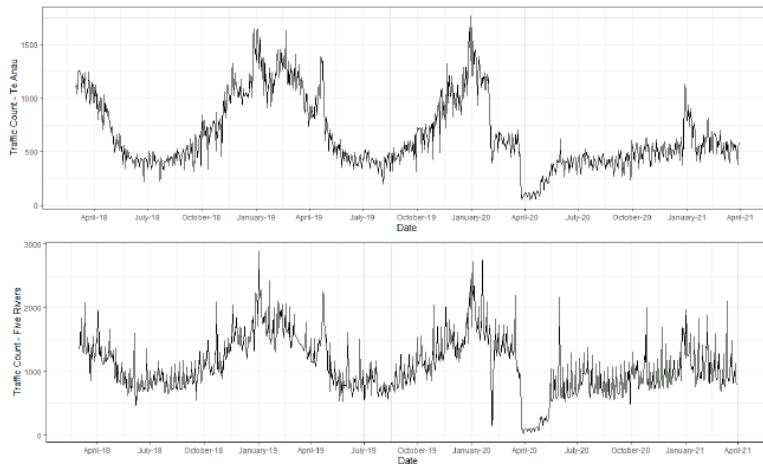
Vehicle movements, travel directions and flows

Data provided by Waka Kotahi New Zealand Transport Agency, shows general travel patterns through their permanent traffic monitoring sites at

- Te Anau – on the outskirts of Te Anau, on the Milford Highway (State Highway 94)
- Five Rivers – on State Highway 6

At both sites, the number of light vehicles has been monitored⁴, and both show a reduction in traffic as a result of the closure of international borders and less rental/self-drive travellers through the region.

In Te Anau, the maximum number of daily vehicles heading towards Milford Sound, was just over 1,500 (January 2020), but this has dropped around 33% to 500 vehicles a day from February 2020⁵ and has not recovered since. At the Five Rivers site, the number has dropped from a peak of just under 3,000 (January 2019) to just over 1,000 per day, a drop of 67%.

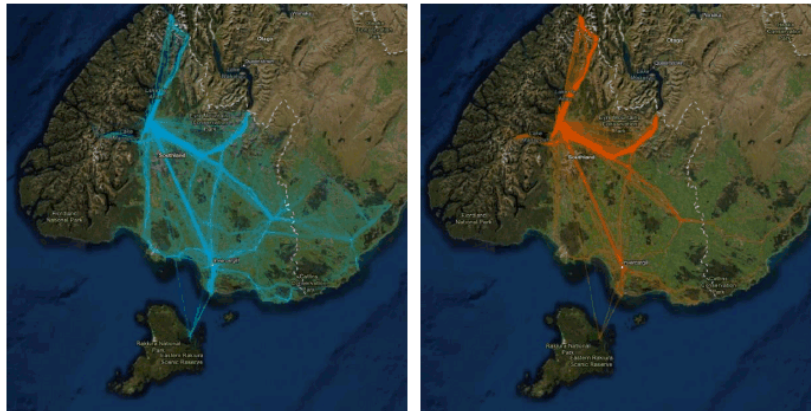


Great South has also reviewed route data of international and domestic (non-Southlanders) visitors, held by UberMedia for 2020, as a key insight into visitor flows. The figure presented below shows these patterns, with each line representing an independent traveller's route. Where their exact route is not known, a line is drawn between the two known points

This confirms the high numbers of international travellers on the Queenstown to Te Anau/Milford Corridor, as shown above through the traffic counts. It further shows the development of routes into Fiordland from the south, namely from Invercargill to Te Anau. Regardless, this shows a clear picture of Fiordland acting as a focal point of visitation to the wider Southland region, historically. Domestic travel, unsurprisingly, is more varied with more travellers opting for travel around the Southern Scenic Route (around the south coast).

⁴ Therefore, excludes the number of commercial buses, and trucks on the road.

⁵ Following the Fiordland Floods, and COVID border closures



Domestic Visitor Flows - 2020

International Visitor Flow - 2020

Note:

Where the travel route between two towns is unknown, a straight line is drawn between the towns. (e.g., between Te Anau and Invercargill). Data derived from UberMedia of 647 international travellers, and 1,371 domestic travellers

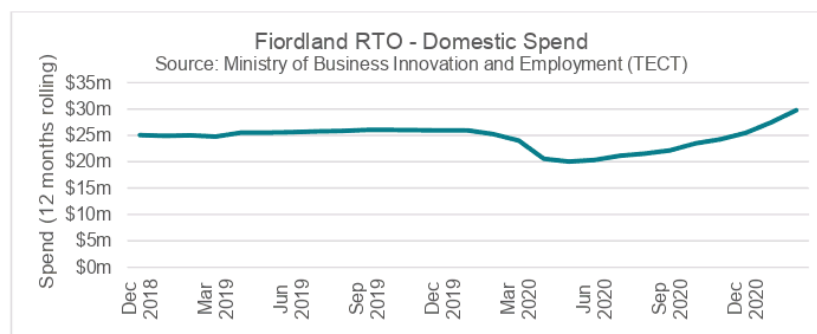
Spend indicators

Data provided by MBIE's Tourism Electronic Card Transactions (TECT) shows the proportion of electronic transactional spend through the regional tourism organisation area, by defined visitors. This provides an overall context of the impact of the COVID19 and associated closure of borders on the region.

The overall spend figure presented below shows Fiordland as the worst hit Regional Tourism Organisation area, when 12-month spend is compared to the previous year. As shown, Fiordland had a reduction in spend of 55%

	YE February 21	Change in Spend
Destination Fiordland	\$ 36m	-55%
Destination Queenstown	\$ 514m	-39%
Great South	\$ 204m	-9%

Through reviewing domestic spend for Fiordland, a stable trend (year on year) can be observed, with a slight increase in spend over the 2021 summer.



Future and anticipated growth

Forecasting undertaken by Infometrics suggests international tourism will return to about 80% by 2025. Our expectation is that Southland will achieve between 80% and 100% of current figures within this time, based on current indicators. The Tourism Satellite Account, for the Year End March 2020 (so prior to the impacts of the COVID 19 pandemic), estimated there would be 3.7 million international arrivals into New Zealand. 80% of this is 2.9 million international arrivals, similar levels to what was seen in 2015.



Adopting the assumptions of this model, then it is a fair assessment that Southland is likely to see the levels of demand for tourism infrastructure in 2025 that was seen in 2015. This includes:

- Approximately 500,000 guest nights across Te Anau and Manapouri and 20,000 guest nights freedom camping through the region.
- Approximately 650,000 visitors to Milford Sound, and 80,000 to 100,000 guests across Lake Manapouri

Summary

Based on this review, we find the following:

- Fiordland, and specifically Te Anau, Manapouri are a key part of the wider Southland tourism offering, with significant volumes of visitors opting to visit Fiordland tourism products. As such the area has had significant recent growth.
- With the closure of international borders, Fiordland has seen biggest reduction in spend on a percentage basis, nationally.
- However, domestic spend in Fiordland for the past two years has shown a slight increase.
- Visitors to Milford Sound have reduced 65% (YE Dec 2020) as a result of this closure. However Doubtful Sound visitation (through Manapouri) has only reduced by 32% (YE Dec 2020), this is due to the strong domestic offering of Doubtful Sound.
- Accommodation indicators show a similar picture, with strong growth in guest nights through until 2019, and the significant reduction (at least 50%) in 2020.
- Based on modelling undertaken by Infometrics, we expect visitation to return to 2015 levels within the next 4 years. Significant constraints on ageing infrastructures of this load with a strong domestic market and the return of these levels of tourism are expected.

Should you require any further context to this, please contact the undersigned.

Mat Darling
Great South Data Insights Analyst

Southland Regional Development Agency

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Appendix B



Southland Regional Development Agency

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30 April 2021

To Whom It May Concern,

RE: TIF Applications for Te Anau and Manapouri

As current Councillor for Fiordland and Deputy Mayor of the Southland District, as well as resident and business owner in Te Anau, I would like to provide my support towards these applications and highlight their importance.

I have seen Te Anau and Manapouri go from small towns that were thriving with increasing numbers of tourists to a region that is struggling to survive.

Te Anau is hugely reliant on international visitors. Pre COVID, 80-85% of the Fiordland market was international visitors. When the borders closed, every business was affected and approximately 85% of local businesses were critically impacted. This flow on effect has resulted in a very empty main street with businesses either mothballing their operation or closing all together.

Currently, only 15-20% of businesses in Te Anau can operate. Even if businesses did want to increase their operation, there is a decrease in the workforce pool as people have had to move out of region to secure work. In pre COVID times, the town also relied on the transient workforce but that is also currently not available. Trying to attract new labour is proving difficult as there is no security of employment and both businesses and individuals are facing financial strain which does not help the situation.

Pre COVID, Fiordland was seeing continued tourism growth which was resulting in strains on the infrastructure that the town was struggling to cope with and manage. In particular, infrastructure which was created for a community with a population of 2500 and 400, was not fit for purpose to meet the needs of visitation in the area of approximately 1 million people. It is no longer an option to do nothing and infrastructure issues can no longer be put off and the Southland District Council is proposing to increase rates in the Fiordland area to cover these much-needed infrastructure upgrades.

However, every rate payer has been affected by COVID. Although there has been a significant decrease in income for businesses, their overheads have either remained the same or increased. The only cost that decreased was wages. The community cannot afford the proposed rates increases and that is why there is such a need for government funding and support.

I strongly support this application to provide financial relief for a community that has been hardest hit by the effects of COVID.

By securing funding to pay off this loan it means that ratepayers will not have to take on this additional financial burden on top of what they are experiencing with other rates increases and of course the effects of COVID. Financial relief may also have a flow on effect which could allow employers to increase their casual hours and their rate of recovery.

I fully endorse this funding application as it is going to help ensure that Fiordland and the community are able to survive and when tourism numbers bounce back, which I have no doubt they will – considering we are the Gateway to the Fiordland National Park and one of New Zealand's iconic destinations – Milford

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

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sdc@southlanddc.govt.nz
southlanddc.govt.nz



Sound. Our desire as a community is to continue to provide an exceptional experience for those travelling into Te Anau and the wider Fiordland and Southland areas to encourage them to stay longer and spend more which of course will have flow on economic impacts for this community.

I welcome any questions on any of this and should you require to discuss it further please feel free to call me on 027 510 7785

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ebel Kremer", written in a cursive style.

Ebel Kremer
Southland District Councillor
Deputy Mayor

Appendix C



Southland Regional Development Agency

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greatsouth.nz



30 April 2021

To Whom It May Concern,

Re: Regional Tourism Organisation Support for Te Anau and Manapouri TIF Applications

Great South is writing to support the TIF applications being submitted in April 2021.

Great South is the regional development agency responsible for business, events, tourism and community development in Southland. Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland and encourage the region's overall wellbeing and success.

As an agency that is supported by the Southland District, Invercargill City and Gore District Councils, the region's two Regional Tourism Organisations (RTOs) operate out of Great South – Visit Fiordland and Visit Southland. These two RTOs promote and market Southland and Fiordland and more recently have supported businesses navigate through the impacts of COVID-19.

Iconic Hero Destination

Te Anau, with a resident population of about 2500, lies on the eastern shores of Lake Te Anau and is one of Southland's most popular locations for tourism. Known as the Gateway to Fiordland National Park and Milford Sound Piopiotahi, visitors are drawn to Te Anau for its spectacular scenery – in fact, almost 1 million visitors experienced Milford Sound Piopiotahi pre-COVID. Fiordland National Park is home to 3 of New Zealand's 9 Great Walks. In 2014, readers of New Zealand Wilderness Magazine voted it as the best place in New Zealand for tramping opportunities.

Tourism in the region pre-COVID was growing year on year at significant rates. So much so that infrastructure was struggling to cope and this was impacting the overall visitor experience. The challenge of course is the very low rate payer base which is responsible for the costs of a significant number of visitors. Pre-COVID, on any given day there were 3 visitors in the area for every local person. The Te Anau wastewater scheme has to be nearly **six** times larger than that needed to cater for the permanent population, because of visitors to the town.

Impact of COVID-19

COVID has been catastrophic for the region and statistics show that this RTO is the worst impacted in the country. What is concerning is the very slow rate of recovery compared to other regions which can be attributed to the region's isolation, high dependence on international visitors and lack of skilled labour. This is concerning and Great South is partnering with others to address these issues and support the local community and tourism sector.



Southland Regional Development Agency

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We believe that visitors will certainly return to the area because of the uniqueness and international appeal of the area and experience on offer. Being the gateway to New Zealand's largest park is significant enough, let alone we believe that visitors worldwide will seek out these types of experiences after experiencing COVID.

Wider Regional Implications

Altogether, Southland Murihiku has 2 national parks and soon to be 4 of the 10 Great Walks. There is increasing connectivity between these as people seek to experience all of these places. It is important to acknowledge that what happens in Fiordland has a flow on affect for the rest of Southland and the wider Otago region as iconic Milford Sound Piopiotahi and Patea Doubtful Sound are major attractors for visitors to this country.

In recent times, we have seen increasing access to Fiordland through the southern gateway of Invercargill. This aligns with the fact that a quarter of all people who visit Rakiura Stewart Island actually also visit Fiordland. This is a key focus for us to continue to promote in order to encourage regional dispersal of visitors as the New Zealand Aotearoa Government Tourism Strategy.

Improved Visitor Infrastructure is Essential

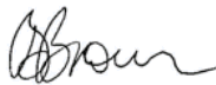
Alongside DOC, central government and a number of tourism stakeholders, Great South facilitated the development of the Southland Murihiku Destination Strategy in late 2019. This important framework which is a destination management plan, sets out the priorities for developing tourism in our region in a sustainable manner and alongside our people and our place. One of the five key pillars was associated with infrastructure and the need for it to be fit for purpose in order to protect and enhance the natural environment (flora, fauna and wildlife) as well as enhance the visitor experience. Fiordland was an area identified as requiring improved visitor infrastructure alongside the significant product development opportunities possible. We note the importance of the Milford Opportunities project in terms of the future opportunities for the Fiordland basin.

Great South is aware of the need to upgrade infrastructure in Fiordland as reflected in these TIF applications. This will address previous impacts caused by significant volumes of visitors (international and domestic) as well as assist with the future proofing the resilience of tourism.

With this in mind, Great South fully endorses these applications.

Please do not hesitate to contact me for further information.

Yours faithfully,



Great South
GM Tourism & Events

Appendix D



Southland Regional Development Agency

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Table 1: Southland Residential Household Rates Affordability Summary by Area Unit

Area Unit	Rates % Household Income	Median Household Income	Rates 2019 (SDC + ES)			Usually Resident Population (2013)	Number of Households (2013)	Number of Rating Units (selected)	Median Property Value (selected)		2018 NZ Deprivation Index ¹ 1 (least)-10 (most)	Low Income Households (HH)		Rate Arrears		Rate Rebates		Accommodation Supplement	
			Median	Average	Total (\$m)				Capital Value	Land Value		% HH over AU share	% AU HH income under \$33k	% rating units over AU share	% AU rating units in arrears	% rating units over AU share	% AU rating units with rebate	% pop. over AU share	% AU pop. with supplement
Wairio ^(R)	10.19%	\$71,364	\$7,275	\$9,480	\$2.3	942	354	243	\$3.52m	\$2.88m	6		10-20%		5-10%		<5%		<3%
Ohai ^(U)	8.31%	\$30,427	\$2,527	\$2,533	\$0.4	303	126	151	\$57k	\$15k	9	1-2%	30+	2-3%	15%+	3-6%	10-15%	2-3%	7%+
Kaweku ^(R)	7.11%	\$88,072	\$6,262	\$8,364	\$1.4	567	204	166	\$2.92m	\$2.39m	5		<10%		<5%		<5%		
Riverton East ^(U)	7.01%	\$38,946	\$2,731	\$2,765	\$0.6	435	192	204	\$213k	\$57k	8	2-3%	30+	0<1%	5-10%	<3%	5-10%	2-3%	5-7%
Nightcaps ^(U)	6.81%	\$36,844	\$2,509	\$2,525	\$0.4	294	135	153	\$80k	\$22k	10	1-2%	30+	1-2%	10-15%	3-6%	10-15%	2-3%	7%+
Riverton West ^(U)	5.74%	\$51,559	\$2,959	\$3,015	\$2.5	999	459	823	\$360k	\$173k	6	2-3%	20-30%	1-2%	5-10%	3-6%	5-10%	2-3%	3-5%
Tuatapere ^(U)	5.65%	\$46,470	\$2,624	\$2,655	\$0.7	558	246	261	\$141k	\$32k	8	1-2%	20-30%	2-3%	15%+	6-10%	10-15%	2-3%	5-7%
Manapouri ^(M)	5.40%	\$55,764	\$3,010	\$3,206	\$0.8	228	105	244	\$315k	\$121k	4	<1%	20-30%		5-10%		<5%	<1%	3-5%
Wyndham ^(U)	5.35%	\$58,087	\$3,108	\$2,984	\$0.7	534	222	232	\$120k	\$17k	8	1-2%	20-30%	3%+	15%+	3-6%	5-10%	3-4%	7%+
Fairfax ^(R)	5.30%	\$84,863	\$4,499	\$7,340	\$3.7	1,908	693	510	\$1.97m	\$1.58m	5		10-20%		<5%		<5%		<3%
Otautau ^(U)	5.09%	\$52,887	\$2,694	\$2,707	\$0.9	669	291	320	\$185k	\$20k	8	1-2%	20-30%	2-3%	10-15%	3-6%	5-10%	5-6%	7%+
Lumsden ^(U)	5.06%	\$53,108	\$2,686	\$2,703	\$0.6	405	177	220	\$180k	\$29k	8	1-2%	20-30%	2-3%	10-15%	<3%	<5%	1-2%	5-7%
Te Anau ^(U)	4.96%	\$62,513	\$3,100	\$3,195	\$4.7	1,911	813	1,469	\$390k	\$155k	4	1-2%	10-20%		<5%		<5%		<3%
Winton ^(U)	4.66%	\$58,530	\$2,729	\$2,784	\$3.0	2,211	957	1,074	\$260k	\$99k	6	4%+	20-30%		5-10%	10%+	5-10%	6-7%	3-5%
Balfour ^(U)	4.51%	\$55,985	\$2,526	\$2,453	\$0.2	126	54	64	\$158k	\$20k	2	<1%	20-30%		5-10%	<3%	<5%		
Mararoa River ^(R)	4.08%	\$83,314	\$3,397	\$6,981	\$3.9	1,587	594	552	\$965k	\$390k	3		<10%		<5%		<5%		<3%
Stewart Island ^(U)	3.95%	\$59,526	\$2,353	\$2,479	\$0.8	381	171	334	\$310k	\$126k	5	1-2%	20-30%		<5%		<5%		<3%
Milford ^(U)	3.91%	\$52,555	\$2,054	\$2,283	\$0.05	117	30	20	\$673k	\$570k	3				<5%				
Toetoes ^(R)	3.86%	\$71,033	\$2,742	\$4,551	\$2.8	1,647	582	624	\$945k	\$640k	5		10-20%		5-10%		<5%		<3%
Mossburn ^(M)	3.84%	\$58,973	\$2,262	\$2,755	\$0.3	210	87	97	\$165k	\$20k	5		10-20%	<1%	5-10%	<3%	<5%	<1%	<3%
Edendale ^(U)	3.63%	\$74,241	\$2,697	\$2,884	\$0.7	555	231	253	\$220k	\$67k	5	<1%	10-20%		5-10%	<3%	<5%	<1%	3-5%
Riversdale ^(U)	3.40%	\$63,619	\$2,165	\$2,175	\$0.4	372	159	185	\$200k	\$29k	5		10-20%	<1%	5-10%		<5%		<3%
Waituna ^(R)	3.29%	\$85,416	\$2,808	\$6,595	\$3.1	1,683	612	466	\$1.05m	\$785k	4		<10%		5-10%		<5%		<3%
Waikaia ^(R)	3.15%	\$74,352	\$2,340	\$6,823	\$4.5	1,656	642	663	\$560k	\$220k	5		10-20%		5-10%		<5%		<3%
Te Waewae ^(R)	3.13%	\$65,168	\$2,043	\$4,396	\$2.7	1,380	534	604	\$465k	\$185k	6	1-2%	20-30%	<1%	5-10%		<5%		<3%
Hokonui ^(R)	2.98%	\$87,850	\$2,615	\$5,665	\$5.3	3,087	1,089	939	\$840k	\$275k	4		<10%		5-10%		<5%		<3%
Wallacetown ^(U)	2.89%	\$78,999	\$2,281	\$2,353	\$0.6	663	243	263	\$255k	\$56k	4		10-20%	1-2%	10-15%	<3%	<5%		<3%
Dacre ^(R)	2.53%	\$93,161	\$2,356	\$5,309	\$2.7	1,617	579	504	\$933k	\$535k	4		<10%		5-10%		<5%		<3%
Woodlands ^(U)	2.46%	\$71,918	\$1,769	\$2,789	\$0.3	264	111	111	\$340k	\$80k	4		10-20%		5-10%	<3%	<5%		<3%
Waianiwa ^(R)	2.29%	\$85,748	\$1,966	\$4,617	\$2.9	1,968	711	620	\$603k	\$228k	4		<10%		5-10%		<5%		<3%
Makarewa North ^(R)	1.74%	\$90,727	\$1,579	\$1,780	\$0.2	327	120	129	\$475k	\$170k	2		10-20%		<5%		<5%		
Southland	3.95%	\$70,590	\$2,789	\$4,317	\$54.0	29,613	11,523	12,498	\$365k	\$143k									

1 – These figures have been obtained by calculating the weighted average deprivation score for Statistical Area 1 areas contained within the specified area unit. Note – the [NZDep2018](#) figures are from the December 2019 Interim Research Report.
(U) denotes a mainly urban area; (R) denotes a mainly rural area; (M) denotes a mix of urban and rural areas



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



TOURISM INFRASTRUCTURE FUND

Application Form

April 2021

Tourism Infrastructure Fund

Completing this form

This form is designed to be completed in association with the 'Guidance for Applicants' document. If you need any assistance with completing this form, please contact the TIF secretariat on tif@mbie.govt.nz.

Please complete the form in full, and submit it electronically to tif@mbie.govt.nz. Completed proposals must be received by the TIF secretariat no later than 5pm on the deadline date. All deadlines are available on the TIF website and are subject to change.

MBIE reserves the right to accept late proposals in the following situations:

- if it is MBIE's fault that the proposal was received late
- in exceptional circumstances, where MBIE considers that there is no material prejudice to other applicants. MBIE will not accept a late proposal if it considers that there is risk of collusion on the part of an applicant, or the applicant may have knowledge of the content of any other proposal.

There is no scope within the TIF process to assess out-of-round applications (including for feasibility studies). Applications submitted to the TIF Secretariat between funding rounds will be returned to the applicant for resubmission at the next funding round.

Proposal checklist

Before you apply be sure to complete the following:

- ☐ Check the TIF website to ensure you have downloaded the most recent version of each document.
- ☐ Read the 'Guidance for Applicants' document available on the website.
- ☐ Read the supporting information on the TIF website

When filling out this form please ensure:

- ☐ All answers are typed into the space provided for each section in font no smaller than size 10 point.
- ☐ You provide the information required for each question. This is outlined clearly within the TIF 'Guidance for Applicants' document.
- ☐ You have read and understood the declaration details outlined in Section 4 and have signed the declaration.

Once you have completed this form, email a copy to the TIF secretariat at tif@mbie.govt.nz and ensure that you attach any supporting information you wish to provide.

Note: There is a 20MB size limit for emails. For larger applications, please separate them into different emails.

Evidence

When MBIE assesses proposals against the eligibility and/or the assessment criteria, we will consider whether the evidence provided supports the claims, as well as the quality of that evidence. Where questions ask for evidence to support claims, it is highly recommended that you provide reference sources that attest the accuracy and quality of the evidence.

MBIE will assess the application using the information provided by the applicant.

Section 1: Eligibility and project overview

1.1 Eligibility checklist

Do you meet AT LEAST one of the eligibility criteria below:

Annual tourism revenue in your territorial authority less than \$1 billion

☒ Yes

Visitor to rating unit ratio of 5 or more

☒ Yes

Local Government Finance Agency lending limits have been reached

☐ Yes

Project eligibility:

Is your project for publicly-available infrastructure used significantly by visitors?

☒ Yes

Is your project for new facilities or enhancements?

☒ Yes

Have you ensured your project is not for the development of new attractions, accommodation or commercial activities?

☒ Yes

Have you ensured your project will not compete with local private commercial activities?

☒ Yes

Are you seeking co-funding of \$25,000 or more?

☒ Yes

Is your project financially sustainable?

☒ Yes

Have you ensured your project is not receiving NZTA funding?

☒ Yes

NOTE: If you do not answer 'Yes' to the project eligibility questions above, your project is unlikely to be eligible for TIF co-funding.

1.2 Project overview

a. Is your project addressing a need that is current or anticipated?	<input checked="" type="checkbox"/> Current <input type="checkbox"/> Anticipated
b. Will your project deliver visitor benefits and also benefits to your local community?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
c. Is TIF co-funding critical to the project starting, happening sooner, or being of better quality [Tick all relevant boxes]	<input type="checkbox"/> Starting <input checked="" type="checkbox"/> Happen sooner <input checked="" type="checkbox"/> Better quality
d. Is your proposed co-funding the maximum you can commit to the project, and in monetary form only?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
e. Do you have certainty of land access over the expected life of the proposed infrastructure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f. Does your organisation have systems in place to ensure the proposed project complies with health and safety regulations? (You will need to demonstrate this prior to contracting)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
g. Do your procurement processes require all external contractors involved in construction projects to have valid health and safety processes/plans in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MBIE MAYO 18514496

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Section 2: Proposal and applicant key details

Please enter answers in the right-hand column.

2.1 Proposal key details	
Name of project [A short title that describes your proposed project.]	Ulva Island Wharf Replacement, Stewart Island/ Rakiura
Short description of proposed project to be co-funded	<p>Ulva Island is approximately 260 hectares and is located within Paterson Inlet at Stewart Island/Rakiura. The Island is part of the Rakiura National Park with a small portion being privately owned (approximately 8 hectares). Ulva Island has predator free status and is a highly regarded bird sanctuary making it an extremely popular tourist destination, central to the overall appeal of Stewart Island/ Rakiura and receiving up to 25,000 visitors per year.</p> <p>The only means of access to Ulva Island is by boat and a wharf is located at Post Office Bay. The wharf is utilised by recreational boat users, landowners, the Department of Conservation, commercial ferry/water taxi operators and cruise ship excursions. Regular ferry/water taxi trips travel between Golden Bay and Post Office Bay. Cruise ship excursions access Ulva Island by either utilising the local ferry/water taxi services or berthing at the Post Office Bay wharf with their smaller tender boats.</p> <p>Ulva Island wharf is in urgent need of replacement. It has reached the end of its useful life, which has been exacerbated by high levels of visitor use that have been beyond its original intended capacity. The size and frequency of vessels using the wharf continues to grow to the point the wharf is not able to meet the level of service expected safely. This has the potential to adversely affect the visitor experience of Ulva Island, which is of high importance to Stewart Island/ Rakiura's tourism industry.</p> <p>The replacement of Ulva Island wharf addresses these issues and provides the opportunity to mitigate the risks of sea level rise by lifting the wharf deck height and increasing its width to enhance visitor safety.</p>

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	Council has undertaken an extensive investigation process alongside the Department of Conservation and private landowners and has identified its preferred option as per this application.
Estimated total cost of project	\$ 1,200,000
Amount of TIF co-funding sought – this must exceed \$25,000 (excl. GST)	\$ 600,000
Is this a discrete project or a bundle of projects?	<input checked="" type="checkbox"/> Discrete project <input type="checkbox"/> Bundle of projects

2.2 Applicants' key details	
Applicant Organisation name	Southland District Council (SDC)
Applicant address, including postcode	P O Box 903, 15 Forth Street Invercargill 9840 www.southlanddc.govt.nz
Contact person	Cameron McIntosh
Job title or Role	Chief Executive Officer
Contact phone	027 2307619
Contact email address	0800 732 732 cameron.mcintosh@southlanddc.govt.nz
Contact postal address (including postcode)(if different to applicant address)	

Section 3: Project Description

3.1 Problem definition and need for additional infrastructure

3.1.1 Briefly describe the challenge(s) you are facing as a result of current or anticipated visitor growth that underpin this application. Where possible, please provide qualitative and/or quantitative evidence to indicate the scale of challenge(s).

Background – Stewart Island/ Rakiura

Stewart Island/ Rakiura lies at the southern tip of New Zealand and is our third largest island by land area. Approximately 85% of the islands 2000 square kilometres are included within the boundaries of Rakiura National Park, which was designated as such in 2002 making it New Zealand's newest National Park.

Stewart Island/ Rakiura boasts an unspoilt natural environment which includes lush rainforests, pristine beaches and waterways, and an abundance of native plants including the world's southernmost podocarps and hardwoods such as rata and kamahi. These can all be encountered on the island's 280km of walking tracks, which most notably includes the Rakiura Track, one of New Zealand's Great Walks. The Island is also home to a rich array of native wildlife not readily found in other parts of New Zealand, particularly on the nearby predator free Ulva Island (*Te Wharawhara*).

Ulva Island (*Te Wharawhara*) is a predator-free open island sanctuary in Paterson Inlet, and is one of the few pest-free sanctuaries in New Zealand. Home to dozens of native species of flora and fauna, the island is a haven for many rare and endangered birds such as the South Island Saddleback, Yellowhead, Rifleman, Stewart Island Robin, and Stewart Island Brown Kiwi. These kiwi sometimes feed during daylight hours and the island provides the best opportunity to see kiwi in the wild than anywhere else in the country. Ulva Island is a must-do for visitors to Stewart Island/ Rakiura, with its environment mostly unchanged by human activity. It has never been milled and has been pest-free since 1997, giving threatened native species a haven in which to flourish and offering an unspoiled glimpse into New Zealand's ancient past.

Te Runanga o Ngai Tahu have a deep cultural, spiritual, historic, and traditional association with Stewart Island/ Rakiura. Te Punga o Te Waka a Maui, the original Maori name for the island, positions Stewart Island/ Rakiura firmly in the heart of Maori mythology. Translated as the Anchor Stone of Maui's Canoe, it refers to the part played by this island in the legend of Maui and his crew, who from their canoe (the South Island) caught and raised the great fish (the North Island). The more commonly known and used name however is Rakiura. Translated as 'the great and deep blushing of Te Rakitamaui' an early Maori chief, seen today as the glowing sunrises and sunsets of the Aurora Australia or Southern Lights.

The night sky above Stewart Island/ Rakiura is also one of the island's key features, with International Dark Sky Sanctuary status being awarded in early 2019. This makes the island the southernmost international dark sky place in the world, offering spectacular views of the Milky Way and one of the best chances to view the Aurora Australis on offer.

Visitor Growth

Tourism has become one of the dominant industries on Stewart Island/ Rakiura making it key to the islands economy, with the islands 400 residents receiving around 43,000 visitors per year (*refer to Appendix A for full data on Stewart Island/ Rakiura visitation*).

The Island has high biodiversity value and is a haven for people looking for nature, tranquillity and adventure. It is an increasingly popular destination for smaller expedition cruise ships focussed on nature tourism and attracts a high number of free independent travellers.

The inability of ratepayers to fund the infrastructure required for growing tourism was the basis of the Stewart Island Visitor Levy which was introduced in late 2013. This levy collects a fee of \$5 from each visitor to the

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Island and is used to support infrastructure projects. However, the levy falls short of the level required to fund the cost of major projects, which continue to require significant Council funding. This is particularly relevant as visitor numbers to the island continue to grow, with an increase of 47% from 2014 when the levy began, until 2019.

Impact of COVID-19

In contrast to many other parts of New Zealand, Stewart Island/ Rakiura experienced significant growth in the months after the COVID-19 lockdown period. The Island has been a '*bucket list*' destination for many New Zealanders who have taken the opportunity to visit and experience all the island has to offer, while they are unable to travel internationally. During the winter months visitor numbers to the island traditionally drop off, yet in the period from June to November 2020, in each month they were at the highest they have been since 2014 when recording began as a result of the Visitor Levy. The Department of Conservation noted a 26% increase in bookings on the Rakiura Track and Real Journeys have noted a 40% increase in visitors to Ulva Island observing that those who visit the island have stayed longer and undertaken more activities. Operators have anecdotally noted that the 'busy season' started around three months earlier and shows no signs of slowing down.

Anticipated Future Growth- Post COVID-19

Visitor growth on Stewart Island/ Rakiura is expected to continue once international borders open post COVID-19. New Zealanders have gained a newfound appreciation of their own country and the high number of domestic visitors heading to the island is expected to stimulate further demand from friends and family of those returning home. Internationally, interest in New Zealand is also at a high level, the pandemic has been well managed and New Zealand is seen as a relatively 'safe' destination, with our freedoms continuing relatively normally beyond a short lockdown period.

Several key developments are also expected to bring increased growth to Stewart Island/ Rakiura. International Dark Sky Sanctuary accreditation was only achieved one year prior to the COVID-19 pandemic. In the first winter period post accreditation visitor numbers to the island increased by 17%, this is expected to continue exponentially as has been experienced on other dark sky locations such as Aoraki Mackenzie. Guided tourism experiences have also launched since this time, meaning the night sky can be more easily promoted through trade channels.

Nearby Bluff, the port that is used to access Stewart Island, is also going through a significant shift towards tourism with the development of the Bluff Motopuhue Tourism Master Plan. This Plan, developed by Invercargill City Council, Great South (Southlands Regional Development Agency) and the wider community notes the significant future tourism potential of Bluff and outlines key projects planned. Stewart Island/ Rakiura will benefit from this development in Bluff as many visitors will also choose to experience the island.

Great South is also actively working on a collaborative project between the eight RTO's of the lower South Island which seeks to develop a network of touring routes throughout Otago and Southland. The project, which includes wayfinding strategy, analysis of existing product on offer and identification of gaps and opportunities to encourage greater visitor dispersal around the region, will give Southland more product and opportunities for self-driving tourists. Stewart Island/ Rakiura will be included within this network of touring routes.

Link to Fiordland

Stewart Island and Fiordland are strongly linked destinations within the Southland region. The two sub-regions are our most significant icons: both home to National Parks, Great Walks and havens for unique and endangered wildlife. Stewart Island/ Rakiura and Fiordland are both located on the Southern Scenic Route which has been named as one of the top self-drive routes in the world. They both have appeal to cruise markets, nature enthusiasts, trampers and dark sky enthusiasts. Stewart Island/ Rakiura is already an

international Dark Sky Sanctuary and Great South is working with the Fiordland community to have Fiordland National Park accredited as the second largest Dark Sky Park in the world.

The key goals of the Southland Murihiku Destination Strategy 2019 -2029 are to increase visitor spend and length of stay in our region. Utilising touring routes and building linkages between our core destinations will be key to achieving these goals. This will be important going forward as borders remain closed and domestic visitors to the island can be encouraged to also experience Fiordland, and as borders reopen as the significant number of international travellers visiting Fiordland might also visit Stewart Island/ Rakiura. Linking these two destinations will also encourage further regional dispersal and less reliance on Queenstown for Fiordland, where many visitors travel through without staying overnight. The development of experiences and improved tourism infrastructure on Stewart Island/ Rakiura will help support this and build the Islands visitor capacity.

Resulting Challenges

The significant visitor growth experienced on Stewart Island/ Rakiura, both pre COVID-19 and in the period after, has put increased and sustained pressure on key visitor infrastructure.

This has been the case for Ulva Island, where visitor numbers alone are estimated to reach up to 25,000 per year. A report by Emtech completed in 2014 highlights the fact that the use of the wharf has developed over time, beyond its original capacity with the size and frequency of vessels using it now extended. As a result, it is not able to provide the level of service expected safely (*see Appendix B for further details*). The below outlines the key challenges being experienced with Ulva Island wharf.





Safety

The existing wharf at Ulva Island urgently requires an upgrade. Consistent use at a level beyond its original capacity has seen it deteriorate significantly over time. The structure is no longer fit for purpose and struggles to cater to the large number of visitors it receives each year.

Larger vessels, such as the one Real Journeys use to take visitor to Ulva Island, are unable to use the wharf as they risk moving it and when this has occurred in the past the wharf has suffered damage. In order to address this, smaller vessels are used to transport visitors from the larger ones so they can disembark on the wharf. As well as impacting on the visitor experience, this poses significant safety issues.

The structural integrity is also at risk from increased load, with operators anecdotally noting that on cruise ship days no more people can physically fit on the wharf. The wharf is also too low for the conditions it faces on a regular basis, with users' feet getting wet during high and spring tides. Flooding occurs on a semi-regular basis and during king tides, meaning access to the island is severely impacted. Compounding this, sea levels are expected to rise by 300-400mm in the next 30-40 years, meaning the issues currently faced due to the wharf height will become more frequent.

Visitor Experience

Ulva Island is central to the experience of visitors to Stewart Island/ Rakiura. It is rated as the #1 thing to do on the island by Trip Advisor, with a multitude of reviews noting how the island offers a view of nature at its finest. Its popularity means it is significant to the island's economy, with many operators taking tours there and the island itself being one of the main reason visitors head to Stewart Island/ Rakiura.

The issues being faced by Ulva Island wharf are beginning to impact the visitor experience on Ulva Island. There are days when visits can't occur due to flooding, and the need to transfer vessels on the journey further diminishes the experience. Cruise ship operators have also provided feedback that the wharf is difficult for elderly visitors, who form a large part of their core clientele. The issues faced with the wharf being unable to be used by larger vessel are also affecting the success of cruise ship tenders.

Community Support

Stewart Island/ Rakiura has a population of 400 residents, meaning the ratepayer base to support tourism infrastructure developments is low. The Stewart Island Visitor Levy goes some way to address this issue but is still significantly under the funding required for major projects on the island. The community is reliant on tourism, with it now being one of their major industries, and Ulva Island is a significant location for visitors making it integral to the visitor economy.

Aside from this the issues faced at Ulva Island are also making use of the wharf difficult for recreational users and local fishermen. There is a risk that this could start to affect the communities social license for tourism.

The Ulva Island Wharf needs to be upgraded to make it fit for the visitation levels and usage it experiences both now and into the future.

3.2 Proposed infrastructure

3.2.1 Briefly describe the infrastructure you propose to construct, and how it addresses the challenge(s) you have identified above. Please also list the other options considered and explain why the proposed project is fit-for-purpose and offers value for money.

The infrastructure this project proposes to construct is a complete replacement of the existing wharf at Ulva Island. This wharf would be constructed at the existing site, as this was the preferred option arrived at after extensive discussions with the community and Stewart Island/ Rakiura Community Board, due to it being the safest and most sheltered location for operators. This option also has the least additional cost associated with onshore infrastructure. Continuing to maintain the wharf is no longer viable as the costs of maintenance and the extent of the items that require replacement make this course of action impractical.

The new wharf would be wider than the current one and will incorporate a slight size change to make it accessible to more vessels. It will have a raised deck to facilitate better access with the capacity for additional berthing. The height increase of 500mm will also ensure it is future proofed against future sea level rise. Detailed plans of the new wharf proposed to be constructed can be found in *Appendix C*. This design will allow the wharf to cater to the visitor demand it experiences both now and into the future. It will also allow the provision for use by locals and ensure it is protected against predicted environmental changes in terms of sea level rise. Making this change will allow the experience of travelling to Ulva Island to match the world-class experience currently on offer once visitors are on the island.

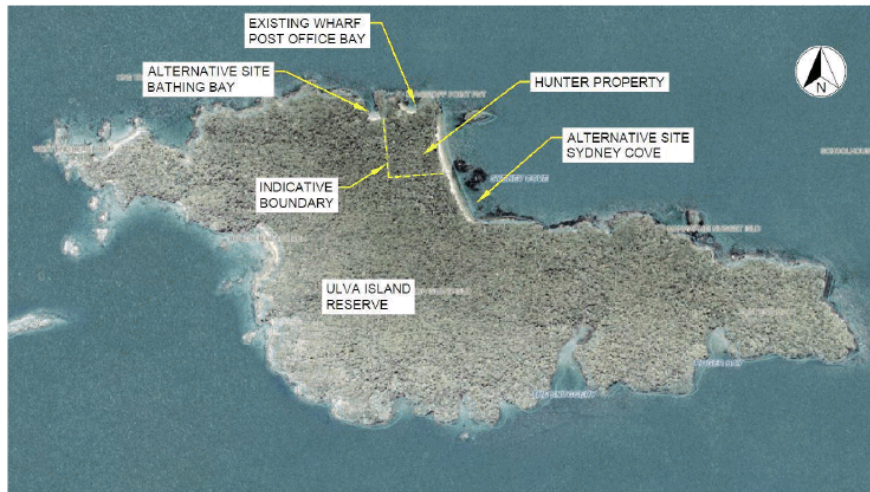


Figure 1 Ulva Island



Figure 2 Post Office Bay and Bathing Bay - Detail

Other Options Considered

Several other options were considered to address the infrastructure issues faced at Ulva Island wharf.

Option 1 – Status Quo/Do nothing

The Status Quo option would be to leave the wharf in its current condition and to carry out no works. This would see the wharf to continue to deteriorate and become a hazard. The significant risks this would pose are considered unacceptable with respect to Council's Health and Safety obligations.

Option 2 – Maintain the Current Wharf

Maintaining the existing wharf will require significant and on-going works. Maintenance works will be required on an on-going basis as re-piling and timber member replacement are necessary until all the wharf materials are effectively replaced over a long-time period with numerous mobilisations of materials and equipment. There will be no allowance for sea level rise or any improvements in utility of the wharf such as greater length or additional stairways. The current wharf becomes inundated at spring high tides and this, along with the large ongoing maintenance costs, make this option unfavourable.

Option 3 – Sale/Gift

The wharf could be sold or gifted to the private landowner or other users. The Southland District Council would absolve itself of any responsibility or costs for the wharf. This option would be difficult to enact due to the number of parties involved and/or the public/political nature of the asset. Any alternative ownership arrangements taken with the Ulva Island Wharf need to consider how this may affect the other Stewart Island wharves. The current community ownership model is beneficial and allows for local operators to take visitors to Ulva Island. If the wharf was to be privately owned access would be restricted, limiting visitation to the island.

Option 4 – Remove Wharf and No Replacement

The wharf could be removed with no replacement provided. This would reduce costs however it would involve the removal of a highly used and critical asset for the Stewart Island Community. It is expected that a wharf would still be necessary.

Option 5 - Replacement Wharf at Sydney Cove (refer map above)

Remove the current wharf and construct a replacement wharf at an alternative location. A possible location identified for a replacement wharf is at the southern end of Sydney Cove. Sydney Cove is the first bay towards the east of Post Office Bay. This location will provide direct access from the wharf to the Ulva Island Department of Conservation managed land. Some additional walkway access to the existing walking tracks would be required.

Boat access across Paterson Inlet from Golden Bay would only be slightly longer than to the current wharf location. Sydney Cove has an easterly aspect which provides shelter from the prevailing south westerly winds however Sydney Cove is exposed to easterly winds and swells from the open ocean. A wharf located at Sydney Cove would not be usable in a strong easterly wind and the subsequent swell, which is not uncommon and can last for several days. There is also a marine reserve at Sydney Cove which may make resource consent more difficult to obtain.

Option 6 - Replacement Wharf at Bathing Bay (refer map above)

A possible location considered for a replacement wharf is at the bay described as Bathing Bay. Bathing Bay is the first bay toward the west of Post Office Bay. This location would have an almost identical boat travel distance across Paterson Inlet from Golden Bay to the current wharf location. If the wharf landing is located on the south or west side of Bathing Bay, then it will provide direct access from the wharf to the Ulva Island Department of Conservation managed land. Some additional walkway access to the existing walking tracks would be required. Bathing Bay has a northerly aspect very similar to Post Office Bay with headlands on the east and west sides providing shelter from all wind directions apart from those of a northerly aspect. The view of operators was that it this location is too narrow, exposed to the north west wind and there would be additional on shore infrastructure required. The Community Board did not support this option.

3.2.2 Please demonstrate that the proposed project has the support of the local community (e.g. has gone through some type of consultative process) and has support from the local economic development agency or regional tourism organisation.

Please Note: During the project recipients will be asked to keep the Ministry aware of any subsequent consultation process which could result in the project either not proceeding or requiring significant change from the original proposal.

Stewart Island Community Board Plan 2020-2023

During 2018 extensive community consultation, involving workshops and focus groups, took place on Stewart Island/ Rakiura. Throughout this process the community shared what they loved about the island, what they saw as weaknesses and challenges, and the opportunities they saw for Stewart Island/ Rakiura going forward.

In 2019 the Stewart Island/ Rakiura Community Board used this feedback from the community to conduct their own workshop to develop a vision for Stewart Island/ Rakiura's future (*refer Appendix E*). This included key outcomes and an action plan. The overarching vision was that 'Stewart Island Rakiura is a connected community, that manages growth and has a sustainable future'.

Several of the key themes that underpin this vision are relevant to the rebuilding of Ulva Island Wharf. Those most applicable are:

- *'A community that has fit for purpose, sustainable infrastructure'*
- *'A community that plans for it's future – recognising it's unique challenges and opportunities'*

The number one priority was to have wharves that are fit for purpose, safe and well maintained and the action plan includes the desire to urgently make Ulva Island wharf safe and fit for purpose.

The community knows that the wharves are critical to those who live on and visit Stewart Island/ Rakiura. They are to them what bridges and roads are to people who live on the mainland. It's essential that there is a long-term plan for wharf maintenance and replacement to effectively manage Stewart Island/ Rakiura's sustainability.

Extensive engagement has been undertaken on other occasions including:

2017: Stewart Island Wharfing Provision Report (*refer Appendix E*)

2018: Stewart Island Rakiura Community Planning Report (*refer Appendix E*)

2020: Future Opportunities Stewart Island Rakiura Report (*refer Appendix E*)

Letters of support for Ulva Island wharf replacement have been received from -

- Stewart Island Promotions Association (*refer Appendix F*)
- Stewart Island Community Board (*refer Appendix F*)

In February 2020 a meeting was held with tourism operators and there was 100% support for the replacement of Ulva Island wharf, as a matter of urgency.

Great South as the regional tourism organisation for Southland supports and endorses these projects - *refer to Appendix F for letter of support*.

Southland District Council also has a memorandum of understanding with the private landowner to secure access to Ulva Island and for the raising of the existing causeway to mitigate sea level rise.

3.2.3 List all the benefits that you expect will flow from your proposed project (focusing particularly at the visitor benefits).

There are many benefits expected to flow from the Ulva Island wharf replacement. A key benefit is enhanced and safe access from the water to land at Ulva Island whether this occur with the water taxi service or for recreational boat owners.

Safety Benefits

The current infrastructure is not fit for purpose and the proposed replacement will be safer for both operators and users. This is important considering that there is a trend of older visitors accessing Ulva Island and the need to ensure they do not slip etc.

Other benefits include that this proposed upgrade will future proof this infrastructure which will provide certainty to operators who require this infrastructure in order to access Ulva Island, many for guided walk and bird watching offerings. It also considers rising sea levels and changes in the marine environment by lifting the wharf deck height and increasing its width to enhance visitor safety.

There will be also less maintenance required as the preferred option was chosen with this in consideration.

A key benefit is to address a reputational risk to New Zealand's tourism brand. Poor visitor perception and access to our most basic of infrastructure could mean that visitors will go away from their visit to Ulva Island with the view that New Zealand is not a quality visitor experience.

Negative perceptions of our brands can impact on New Zealand tourism, particularly where they are related to iconic visitor destinations. The use and prevalence of social media as a way of communicating a visitor's views on a place, activity, or issue means that these infrastructure issues need particular care and attention.

The Ulva Island wharf replacement aligns with a range of Southland regional and local plans:

Southland Regional Development Strategy 2015 - 2025

The Southland Regional Development Strategy aims to significantly increase tourism revenue by 2025 and use 'natural and cultural assets' to help attract people and grow the population. Replacing the Ulva Island wharf so it can continue to provide safe and usable access to the predator free sanctuary on Ulva Island will ensure an enhanced visitor experience.

Southland Murihiku Destination Strategy 2019-2029

The Southland Murihiku Destination Strategy 2019 – 2029 was a key outcome from the Southland Regional Development Strategy 2015 – 2025. The strategy is our regions destination management framework which demonstrates strong alignment to the New Zealand-Aotearoa Government Tourism Strategy.

The strategy demonstrates strong alignment with the 16 Destination Management components as identified by MBIE in their Best Practice guides. Amenities, Services and Infrastructure are a key focus of the Strategy to manage current and support future growth.

The Ulva Island Wharf replacement is a critical piece of infrastructure that supports the fundamental needs of visitors and the community, particularly in relation to what they expect in the way of services and on their perceptions of the place and the visitor 'product' when visiting Ulva Island.

It is about dealing not only with the current issues but providing for the growth of visitor numbers and their needs into the future. Ensuring infrastructure that greets the visitor upon reaching Ulva Island will have significant benefits in terms of visitor enjoyment. In this day and age visitors have an expectation that they will have modern and accessible facilities and can experience quality visitor management – in the most basic of forms of access to the island.

Conservation Management Strategy and Rakiura National Park Plan 2011 – 2021

The Oban/Paterson Inlet area is central to achieving the integrated management of conservation lands readily accessible to the community and visitors. The area provides the opportunity for recreational and tourism activities that showcase and explore the island's unique historical, cultural and natural values. A relatively high number of visitors can be catered to and concessionaire use is possible, provided it complements the intrinsic

values and visitor experience of the place. Ulva Islands location within Paterson Inlet makes it a central site to both the community, visitors and operators.

3.3 Funding the project

3.3.1 Briefly describe the current financial situation of your organisation and why TIF co-funding is required for the proposed project.

To support your application, please provide the following information:

- How the proposed project will be funded if TIF co-funding is not received (from debt, cash flow, or some other source)
- If funded from rates, what will be the impact be on ratepayers? Will the impact be on a specific group or general ratepayers? If this will impact on a specific group, please identify the financial impact and which group this will be.
- Brief analysis of the Council's unallocated reserves (what are these, forecast levels, and proposed use over the period of the LTP)

Southland District Council

On paper Southland District Council has a strong financial position with \$1.58 billion in net assets on its balance sheet at 30 June 2020. However, the majority of the value is associated with infrastructure assets that are not easily realisable on the open markets (roads, water, wastewater and stormwater) totaling \$1.57 billion. Council's actual cash position is in the order of \$11 million but that is needed to maintain cash flow between rates installments.

Southland District Council has \$41.8 million of reserves at 30 June 2020. A significant portion of these reserves are held for a community or specific asset class.

These funds have predominately been loaned out to our communities by way of internal loans to assist with asset development across the district.

Council has three general reserves with a balance of \$11.3 million at 30 June 2020. The interest income from one of these general reserves (\$8.5 million) has traditionally been used to offset the roading rate, this is due to the reserve being created when the roading operation was sold. However, as part of the draft long-term plan 2021-2031 it is proposed that part of these funds will be used to fund some of the increased roading capital programme in the first four years. The expected balance at the end of 2030-31 is \$4.2 million. The other two reserves have a total balance at 30 June 2020 of \$2.8 million are intended to provide coverage in the event of unexpected costs (including a natural disaster). These two reserves are forecast to be \$2.7 million at the end of 2030-31.

Stewart Island/ Rakiura

There are currently four reserves specifically for use in Stewart Island. One for use for waste management on the island and a general reserve.

At 30 June 2020 the balance of these two reserves was \$285,000. The expected balance at the end of 2030-31 is \$88,000. There are two reserves for individual jetties (Ulva and Golden Bay). At 30 June 2020 the balance in the Ulva Island reserve was \$266,000. This is expected to be used with work on the jetty originally included in 2020-21 annual plan; but is now expected to be completed in 2021/22.

The Southland District Council draft long term plan 2021-2031 has no project relating to the rebuild of the jetty at Ulva island. There is a project in 2026/27 for renewal of the causeway which is separate to the rebuild of the jetty itself.

There was \$160,000 included in the annual plan for 2020/21 for the renewal of the jetty at Ulva island, funded via the reserve. On 27 August 2020 Council approved an additional \$340,000 for the project.

The project for the rebuild currently has a total budget of \$1,200,000 with a request for \$600,000 from this application and the remaining \$600,000 funding as follows:

- \$200,000 from the reserve balance at 30 June 2020 (remaining funds to allow for some maintenance)
- \$100,000 approved by the Stewart Island Visitor Levy on 20 June 2020. These funds are subject to conditions being met
- \$300,000 funded by a 25-year loan. Council is looking to apply to the Stewart Island Visitor levy to fund the annual repayments on this loan. If the application is not approved the loans are likely to be funded by rates on the Stewart Island Community.

The Stewart Island/Rakiura Community Board rate is collected from a small number of ratepayers (498). The draft long-term plan has a proposed rate of \$238.87 (GST incl) for the community board rate. However, a new rate has been introduced of \$200 (GST incl) as a SIESA targeted rate. SIESA is power provider on the island operated by Council and the new rate has been introduced to assist with the ongoing costs. SIESA charges are currently approximately three to four times charges for electricity on the mainland.

While it is intended to apply to the Stewart Island visitor levy to fund the repayments on the \$300,000 loan; if unsuccessful the local ratepayers are likely to need to fund the \$15,366 (GST excl) repayments. There are currently 498 ratepayers that pay the Stewart Island/Rakiura Community Board urban rate. The proposed urban rate for 2021/22 is \$237.87 GST incl (\$206.84 GST excl); for a total value of \$118,459 GST incl (\$103,008 GST excl).

The loans for work completed in 2021/22 require additional rates for repayments of loans from 2022/23 of \$15,366; 14.92% of the total Stewart Island/Rakiura Community Board urban rate for 2021/22. This is an additional \$35.48 GST inclusive for an urban rating unit.

If the additional \$600,000 requested through the Tourism Infrastructure Fund for the project had to be funded by loan repaid from the Stewart Island/Rakiura Community Board urban rate an additional \$30,732 per annum (29.83%) would be required in 2022/23 in addition to the 14.92% above. This is an additional \$70.97 GST inclusive for an urban rating unit. Combined the \$900,000 would increase the Stewart Island/Rakiura Community Board urban rate by 44.75%.

The independent inquiry into Local Government rates suggested that the trigger for exceeding rates affordability was 5% of household income. Work completed as part of development of the long-term plan 2021-31 indicates that based on the 2019 rate year a number of our communities are already over this percentage. While Stewart Island is below the threshold this work did not include the new SIESA targeted rate nor does it show the additional costs that residents on the island pay due to geography (eg increased electricity costs).

Refer to Appendix D for 2019 2020 Southland District Household Rates Affordability table.

3.3.2 Describe what alternative sources of funding were explored before this co-funding request was made.

Existing users were approached about co funding the replacement wharf at Ulva Island. DOC advised they are unable to fund assets they don't directly own. Operators such as Real Journeys indicated that they were happy to pay a user fee however, with the small number of operators (8) and the amount of revenue that could

reasonably be expected, this would only be enough to maintain the jetties (6) that are locally funded by the Community Board.

3.3.3 Please list any other active TIF funded projects and provide an update on progress.

Please Note: strong preference will be given to applications from councils that have completed previously approved projects.

Southland District Council currently has two active TIF applications, the Southern Scenic Route and Te Anau Wastewater applications.

The **Southern Scenic Route** application consisted of four separate projects -

- Waikawa Toilet Upgrade (complete)
- Te Anau Town Centre Toilet (complete)
- Monkey Island Camping Area Development (incomplete)
There is some interpretation work to complete and the shelter to be replaced.
- Clifden Bridge Camping Area Development (incomplete)
There is some outstanding interpretation work to complete.

Due to unforeseen issues with both of these pieces of the project Southland District Council have included the funding for the outstanding work in the first year of the Long-Term Plan.

Te Anau Wastewater

Construction is currently 80% complete with this project. Delays have been observed due to COVID-19 with two key items still remaining on back order but there has been confirmation these items are now in transit and due into New Zealand in the month of May 2021, with the result of no current foreseeable delays to the project completion.

The project forecast is tracking well to budget and is calculated to be completed within the allocated budget.

Southland District Council have successfully received funding from MBIE via the Tourism Infrastructure Fund for previously completed projects:

- Lumsden Upgrade - 2017
- Real Journey's Manapouri Carpark -2019

Knobs Flat Wastewater Disposal Upgrade

The TIF allocated funding towards an upgrade of wastewater disposal system at Knobs Flat in collaboration with Milford Sound Tourism. Milford Sound Tourism has since advised that they are not continuing with the project at this stage so have not picked up the funding.

3.3.3 Financials for proposed project

Provide a breakdown of the tasks and associated costs required to complete the project. All costs should exclude GST. Use the 'insert row' function if you wish to add more milestones/tasks.

Marginal operating and maintenance costs for the first 2 years may be taken into consideration by the TIF Panel when assessing an appropriate level of funding, i.e. the additional operational and maintenance costs when the proposed project is completed.

Note: In most circumstances TIF co-funding will not be available of obtaining land access, resource consents, building consents, staff resourcing or on-going servicing of existing infrastructure.

Note: The TIF decision-making process could take up to 2-3 months from the closing date of applications. Please take this into account when planning your project timeline, especially if the project start date is contingent on TIF funding being secured.

Milestones and Project Tasks	Estimated Start Date	Estimated Completion Date	Total cost	TIF funding sought	Applicant co-funding	Key assumptions made in estimating costs
'Milestone one'						
• Submit TIF application	19 April 2021	30 April 2021				
• Resource Consent application	19 April 2021	30 July 2021	\$90,000	\$45,000	\$45,000	
• Final design and methodology	19 April 2021	30 July 2021	\$40,000	\$20,000	\$20,000	
• Building consent application	1 August 2021	1 September 2021	\$20,000	\$10,000	\$10,000	
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$150,000	\$75,000	\$75,000	
<i>Annual operating / maintenance cost only:</i>						
'Milestone two'						
• Finalise TIF funding	2 August 2021	5 August 2021				
• Finalise scope of project	16 August 2021	20 August 2021				

• Finalise and sign contract	23 August 2021	27 August 2021				
Sub-Totals (do <u>not</u> include Annual operating / maintenance):						
Annual operating / maintenance cost only:						
'Milestone three'						
• Procurement	1 October 2021	30 Nov 2021	\$30,000	\$15,000	\$15,000	Probity Lawyer Costs
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$30,000	\$15,000	\$15,000	
'Milestone four'						
Demolition	1 May 2022	30 May 2022	\$ 100,000	\$50,000	\$ 50,000	
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$100,000	\$50,000	\$ 50,000	
Annual operating / maintenance cost only:						
'Milestone five'						
Construction	1 June 2022	30 August 2022	\$ 920,000	\$460,000	\$ 460,000	
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$ 920,000	\$ 460,000	\$ 460,000	
			Total Cost	TIF funding sought	Applicant co-funding	
Totals (do <u>not</u> include Annual operating / maintenance): (Must equate to the project cost detailed in Section 1.1)			1,200,000	\$ 600,000	\$ 600,000	
Total Annual operating / maintenance costs only:						

3.4 Risks and Mitigations

Describe any risks associated with this project that you have identified and list the mitigations for each risk.

Risk	Mitigation
The project site covers Council land adjacent to privately owned land	Third Party agreements will ensure any issues are resolved at the outset
Availability of materials and contractors	Conduct early engagement with potential contractors
Unfavourable seabed conditions	Obtain ecological and geotechnical assessment before commencing work
Operations unable to continue through construction phase	Early engagement and communication with commercial operators
Detailed design exceeds expected budget	Early contractor engagement through design process, contingencies included in project budgeting

Section 4: Declaration by lead applicant

I declare on behalf of the applicant(s), that:

- I have read this form, and the Guidance for Applicants, and fully understand the procedures, terms, conditions and criteria for TIF co-funding;
- this application form outlines the basis on which this application is made;
- I have read, understand and accept MBIE's standard form contract, including the terms and conditions, a copy of which is attached as Schedule 1 in the Guidance for Applicants;
- the statements in this application are true and the information provided is complete and correct and there have been no misleading statements or omission of any relevant facts nor any misrepresentation made;
- I understand MBIE and its advisers may disclose to or obtain from any government department or agency, private person or organisation, any information about the applicant(s) or project for the purposes of gaining or providing information related to the processing and assessment of this application;
- the applicant(s) will, if requested by MBIE or its advisers in connection with this funding process, provide any additional information sought and provide access to its records and suitable personnel;
- I understand MBIE may undertake due diligence checks as needed to meet government requirements, and I consent to checks required being carried for those purposes;
- I consent to the public release, including publishing on the Internet, of the name of the applicant(s), the amount of grant sought, contact details of the applicant(s) and a general statement of the nature of the activity/project, and undertake to cooperate with MBIE on communications relating to this application;
- I understand MBIE's obligations under the Official Information Act 1982 and that, notwithstanding any relationship of confidence created as a result of this application, the provisions of this Act apply to all of the information provided in this application;
- the application involves an activity/project that is a lawful activity that will be carried out lawfully;
- the applicant(s) is not in receivership or liquidation nor will the project be managed by an undischarged bankrupt or someone prohibited from managing a business;
- where external providers are being employed as part of the project/activity, the relevant providers will not be employees or directors of the applicant, and nor do they have any other direct or indirect interest in the applicant, whether financial or personal unless specifically stated in the application;
- I am authorised to make this application on behalf of the applicants identified in section 1;
- I understand that MBIE may withdraw its offer of funding should the proposed project fail to be completed within the agreed timeline (detailed in Section 3.2.4).


MBIE FORM 01/25/2020

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form April 2021

Signature of lead applicant

This acknowledgment must be signed by a person with the legal authority to commit your organisation to a transaction (e.g. Chief Executive or Mayor)

Name	Cameron McIntosh
Title	Chief Executive Officer
Organisation	Southland District Council
Signature	
Date	30/04/2021

Section 5: Attachments

[Attach here, as a PDF, any additional information you consider necessary to support your application. Note that there is a 20MB size limit]

Appendix A



Southland Regional Development Agency

143 Spey Street, PO Box 1306, Invercargill 9840, Southland, New Zealand
Phone +64 3 211 1400 Email info@greatsouth.nz

greatsouth.nz



APPENDIX A:

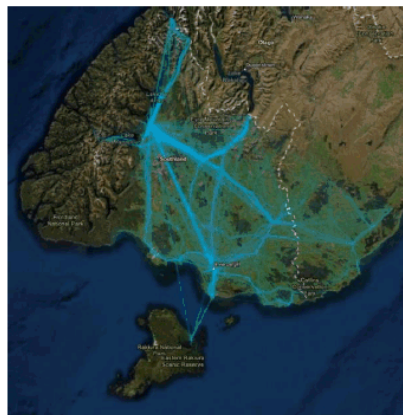
VISITOR INSIGHTS FOR RAKIURA STEWART ISLAND

PREPARED 30 APRIL 2021

Regional Context

Prior to the impacts of the COVID-19 pandemic and the subsequent closure of international borders, Southland was experiencing high levels of visitor growth across the entire region. This was particularly evident through key touring routes, including the Milford Road corridor (i.e., travel from Queenstown to Milford Sound) and through the Southern Scenic Route. For the calendar year of 2019, the total Southland region achieved 3% growth in visitor spend, equating to \$692 million, with the Southland and Fiordland Regional Tourism Organisations (RTO) up 2% and 5% respectively. This result being driven by buoyant international and domestic markets.

Similar levels of growth can be observed across all visitor indicators monitored by Great South, with strong increases observed in the accommodation sector, in key destinations such as Stewart Island/ Rakiura, Milford and Doubtful Sounds, and in vehicle movements. The COVID-19 pandemic has severely impacted visitor spend within the region. Following the national lockdown and when domestic travel was becoming available again, a strong rebound was observed in Southland RTO (which excludes Fiordland), with high numbers of domestic travellers.



Domestic Visitor Flows - 2020



International Visitor Flow - 2020

Note:

Where the travel route between two towns is unknown, a straight line is drawn between the towns. (e.g., between Te Anau and Invercargill). Data derived from UberMedia of 647 international travellers, and 1,371 domestic travellers

Southland Regional Development Agency

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greatsouth.nz

Data provided by MBIE's Tourism Electronic Card Transactions (TECT) shows visitor spend through electronic transactions by RTO area. This provides an overall context of the impact of COVID-19, and the associated closure of borders, on the region.

The overall spend figure below shows Fiordland RTO as the worst affected Regional Tourism Organisation nationwide, down by 55% when 12-month spend is compared to the previous year. During the same period Great South (Southland RTO), which represents the remainder of the region, had a reduction in spend of 9%. This relative performance, given the significant disruption to global travel, has been driven by Fiordland's traditional reliance on international markets but also by a strong domestic visitor market in the rest of Southland, particularly in key destinations such as Rakiura Stewart Island.

Regional Tourism Organisation	Year End February 2021	Change in Spend
Great South	\$ 204m	-9%
Destination Fiordland	\$ 36m	-55%
Destination Queenstown	\$ 514m	-39%

Stewart Island/ Rakiura Insights and Indicators

The below provides a summary of key visitor data and insights in relation to Stewart Island/ Rakiura. These include:

- Number of visitors (from the Stewart Island Visitor Levy)
- Accommodation occupancy (AirBnB)
- Key visitor counts across Department of Conservation track network
- Visitor surveying undertaken by Great South

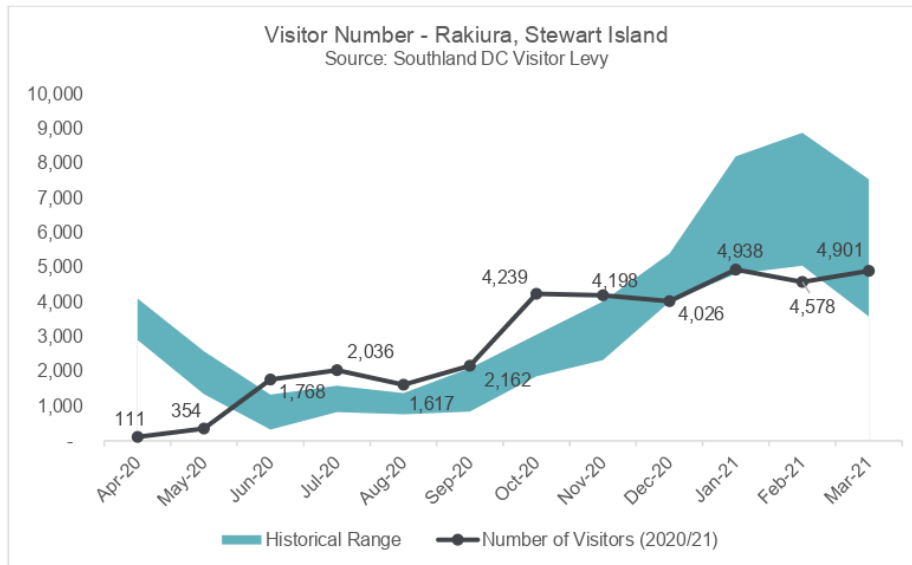
Visitor Levy Data

Data collected by Southland District Council, shows that Rakiura Stewart Island has gone through a period of sustained growth, with visitor numbers reaching 46,000 in 2018. This number dropped slightly in 2019 (by 4%). With the impacts of a shortened cruise season, closure of international borders, and COVID lockdowns on domestic tourism, 2020 visitors to the Island fell by 12% on the previous year.



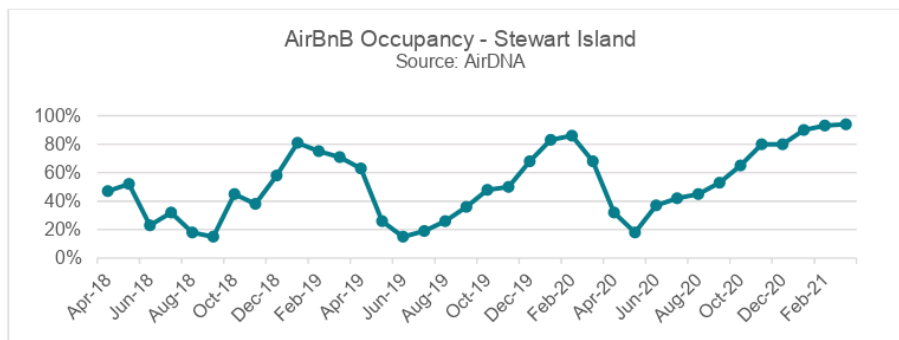
However, the Island has a strong domestic tourism product, and since the national lockdown in April/May 2020, performed strongly through the winter and spring period of 2020, with high levels particularly around public and school holidays. In the months from June to November 2020 visitor numbers within each month were higher than they have

been since recording began in 2014. Where numbers have reduced (relative to previous years) is over this summer (2021) with the absence of peak season cruise visitors and international travellers, despite the island continuing to have high domestic visitation¹.



AirBnB Insights

The Island has a mixture of commercial and peer-to-peer accommodation options. Data sourced from peer-to-peer provider, AirBnB, shows that, in recent months particularly, accommodation on the island has been operating at 94% occupancy. Commercial operators on the island report similar occupancy rates, particularly over this summer. Arguably the Island is "fully booked", with limited opportunity for 'day trips' due to current transport scheduling.



¹ Accounting for 8,000 additional visitors in the summer of 2020.

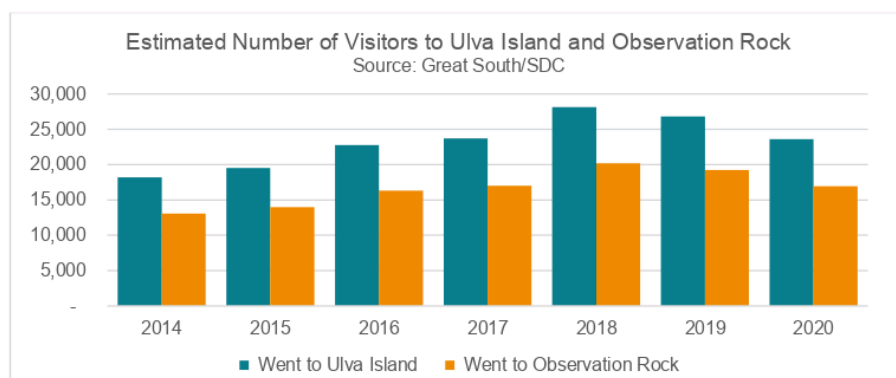
Great South Visitor Survey

During the period from December 2020 until March 2021, Great South undertook a survey of visitors departing Stewart Island/ Rakiura. Approximately 50% of departing visitors completed the survey, which provided insights into the number of visitors to both Ulva Island and Observation Rock.

	Surveys Returned ¹	Percentage of Visitors
Visitors to Ulva Island	1,295	61.3%
Visitors to Observation Rock	929	43.9%

¹ Respondents were asked to complete one survey per group departing, the average group size was 3.3 people.

Assuming this trend is similar for previous years, the total number of visitors to each of these sites can be estimated by relating this percentage to total visitation to the Island. As shown below, visitation to Ulva Island likely exceeded 25,000 visitors in 2018 and 2019 calendar years. While visitation to Observation Rock reached approximately 20,000 visitors in 2018.

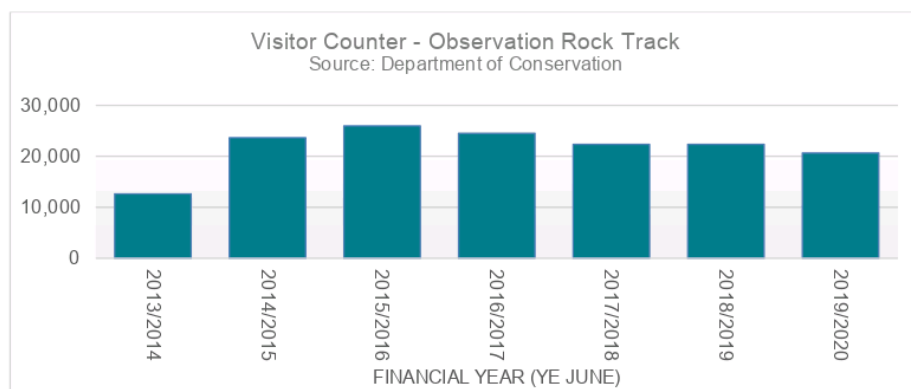
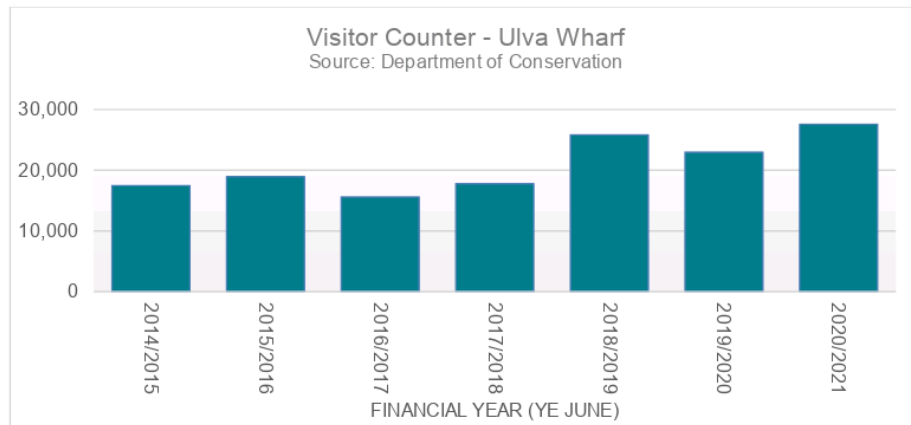


Department of Conservation Track Counters

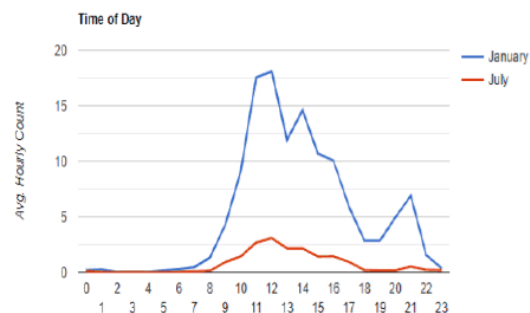
The Department of Conservation operates a network of track counters. Presented below are uncalibrated numbers of visitors past these track counters. Note these numbers can be affected by wildlife, double passes, or visitors not walking past the counter, so they provide an indicative but not conclusive insight. The Department also reports visitor numbers over a 'financial year' (period ending 30 June).

However, these numbers support the inference made above, with approximately 25,000 visitors to Ulva Island during 2018 and 2019. This number has grown from 17,500 visitors in 2014.

Again, visitation to the Observation Rock Track shown on these track counters shows a similar pattern to what we present above. With growth shown from 12,500 visitors in 2013 to 20,000 visitors in 2019.



The Department of Conservation also provides information on the time of day visitors are at Observation Rock. Currently, the majority of the visitors are at the site during the middle of the day. However, with the dark sky offering, a second spike in visitation tends to occur around sunset/dusk. Late night visitation is expected to significantly increase as visitors head to the island to experience the night sky, with the island having achieved International Dark Sky Sanctuary accreditation.



Summary

In considering the data outlined above, there are several key insights we can observe in relation to Stewart Island/ Rakiura.

- Stewart Island/ Rakiura is a key part of the Southland/Fiordland regional tourism offering, with one in four visitors to the Island also visiting Fiordland.
- Stewart Island/ Rakiura has performed strongly, despite the closure of international borders and national COVID-19 lockdowns, with high monthly visitor numbers since June 2020.
- The growth experienced post COVID-19 has slowed recently, with no cruise vessels visiting the Island this season, and without international visitors during the island's traditionally peak summer period.
- The Island has experienced high accommodation occupancy rates over the summer, exceeding 90% for the past three months.
- Over 60% of visitors to Stewart Island visit Ulva Island, which equates to around 25,000 visitors per year. This number has been confirmed by a visitor counter managed by Department of Conservation on the wharf.
- Over 40% of visitors visit Observation Rock, which equates to around 20,000 visitors per year. This number has been confirmed by a visitor counter managed by Department of Conservation on the track.
- With Stewart Island/ Rakiura achieving International Dark Sky Sanctuary accreditation, we are seeing visitors to Observation Rock both during the day and later in the evening, with night visitation expected to grow significantly in the year to come.

Should you require any further context to this, please contact the undersigned.

Mat Darling
Great South Data Insights Analyst

Appendix B



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Southland District Council

Assessment of Stewart Island Wharves & Jetties

January 2014





This Document has been prepared by the office of Emtech Ltd

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9 Jan 2014	Draft	A.R. Bird	R.M. Davis	R.M. Davis
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ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

EXECUTIVE SUMMARY

On Tuesday 19 and Wednesday 20 November 2013 Emtech personnel accompanied by Southland District Council (SDC) and Stewart Island Wharves and Jetties Committee (SIWJC) representatives carried out inspections on all the structures that are managed by SDC in conjunction with SIWJC. These inspections were undertaken to assess the current condition of the structures and identify short, medium and long term maintenance requirements in an effort to develop a maintenance strategy at the same time supplying SDC information for its asset management system. The inspections also provided an opportunity to identify any emergency works that may have presented SDC with safety concerns prior to the busy Christmas period when all structures are subjected to the highest volumes of traffic annually.

The inspections identified two structures that were deemed unsafe or contained elements that exposed SDC to a high level of risk if remedial action was not undertaken as soon as practical. These emergency works were identified and outlined in a letter to SDC on 22 November and remedial works on the Ulva Island Structure began on 27 November. We understand that all work was completed prior to Christmas.

In completing the assessments, Emtech found that of the five structures, two were in good condition, one in average condition with short term maintenance required and the remaining two in poor to very poor condition and in need of emergency works or recommended closure. Further details are in the following report with a brief summary below

- Fred's Camp – Good Condition
Recommendation - Replace single pile (Short Term) Monitor approach handrail (short/medium term) possible replacement (Medium term)
- Little Glory – Good Condition
Recommendation - Pile cap protection (Medium/long term)
- Millers Beach – Average Condition
Recommendation - Bracing and possible pile replacement (Short term) Monitor handrail (short/medium term) possible replacement (Med. term)
- Port William – Very Poor Condition
Recommendation - Close facility immediately
- Ulva Island – Poor Condition
Recommendation - Emergency works required. Maintenance/replacement strategy required (Short Term)

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

1.0 BACKGROUND

1.1 General

The Southland District Council (SDC) has engaged Emtech Ltd, (EL) to carry out a detailed inspection and engineering assessment of jetty and wharf structures under their jurisdiction on Stewart Island.

The purpose of the assessment is to determine the structures' current condition and the extent of any emergency, short term and long term remedial or maintenance type works required to ensure these facilities are at a safe level for public use.

The inspections were undertaken on the 19th and 20th of November 2013 with the help of the Department of Conservation (DOC) vessel HANANUI used for accessing the facilities. The following personnel were present:

Steve Meads	DOC	(Skipper)
Colin Pemberton	SDC	
Ian Marshall	SDC	(Day 1 only)
Aaron Connor	Stewart Island Wharves & Jetties Subcommittee (SIWJC)	
Graham Davis	Local Contractor	
Aidan Bird	EL	
Paul Meehan	EL	

1.2 Scope of Work

The agreed Scope of Work for the engagement is as follows:

- Carry out a visual inspection of the 5 jetties/wharves situated at the following locations on Stewart Island
 - Fred's Camp
 - Little Glory
 - Millers Beach
 - Port William
 - Ulva Island
- Detailed visual inspections to include:
 - Any retaining or abutment structures, pile footings or means of fixing to ground or seabed
 - Piles, caps, beams and deck including soundness testing of timber components.
 - Drill testing will be carried out on any timber members where there is evidence of likelihood of internal decay.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

- Present a brief report on the condition of each structure and provide SDC a schedule of the work required to reinstate any structural deficiencies and ensure they are both fit for purpose and safe for the public to access.
- If required, meet with stakeholders and local committees to ensure appropriate liaison and levels of input are achieved.
- Photographs of all structures will be recorded as part of the assessment.

A relevant selection of photos is included as Appendix 2 of this report.

All photos are available to SDC for reference and asset management records.

1.3 Amended Scope of Work

Following the initial inspection of the Ulva Island structure on 19 November, a number of safety issues were identified.

Details of this inspection follow later but due to the high volume of visitors using the structure and the associated safety concerns, SDC & EL staff agreed that emergency works were required as soon as practical at this site.

As a consequence of these findings the principal changes to the EL Scope of work agreed to by SDC were:

- (i) Meet contractor's onsite on 20 November to discuss possible remedial methodologies and practicalities of having these undertaken as soon as possible with minimal disturbance to users.
- (ii) Provide SDC with emergency works schedule for Ulva Island as soon as possible prior to reporting on other structures to enable SDC to gain necessary approvals to carry out emergency works.
- (iii) Provide SDC with any additional emergency work requirements identified on the remaining structures and include these in the initial Ulva Island schedule to enable approval to be gained for these to be carried out as soon as practical.

The above recommendations were supplied to SDC on 22 November and remedial works on the Ulva Island Structure began on 27 November.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.0 INSPECTIONS

2.1 Conditions

The inspections were completed as close to low tide as practical on both 19 and 20 November.

Environmental conditions

19 November: Clear sunny and warm with high cloud later in afternoon.
Wind: Calm building to 10-15 knots NE in afternoon
Sea: Calm with small wind chop later in afternoon.
Water: Below surface visibility was good.

20 November: Low cloud, fog areas and light rain at times. Improving as day progressed to very warm clear sky with small patches of high cloud.
Wind: 5-15 knots NE
Sea: Relatively calm with small wind chop at some locations.
Water: Below surface visibility was good

2.2 FRED'S CAMP

2.2.1 General

The Fred's Camp facility is a standard tee-head type wharf structure extending North East into the upper reaches of Paterson Inlet. It is of timber construction and occupies approximately 66m².

The overall condition of the Fred's Camp structure is good. The outer tee-head structure is not original having been upgraded within the last 36 months. The remainder of the structure back to the abutment is significantly older but has had a number of upgrades or repairs, some as recent as the Tee-Head rebuild.

2.2.2 Piles

The new piles on the outer section of the structure are all good quality piles of significant diameter and in good condition. They all appear to have sound footings with none exhibiting signs of movement.

The remaining older piles are a mixture of 2-200x100, 2-150x100 rectangular piles and 200 dia round piles. All except one are showing small loss of sap wood but are generally in good condition.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

One 200 dia pile, in the 5th bent out from the abutment, western side of walkway has suffered major degradation just above concrete footing level. The pile is almost completely rotted away and only a small amount of softwood on the inshore side remains. (Photo 6)

This failed pile is not having any significant effect on the structure's operability or safety as yet. This is due to the small amount of end bearing it is still achieving and the surrounding structure being in relatively good condition providing support in this area. If left however, this part of the wharf will deteriorate rapidly as the deck will sag locally and result in increased stresses to the surrounding structure and fixings. Increased movement at fixing locations will result in further rapid deterioration.

2.2.3 Pile Caps

There are double caps connecting the heads of the vertical piles in each bent both on the tee-head and walkway. These all appear in sound condition with only a few at the inner end showing minimal signs of decay. Very few caps have defects (splits or shakes) in the timber.

Bolted connections appear to be sound particularly at the outer end with new galvanised fixings and bituminous coating applied at all fixing locations. There is no evidence of significant movement in the connections inspected.

2.2.4 Beams

All beams in the new and older areas of the structure are in good condition. No major defects were observed and all beams in the new area are sized in excess of minimum load bearing requirements.

2.2.5 Bracing

200x100 timber longitudinal and cross bracing has been installed with galvanised fixings as part of the rebuild of the outer end. This provides a good level of support for the structure and will increase its durability.

Additionally 200x100 bracing has also been installed from the new structure back four bents shoreward on the original walkway further helping to tie this structure together.

300x100 tie/braces have also been added at deck level on the inside of the tee-head back to the first bent on the walkway effectively bracing the Tee structure as a whole. This will certainly help the structure to resist both heavy swell from the northerly quadrant and also heavy berthing impacts.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.2.6 Deck

The deck in the outer areas is in very good condition with the remainder of the deck in good condition with no major defects observed.

2.2.7 Stairs and Handrailing

The stairs on the berthing face would not meet current code requirements but are well built, practical and fit-for-purpose for this installation.

Similarly to the stairs, the handrailing would not meet current standards but the outer handrails are well built, practical and fit-for-purpose of this installation. The handrail on the inner walkway is only on one side and consists of one single timber rail 750mm above the deck. This 16m length did show some early signs of deterioration and will require monitoring and may require replacement in the medium to long term.

2.2.8 Abutment

The abutment at this location is sound and in good condition. It leads directly off a staired walkway leading to the local DOC hut. There was no obvious movement and the formed concrete pile footings are in good condition

2.2.9 Condition Rating

Note: Condition rating categories and information can be found in Appendix 1

FREDS CAMP		
	Condition Rating	Notes
Piles	3.3	Refer recommendations re: 1 No. pile
Pile Caps	3	
Beams	2	
Bracing	3	
Deck	2	
Stairs	2	
Handrailing	3	Refer recommendations
Abutment	3	
OVERALL	3	

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.2.10 Recommendations

Emtech make the following comments and recommendations regarding the condition of the Fred's Camp Facility as inspected.

1. The Fred's Camp Facility requires no emergency works to remedy any obvious safety concerns following the inspection on 19 November.
2. The decayed pile, Bent 5 out from the abutment needs to be scheduled for replacement within the next 12 months to ensure it does not compromise the durability and safety of the structure.
3. The handrail from the abutment to the fee-head will require regular inspections to monitor any deterioration. This approximately 16m length should be scheduled for replacement within the next 4-5 years.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.3 LITTLE GLORY

2.3.1 General

The Little Glory facility is an L-shape type wharf structure extending North East into Glory Cove.

The Little Glory structure was designed by A.S. Major Consulting Limited in 2009 and built in 2010 and remains in very good overall condition. It is predominantly of timber construction and occupies approximately 95m².

2.3.2 Piles

The piles are all hardwood (ex Manapouri transmission line poles) and have been drilled and concreted into the local rock. All piles show significant weathering but are good condition with no obvious defects. They all appear to have sound footings with none exhibiting signs of movement.

Of note however is the top ends of the piles. Both those cut flush with the deck and those that extend through are showing signs of advanced fresh water decay. This is not affecting the structural integrity of these piles yet but if left untreated this may advance to a level for concern within the next decade.

2.3.3 Pile Caps

There are double caps connecting the heads of the vertical piles in each bent on both legs of this structure. These all appear in very good condition, none having any visible defects (splits or shakes) in the timber.

Bolted connections all appear to be sound with galvanised fixings and bituminous coating applied at all fixing locations. There is no evidence of significant movement in any connections inspected.

2.3.4 Beams

All beams in this structure are in good condition. No major defects were observed.

2.3.5 Bracing

All bracing on this structure has been installed significantly over and above that specified in the design both in terms of timber size and locations. All connections and fixings are in good condition.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.3.6 Deck

The deck is in very good condition with no major defects observed. The decking, where cut around the pile heads as mentioned earlier, does however pose a risk particularly where this occurs in a high traffic area. As the decay advances this may be a trip or slip hazard that will need to be addressed within the next 5 years.

2.3.7 Stairs and Handrailing

The stairs on the berthing face would not meet current code requirements but are well built, practical and fit-for-purpose of this installation.

Similarly to the stairs, the handrailing would not meet current standards but all handrails are well built, practical and fit-for-purpose of this installation. There are no safety concerns with either of the above items.

2.3.8 Abutment

The abutment at this location is complex as it meets a well used inclined track approaching from an angle. The abutment is formed with a combination of short timber piles set in concrete and also timber blocks anchored to the rock in-turn fixed to bearer type timbers spanning to the first pile bent. The structure and anchors, where visible, are in good condition and the structure appears sound with no signs of movement or deterioration.

2.3.9 Condition Rating

LITTLE GLORY		
	Condition Rating	Notes
Piles	2	
Pile Caps	2	
Beams	2	
Bracing	2	
Deck	2	
Stairs	2	
Handrailing	2	
Abutment	3	
OVERALL	2	

2.3.10 Recommendations

Other than minimising the pile ends' exposure to fresh water pooling Emtech believe this structure is fit-for-purpose and should continue to be inspected at least annually for any defects.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.4 MILLERS BEACH

2.4.1 General

The Millers Beach Wharf structure appears to have been modified through a number of iterations to its current configuration of an offset Tee-Head type structure. It is predominantly of timber construction and occupies approximately 32m².

The overall condition of the Millers Beach structure is functionally sound but the deterioration of fixings and bracing elements will require remedial action in the short term to ensure further deterioration does not compromise the safety of this structure.

This location is relatively exposed to the northern quadrant with significant fetch distance and can experience considerable wave action. It also experiences a considerable volume of traffic with a large DOC structure nearby and it is not uncommon to have multiple vessels moored in and around this facility.

2.4.2 Piles

The piles are significantly weathered although over the majority of their length there are no major defects. However at bracing and cap fixing locations there is significant degradation with enlarged fixing holes reducing the piles' diameter. These areas have not compromised the structure's safety yet but will need to be addressed in the short term in combination with the bracing elements.

2.4.3 Pile Caps

The pile cap timbers are all in good condition on both the tee-head and approach. The fixings are all in very poor condition with the exception of a small number that appear to have been replaced recently with galvanised fixings. The lack of, or significant degradation of some of these fixings is allowing the structure to move, exacerbating the degradation.

2.4.4 Beams

All beams are in good condition. No major defects (splits or shakes) were observed in the timber. However, similarly to the pile caps, the fixings are also in very poor condition and if not rectified in the short term will result in rapid degradation.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.4.5 Bracing

It was calculated at the time of the inspection that 50% of the bracing on the Millers Beach Structure is missing or degraded to an extent that it is now ineffective. Some bracing elements were visible hanging below the water surface or on the seabed. Others were still in place but held there by a combination of marine growth and support from surrounding elements. Low level whaler timbers are in a similar state to the bracing and with regard to remedial works, should be considered to be bracing elements as well

The poor state of these bracing elements does not have a major effect on the structure's ability to stand in calm conditions or accept light foot traffic. It does however significantly compromise the structure's ability to resist lateral loadings imposed by wave action and even currents at high tide levels, vessel berthing loads and impacts and the combination of these.

The lack of good bracing elements and fixings on this structure will need to be addressed in the short term to ensure it can remain operating safely

2.4.6 Deck

The deck in the outer areas is in good condition with only one sub-standard plank providing a tripping hazard. The inner approach decking appears to have been replaced more recently and is in very good condition with no major defects observed.

2.4.7 Ladders and Handrailing

There are 2 ladders on the berthing face, one timber, the other steel. The timber ladder is in good condition although some unprotected fastenings are showing evidence of advanced corrosion (Photo 16). The steel ladder is still in good condition despite its lack of protective coatings. Both are fit-for-purpose for this installation.

The timber handrailing would not meet current standards at 750mm above the deck and the connections to the deck are very poor (Photo 15) however it does have an outer brace at some post locations. These braces provided sufficient rigidity at the time of the inspection to deem the existing hand rail fit-for-purpose of this installation.

2.4.8 Abutment

The abutment at the Millers Beach installation is in very good condition. This has been upgraded recently to tie in with the upgraded DOC walkway and

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

stairs. There was no obvious movement and the formed concrete pile footings and timbers were in good condition.

2.4.9 Condition Rating

MILLERS BEACH		
	Condition Rating	Notes
Piles	3.7	Significant loss of diameter on some
Pile Caps	3.3	Timber ok but fixings in very poor condition
Beams	3	
Bracing	4.3	A number missing and fixings in very poor condition
Deck	3.3	
Ladders	3.3	
Handrailing	3.7	
Abutment	2	
OVERALL	3.7	

2.4.10 Recommendations

Emtech make the following comments and recommendations regarding the condition as inspected of the Millers Beach Facility.

1. The Millers Beach Facility requires no emergency works to remedy any obvious safety concerns following the inspection on 19 November.
2. The significantly deteriorated bracing elements in the structure will need to be addressed within the next 12 months. The majority will require replacing. In doing so, if a pile is found to have significant wasting at the existing fixing location one of the following options will need to be implemented also:
 - a. Replace the pile.
 - b. Fix 200x75 timber each side of the pile extending 600mm minimum beyond fixing location and through bolted with M24 Galvanised fixings at 200crs.
 - c. Bracing configuration amended to incorporate new low level walers and pile caps as fixing locations for bracing if re-piling is unable to be achieved.
3. The handrails, and in particular, the fixings at deck level will require monitoring to ensure these fixings remain sufficient. It is recommended that the approximately 15m length of handrails should be scheduled for replacement within the next 4-5 years.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.5 PORT WILLIAM

2.5.1 General

The structure at Port William is a tee-head type structure. It is predominantly of timber construction and occupies approximately 43m².

The overall condition of the Port William structure is very poor with significant deterioration of piles, bracing and fixings. The structure is now past the point of economical remedial action and is unsafe for normal operations.

The location of the Port William facility is at the northern point of the Port William Bay and the structure extends south east into the bay from a rocky outcrop. While this appears to be a relatively sheltered location the existing wharf frequently is subjected to a south easterly swell refracting around the point, particularly at higher tides. This has exacerbated the damage the facility has suffered particularly when the deck level is in the wave zone in these conditions.

The rocky outcrop, on which the structure abuts, has deep water on both sides and beyond this, on both sides, beautiful sand beaches. While on site completing inspections we witnessed users and water-taxi operators using both the rock outcrop and the beaches to land and pickup people. There appeared to be no difficulties associated with these operations.

2.5.2 Piles

The piles have significant rotting at both fixing locations and close to ground or seabed level. At least four piles on two bents in the approach section move freely. These are unsafe.

2.5.3 Pile Caps

The pile cap timbers are all in good condition on both the tee-head and approach. The fixings are all in very poor condition however.

A number of pile caps may be recycled for reuse in other structures if required.

2.5.4 Beams

All beams are in good condition. No major defects (splits or shakes) were observed in the timber. However similarly to the pile caps, the fixings are also in very poor condition.

A number of these beams may also be recycled if required.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.5.5 Bracing

More than 50% of the bracing on the Port William Structure is missing or degraded to an extent that it is now ineffective. Some bracing elements were visible hanging below the water surface or on the seabed. Others were still in place but held there by a combination of marine growth and support from surrounding elements.

The lack of effective bracing on this structure is further reason to condemn the facility

2.5.6 Deck

Much of the deck timber is showing signs of decay. There are also a number of planks missing and due to the lack of pile support on the approach and uplift experienced in high tide conditions the deck is now misaligned in both the vertical and horizontal directions. This is unsafe for normal operation.

2.5.7 Ladders and Handrailing

The steel ladder is still in good condition despite its lack of protective coatings. This could be recycled if required.

The timber handrailing is poor and unsafe

2.5.8 Abutment

The abutment at Port William is in good condition. This appears to have had an upgrade possibly when the DOC walkway and stairs recently had some work done on them.

2.5.9 Condition Rating

PORT WILLIAM		
	Condition Rating	Notes
Piles	4.7	Significant rot in some, others are floating.
Pile Caps	3.3	Timber ok but fixings in very poor condition
Beams	3.3	Some timbers may be recoverable
Bracing	5	A number missing and fixings very poor condition
Deck	4.7	Decking poor with some planks missing
Ladders	3.3	Recoverable
Handrailing	3.7	Poor
Abutment	3	
OVERALL	5	Very Poor - Recommend Closure of Facility

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.5.10 Recommendations

Emtech make the following comments and recommendations regarding the condition as inspected of the Port William Facility.

1. The Port William facility is in very poor condition and in our view unsafe.
2. While the structure remains standing EL recommend SDC maintain clear signage informing vessels as they approach the structure that it is closed and not suitable for use.
3. Due to the location and the surrounding environment EL recommend that SDC do not replace this jetty unless there is firm justification for this and stake holders in their various capacities are prepared to contribute financially.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.6 ULVA ISLAND

2.6.1 General

The Ulva Island Wharf structure extends from a walkway and concrete abutment North West immediately adjacent a headland on the north side of Ulva Island. It is predominantly of timber construction and occupies approximately 50m² with the outer 4.1m of deck being 1.9m lower than the inner 14m of the approach deck level.

The facility at Ulva Island is one of the busiest wharfs in the Stewart Island area in terms of vessel movements and an estimated 22,000 people annually embarking and disembarking.

The overall condition of the Ulva Island structure at the time of inspection was functional but the deterioration of fixings, bracing and deck elements will require both emergency works to be undertaken immediately and remedial actions in the short/medium term to ensure further deterioration does not compromise this structure. As mentioned earlier, we understand the emergency works have now been completed following instructions immediately following the inspection.

The outer end of the structure is exposed to swell from north east and due to the confines of the bay and location of the structure, it is subject to heavy boat wake and berthing loads also. The outer end being at a lower level is also submerged or in the wave zone more than 50% of the time and the deck is subjected to uplift and increased lateral loadings.

The lower level boarding deck at the seaward end of the structure used by the larger vessels on the outside and small vessels on the inner side failed recently at its connections to the piles. Remedial works by SIWJC were undertaken immediately in an attempt to make the structure usable. This has had limited success with one crucial area now held together with a 24dia drill bit and a new bolt in an old oversized hole.

2.6.2 Piles

The structure consists of 6 pile bents with the 6th or outer-most bent being a double bent of 4 No. piles and 2 sets of cross braces.

The eastern piles at bents 1 and 2 have broken away from their concrete footings and are able to swing free of the ground. These are effectively hanging from the deck structure providing very little end bearing or lateral resistance.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

The loss of end bearing on these piles has doubled the span of the deck joists and increased the dead load due to the suspended piles.

These piles are also situated on the side of the wharf that corresponds with the handrail which tends to get the most foot traffic and the highest pedestrian loadings.

This requires immediate attention

The remaining piles supporting the upper deck have signs of wasting and all fastening holes for braces and lower level walers are oversized and exposed to decay. These piles appear to be otherwise sound but their capacity has been greatly reduced.

One of the mid-span piles under the lower deck has broken off and the remaining one has obvious movement.

The piles at all corners of the lower platform have severe degradation around the bolt connections and the deck beams and stringers have similar degradation at the ends where the timber has failed at the bolted connections.

The above listed situation and all deck/pile connections relating to this lower deck are unsatisfactory and require immediate attention.

2.6.3 Pile Caps

The pile cap timbers under the upper approach are all in good condition although a number of unprotected fixings are in very poor condition with the exception of a small number that appear to have been replaced recently with galvanised fixings.

The pile cap timbers under the lower approach are in poor condition with all fixings in very poor condition. Both need to be replaced or additional caps and piles need to be installed along side to support the deck.

2.6.4 Beams

All upper deck beams were in good condition. No major defects (splits or shakes) were observed in the timber. However similarly to the pile caps a number of fixings were also in very poor condition and if not rectified in the short term will result in rapid degradation.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

All lower deck beams are in poor condition but are sufficiently oversized and are still providing adequate support for this area of the deck. Fixings however are again in poor condition and if not rectified in the short term will result in rapid degradation.

2.6.5 Bracing

The bracing in bents 1 and 2 has been replaced recently and now consists of galvanised 'Reidbar' cross bracing. This is still in good condition although its effectiveness is very limited as one pile in each bent is not securely embedded. Fixing these piles as part of the emergency works should rectify this and the bracing should again be effective.

The timber bracing under the outer end of the upper deck (between bents 2, 3 & 4) including low level whalers is very poor. A number of connection points have significant 'slop' and the timber in these areas is degrading rapidly. The poor state of these bracing elements does not have a major effect on the structure's ability to stand in calm conditions or accept light foot traffic. It does however significantly compromise the structure's ability to resist lateral loadings imposed by wave action and even currents at high tide levels, vessel berthing loads and impacts and the combination of both.

The bracing timbers on the inner piles of the outer-most double bent 6 are similar to those described above. Significant degradation at all fixing points and with a number of repair attempts the timber resembles something of a 'Swiss cheese' in places. The bracing in this area is however helped somewhat by an additional brace on the outer-most piles. There is however limited connection from this bent back to the main structure. (Photos 27 & 28)

The lack of good bracing elements and fixings on this structure will need to be addressed in the short term to ensure it can remain operating safely

2.6.6 Deck

The upper level approach decking appears to be in good condition with no major defects observed.

The outer lower deck area is in satisfactory condition. It has an anti-skid type mesh over the timber deck but there is thick marine growth due to it being frequently submerged. The decking appeared sound with only small areas of soggy timber eroding from the edge planks.

No short term remedial actions required on the deck.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.6.7 Stairs and Handrailing

The timber stairs from the upper deck level to the lower outer deck are in good condition with no obvious defects. The centrally located posts, cap and double handrail are also in good condition (Photo 25).

The timber handrail located on the inner side of the upper platform only is connected to the outer deck joist with a single mild steel fixing. In all cases the bolt heads and nuts are almost completely corroded away (Photo 26). These will not tolerate any lateral load if required and when one fails it may create a cumulative effect with the entire handrail catastrophically failing with danger to people using it.

This requires immediate attention

2.6.8 Abutment

The abutment at the Ulva Island installation is in very good condition. This has been upgraded recently to tie in with the DOC walkway on to the island. There was no obvious movement and the formed concrete pile footings and timbers are in good condition.

2.6.9 Condition Rating

Note: Condition rating categories and information can be found in Appendix 1

ULVA ISLAND		
	Condition Rating	Notes
Piles	4.3	2 unfounded piles, major deterioration in others
Pile Caps	3 upper/ 4 lower	Upper timber ok but fixing very poor condition Lower Timber and fixings very poor condition
Beams	3	Some timbers may be recoverable
Bracing	3.7	Will need addressing in short term
Deck	3.3	
Stairs	3.3	
Handrailing	4.3	Handrail fixings require replacement immediately
Abutment	2	
OVERALL	3.7	Requires emergency works

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

2.6.10 Recommendations

Emtech make the following comments and recommendations regarding the condition as inspected, of the Ulva Island Facility.

Emergency Works (Completed)

The following recommendations are made following consultation with SDC and SIWJC personnel and with consideration to available resources and materials.

1. Four piles are required to be water jettied into the seabed in the lower deck area. This will require the removal of 2-3 deck planks at the seaward end and 1 stair tread at the shore end of the platform.

The piles should be situated 400-600mm away from the existing piles along the line of the outer deck stringer. These piles should be positioned to ensure fixings are able to be achieved into good timber on the deck stringers.

Heavy duty whalers (250x100 minimum size) need to be bolted across the new seaward piles above and below the deck and a single whaler above or below the deck at the new landward piles.

The deck structure needs to be bolted to the whalers and directly to the piles if possible.

All fixings should be galvanised 24mm diameter minimum

2. All 10 handrail stanchions each require a new 24mm diameter galvanised bolt fixing. Where possible these can replace the existing corroded fixing if it is able to be removed without damaging the timber. If this is not able to be achieved a new hole 50mm clear above the existing bolt will need to be drilled and bolt installed.
3. The two inner piles identified as having no end bearing capacity require clearing of existing rubble around their base and adjacent seabed. The existing cylindrical rubber formwork can be reused and a concrete foundation placed. This will need to be completed using a tremie pipe and personnel experienced in mixing and placing concrete by this method.

We recommend a minimum 40mPa concrete for this application with 8% microsilica. This improves both durability and ease of placing.

Short/Medium Term

The Ulva Island structure is in poor condition and there are a number of elements additional to those identified that may start to affect the structure's integrity if a maintenance strategy is not developed and implemented within the

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

next 12 months. This strategy as agreed and discussed may include a replacement structure in the short term and remedial works have therefore been recommended with this consideration.

The above emergency works have been designed to ensure the structure is brought up to a fit-for-purpose standard for the busy summer season by addressing the high risk areas.

Emtech believes that the use of this facility has developed, the size and frequency of vessels now using it has extended and at peak usage times and in some environmental conditions the Ulva Island facility is not able to provide the level of service expected safely.

With the emergency works completed but prior to any further maintenance, Emtech believes it to be in SDC best interest to investigate options for the facility and the site at Ulva Island, as any further maintenance expenditure may be uneconomical or any benefits short lived.

The opportunity of replacing or upgrading the existing facility could be achieved in conjunction with maximising the retention of the existing structure.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

Appendix 1

Condition Rating Reference

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

Condition Rating Reference

The following table sets out the basis for the condition rating applied to each asset.

Grade	Condition	General Meaning
0	Non-existent	Absent or no longer exists
1	Excellent	Sound, well maintained, no defects, designed to current standards.
2	Good	Sound, well maintained, not constructed to current standards, minor wear and tear, no loss of protective coatings. Any deterioration is superficial and has no significant impact on the structure or its functionality.
3	Above Average	Functionally sound but appearance, due to wear and tear, is affected to a minor degree. Minor loss of protective coatings and other minor defects are apparent.
3.3	Average	Functionally sound but appearance is affected to a moderate degree by wear and tear. Some loss of protective coatings and some defects are apparent.
3.7	Below Average	Functionally sound but appearance is seriously affected by wear and tear. Defects very evident and/or significant loss of protective coatings.
4	Generally Poor	Asset is functioning but appearance is seriously affected by wear and tear. Significant defects and/or loss of protective coatings.
4.3	Poor	Asset is functioning but defects are beginning to impair efficiency and or safety of operation. Major defects and/or loss of protective coatings.
4.7	Less than poor	Asset is barely functioning, defects have seriously impaired efficiency and or safety of operation. Total loss of protective coatings.
5	Very Poor	Serious structural defects have lead to failure or serious distress in many areas. Safety of operation is of serious concern and abandonment / demolition is required in the short term.

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

Appendix 2

**Photographs (Selection)
On Site 19 & 20 November 2013**

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

Photographs - On Site 19 & 20 November 2013

Photo 1 - FREDS CAMP - Berthing Face



Photo 2 - FREDS CAMP - Viewed from abutment

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 3 - FREDS CAMP



Photo 4 - FREDS CAMP - Tee-head structure and tie/brace

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 5 - FREDs CAMP - Underside of outer deck structure



Photo 6 - FREDs CAMP - Decayed pile

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 7 - LITTLE GLORY - Berthing face



Photo 8 - LITTLE GLORY - Viewed from abutment

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 9 - LITTLE GLORY

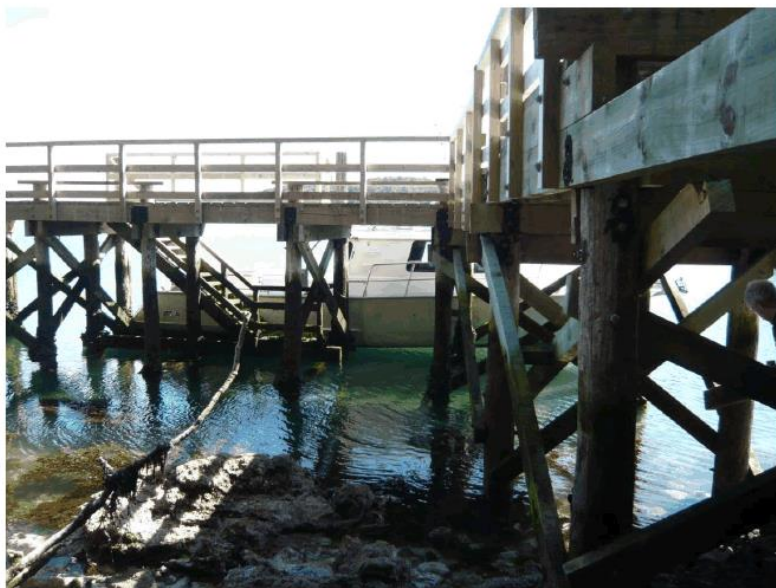


Photo 10 - LITTLE GLORY

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 11 - MILLERS BEACH - Berthing face



Photo 12 - MILLERS BEACH - Viewed from abutment

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 13 - MILLERS BEACH - Sub deck structure and bracing

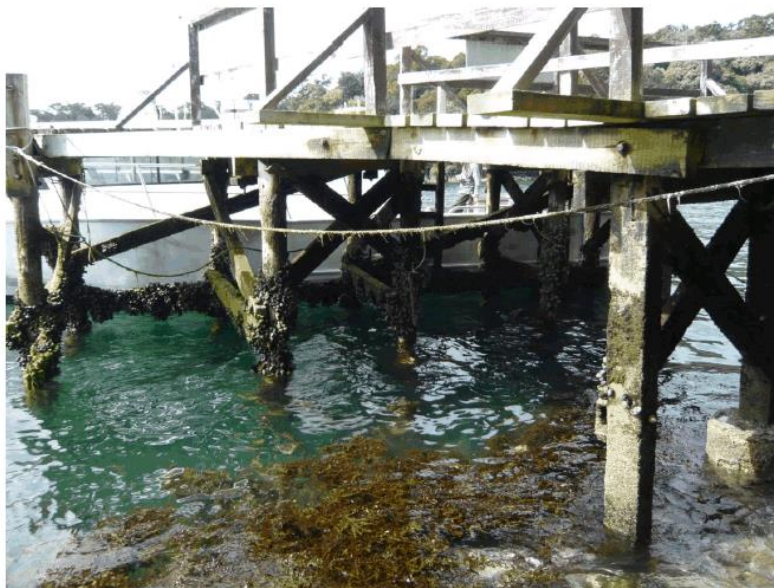


Photo 14 - MILLERS BEACH

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 15 - MILLERS BEACH - Handrail deck fixings



Photo 16 - MILLERS BEACH - Typical unprotected fixing

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 17 - PORT WILLIAM - Berthing face

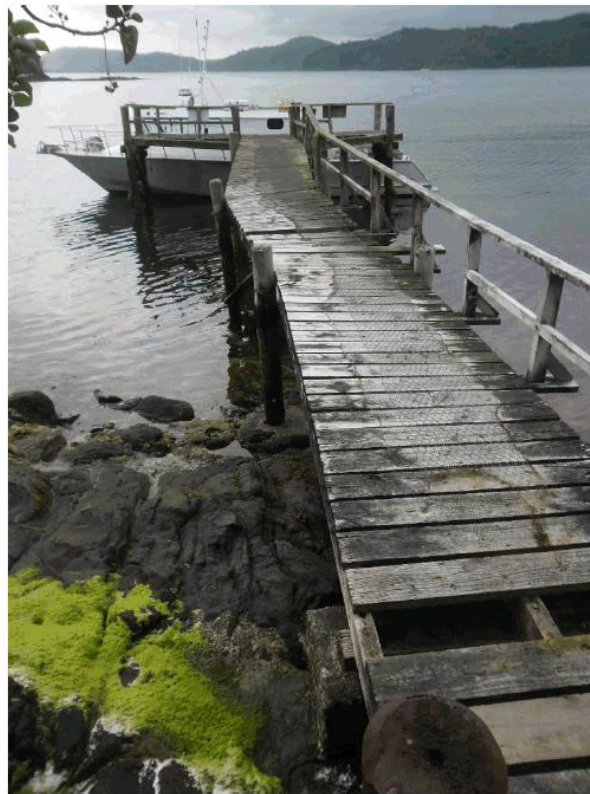


Photo 18 - PORT WILLIAM - Viewed from abutment

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 19 - PORT WILLIAM



Photo 20 - PORT WILLIAM - Decayed pile

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 21 - PORT WILLIAM - Underside of approach



Photo 22 - PORT WILLIAM - Tee-head deck and structure

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 23 - ULVA ISLAND



Photo 24 - ULVA ISLAND - Upper and lower platforms

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES

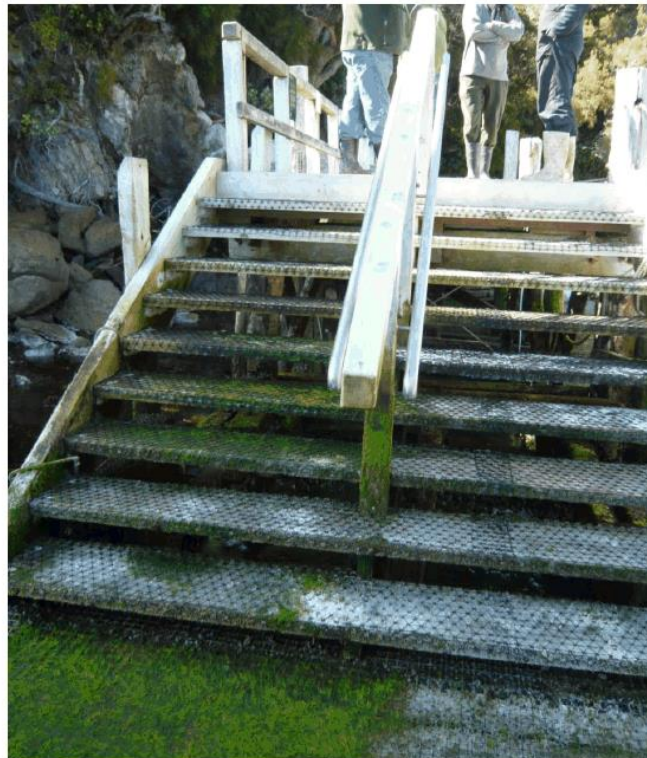


Photo 25 - ULVA ISLAND - Stairs to lower platform



Photo 26 - ULVA ISLAND - Typical handrail connection

ASSESSMENT OF STEWART ISLAND WHARVES & JETTIES



Photo 27 - ULVA ISLAND - Typical pile connections

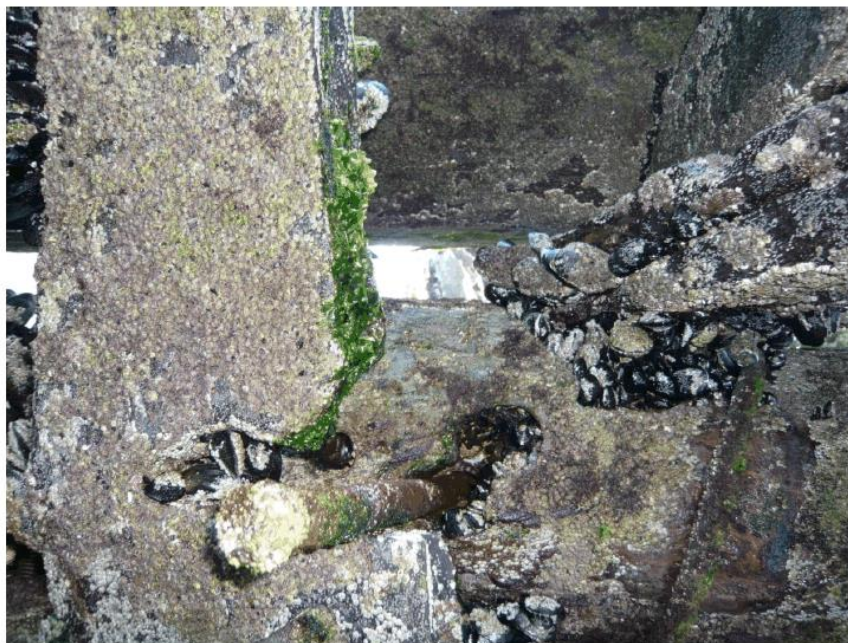


Photo 28 - ULVA ISLAND - Typical pile connections

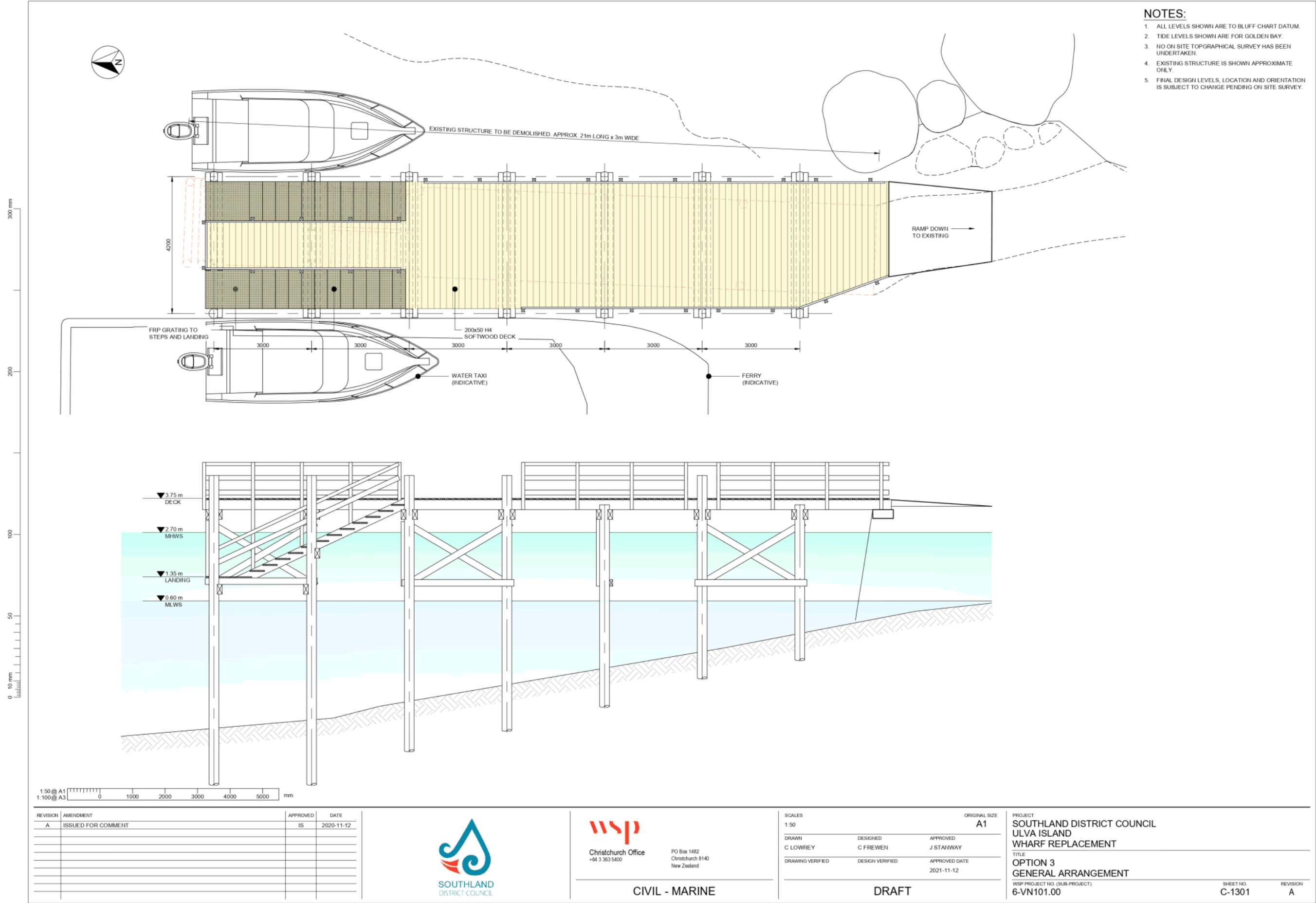
Appendix C



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Appendix D



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Table 1: Southland Residential Household Rates Affordability Summary by Area Unit

Area Unit	Rates % Household Income	Median Household Income	Rates 2019 (SDC + ES)			Usually Resident Population (2013)	Number of Households (2013)	Number of Rating Units (selected)	Median Property Value (selected)		2018 NZ Deprivation Index ¹ 1 (least)-10 (most)	Low Income Households (HH)		Rate Arrears		Rate Rebates		Accommodation Supplement	
			Median	Average	Total (\$m)				Capital Value	Land Value		% HH over AU share	% AU HH income under \$33k	% rating units over AU share	% AU rating units in arrears	% rating units over AU share	% AU rating units with rebate	% pop. over AU share	% AU pop. with supplement
Wairio ^(R)	10.19%	\$71,364	\$7,275	\$9,480	\$2.3	942	354	243	\$3.52m	\$2.88m	6		10-20%		5-10%		<5%		<3%
Ohai ^(U)	8.31%	\$30,427	\$2,527	\$2,533	\$0.4	303	126	151	\$57k	\$15k	9	1-2%	30+	2-3%	15%+	3-6%	10-15%	2-3%	7%+
Kaweku ^(R)	7.11%	\$88,072	\$6,262	\$8,364	\$1.4	567	204	166	\$2.92m	\$2.39m	5		<10%		<5%		<5%		
Riverton East ^(U)	7.01%	\$38,946	\$2,731	\$2,765	\$0.6	435	192	204	\$213k	\$57k	8	2-3%	30+	0<1%	5-10%	<3%	5-10%	2-3%	5-7%
Nightcaps ^(U)	6.81%	\$36,844	\$2,509	\$2,525	\$0.4	294	135	153	\$80k	\$22k	10	1-2%	30+	1-2%	10-15%	3-6%	10-15%	2-3%	7%+
Riverton West ^(U)	5.74%	\$51,559	\$2,959	\$3,015	\$2.5	999	459	823	\$360k	\$173k	6	2-3%	20-30%	1-2%	5-10%	3-6%	5-10%	2-3%	3-5%
Tuatapere ^(U)	5.65%	\$46,470	\$2,624	\$2,655	\$0.7	558	246	261	\$141k	\$32k	8	1-2%	20-30%	2-3%	15%+	6-10%	10-15%	2-3%	5-7%
Manapouri ^(M)	5.40%	\$55,764	\$3,010	\$3,206	\$0.8	228	105	244	\$315k	\$121k	4	<1%	20-30%		5-10%		<5%	<1%	3-5%
Wyndham ^(U)	5.35%	\$58,087	\$3,108	\$2,984	\$0.7	534	222	232	\$120k	\$17k	8	1-2%	20-30%	3%+	15%+	3-6%	5-10%	3-4%	7%+
Fairfax ^(R)	5.30%	\$84,863	\$4,499	\$7,340	\$3.7	1,908	693	510	\$1.97m	\$1.58m	5		10-20%		<5%		<5%		<3%
Otautau ^(U)	5.09%	\$52,887	\$2,694	\$2,707	\$0.9	669	291	320	\$185k	\$20k	8	1-2%	20-30%	2-3%	10-15%	3-6%	5-10%	5-6%	7%+
Lumsden ^(U)	5.06%	\$53,108	\$2,686	\$2,703	\$0.6	405	177	220	\$180k	\$29k	8	1-2%	20-30%	2-3%	10-15%	<3%	<5%	1-2%	5-7%
Te Anau ^(U)	4.96%	\$62,513	\$3,100	\$3,195	\$4.7	1,911	813	1,469	\$390k	\$155k	4	1-2%	10-20%		<5%		<5%		<3%
Winton ^(U)	4.66%	\$58,530	\$2,729	\$2,784	\$3.0	2,211	957	1,074	\$260k	\$99k	6	4%+	20-30%		5-10%	10%+	5-10%	6-7%	3-5%
Balfour ^(U)	4.51%	\$55,985	\$2,526	\$2,453	\$0.2	126	54	64	\$158k	\$20k	2	<1%	20-30%		5-10%	<3%	<5%		
Mararoa River ^(R)	4.08%	\$83,314	\$3,397	\$6,981	\$3.9	1,587	594	552	\$965k	\$390k	3		<10%		<5%		<5%		<3%
Stewart Island ^(U)	3.95%	\$59,526	\$2,353	\$2,479	\$0.8	381	171	334	\$310k	\$126k	5	1-2%	20-30%		<5%		<5%		<3%
Milford ^(U)	3.91%	\$52,555	\$2,054	\$2,283	\$0.05	117	30	20	\$673k	\$570k	3				<5%				
Toetoes ^(R)	3.86%	\$71,033	\$2,742	\$4,551	\$2.8	1,647	582	624	\$945k	\$640k	5		10-20%		5-10%		<5%		<3%
Mossburn ^(M)	3.84%	\$58,973	\$2,262	\$2,755	\$0.3	210	87	97	\$165k	\$20k	5		10-20%	<1%	5-10%	<3%	<5%	<1%	<3%
Edendale ^(U)	3.63%	\$74,241	\$2,697	\$2,884	\$0.7	555	231	253	\$220k	\$67k	5	<1%	10-20%		5-10%	<3%	<5%	<1%	3-5%
Riversdale ^(U)	3.40%	\$63,619	\$2,165	\$2,175	\$0.4	372	159	185	\$200k	\$29k	5		10-20%	<1%	5-10%		<5%		<3%
Waituna ^(R)	3.29%	\$85,416	\$2,808	\$6,595	\$3.1	1,683	612	466	\$1.05m	\$785k	4		<10%		5-10%		<5%		<3%
Waikaia ^(R)	3.15%	\$74,352	\$2,340	\$6,823	\$4.5	1,656	642	663	\$560k	\$220k	5		10-20%		5-10%		<5%		<3%
Te Waewae ^(R)	3.13%	\$65,168	\$2,043	\$4,396	\$2.7	1,380	534	604	\$465k	\$185k	6	1-2%	20-30%	<1%	5-10%		<5%		<3%
Hokonui ^(R)	2.98%	\$87,850	\$2,615	\$5,665	\$5.3	3,087	1,089	939	\$840k	\$275k	4		<10%		5-10%		<5%		<3%
Wallacetown ^(U)	2.89%	\$78,999	\$2,281	\$2,353	\$0.6	663	243	263	\$255k	\$56k	4		10-20%	1-2%	10-15%	<3%	<5%		<3%
Dacre ^(R)	2.53%	\$93,161	\$2,356	\$5,309	\$2.7	1,617	579	504	\$933k	\$535k	4		<10%		5-10%		<5%		<3%
Woodlands ^(U)	2.46%	\$71,918	\$1,769	\$2,789	\$0.3	264	111	111	\$340k	\$80k	4		10-20%		5-10%	<3%	<5%		<3%
Waianiwa ^(R)	2.29%	\$85,748	\$1,966	\$4,617	\$2.9	1,968	711	620	\$603k	\$228k	4		<10%		5-10%		<5%		<3%
Makarewa North ^(R)	1.74%	\$90,727	\$1,579	\$1,780	\$0.2	327	120	129	\$475k	\$170k	2		10-20%		<5%		<5%		
Southland	3.95%	\$70,590	\$2,789	\$4,317	\$54.0	29,613	11,523	12,498	\$365k	\$143k									

1 – These figures have been obtained by calculating the weighted average deprivation score for Statistical Area 1 areas contained within the specified area unit. Note – the [NZDep2018](#) figures are from the December 2019 Interim Research Report.
(U) denotes a mainly urban area; (R) denotes a mainly rural area; (M) denotes a mix of urban and rural areas

Appendix E



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STEWART ISLAND WHARFING PROVISION

COMMUNITY ENGAGEMENT REPORT

14 JULY 2017



PREPARED FOR: SOUTHLAND DISTRICT COUNCIL

PREPARED BY: SANDRA JAMES, CONNECTING PEOPLE

Thanks

The author wishes to thank those who gave generously of their time to provide guidance on the best approach to this consultation and to those who participated in this consultation.

It was a privilege to work with so many people who care so deeply about their community and are prepared to willingly participate in its future.

“Never doubt that a small group of thoughtful committed citizens can change the world; indeed it's the only thing that ever has.”

Margaret Mead

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Executive Summary

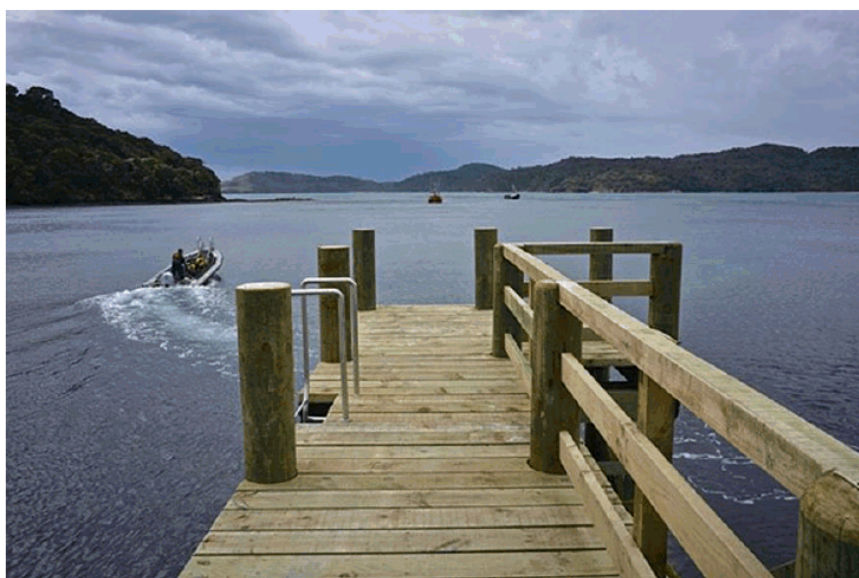
The Southland District Council (SDC) is considering a more strategic approach to the current and future provision of wharves on Stewart Island, demand for such, and the quantity and quality of provision requirements and an overall medium to long term capital development provision and maintenance plan.

There are seven wharves on Stewart Island – two owned by South Port, including the main Oban wharf and the Golden Bay wharf, and five owned by Southland District Council. South Port has offered the Golden Bay wharf to Council for sale as it wishes to divest itself of it.

Before making any decisions the Council wanted to know what residents, ratepayers and stakeholders believed were the best options for these wharves.

In Feb 2017 SDC engaged Connecting People Ltd to carry out a community engagement and consultation process with key community members and stakeholders to seek their feedback and this document reports on the findings from that engagement.

The process involved face-to-face meetings with key stakeholders, drop-in sessions, a conversation café, correspondence via email and an online/paper survey. There were 60 participants in the individual/group consultation methods and 102 respondents completed the online/paper survey.



Summary of Findings

- Most made the point that the wharves on Stewart Island are critical infrastructure for islanders. They have been important for generations and continue to be so. Their historical and traditional significance continue to be important to iwi and all Islanders. They were likened to being like 'State Highway One' – the link between the various parts of the island and with the rest of New Zealand.
- The strongest theme that emerged from the face-to face engagement and the survey was that the wharves that were considered as part of this consultation, including Golden Bay, should be owned by Southland District Council as district assets, with strong local input into the management of the wharves. This could include new and different ways of managing the wharves. Some even suggested a public/private mixed ownership model should be explored.
- Golden Bay and Ulva Island were seen as the most critical wharves for tourism/aquaculture but most respondents believed it was important that all of the wharves under discussion were kept for various reasons including cultural and historical significance, current and future tourism opportunities, hunters, trampers and the 'off the beaten track' experience that Stewart Island offers local and international visitors. Some suggested some of the wharves e.g. Little Glory should be sold as it is mostly used by one commercial operator and therefore was not a 'public' wharf however many more supported ownership of all of the wharves considered in this consultation to future proof and retain community interest's long term.
- Also mentioned as vital was the urgent replacement of Golden Bay and Ulva Island wharves – as so much of the tourism infrastructure (including cruise ships) depends on these wharves being functional and safe for users and it was felt that they are currently neither safe nor functional. Most believed urgent Engineers reports were needed to assess their suitability for the coming season. The pontoon was supported by some, particularly recreational users as it provided a safe docking point for small boats. For commercial users it provided some challenges and created tension at times, especially in the busy months. There was a desire for any future wharf at Golden to consider the needs of all users and ensure the provision of adequate access, parking and wharf facilities.
- Many believed that the Council should also take ownership of the main Oban wharf believing this was also a strategic community asset that should be managed by a Council/community partnership and not seen as purely a commercial venture.
- There was a strong sentiment that the wharves had been mismanaged under both private and public ownership, with little or no accountability leaving the community infrastructure vulnerable and having a direct impact on commercial, recreational and everyday living on Stewart Island. Many were disappointed that this had been allowed to happen and made it clear that this must not be allowed to happen again.

- There was also a strong sentiment that there was no long term strategic planning or budget considerations for wharves and that this was a vulnerability that led to a reactionary approach. There was a real desire for the Council to take much more of a leadership approach to managing the wharves with clear and accountable plans, which are developed in partnership with the Community. This was too much of a burden for the community alone. There was a strong desire for this partnership approach to be developed and agreed jointly.
- There was unanimous agreement that the wharves should be self-funding and not a burden on rate payers alone. A new funding strategy should be investigated, that is Council facilitated, with funding from multiple sources, that was fair and equitable, to allow a more long term strategic approach to maintenance and replacement of wharves on Stewart Island. This should include seeking partnership funding from Government agencies including DOC, entering into negotiations with Environment Southland for an ongoing share of the Cruise Ship Levy, ring-fencing or increasing the Visitor Levy to have a committed Wharf Levy element, and introducing a more equitable and fair user pays system.
- Most agreed that the Jetties Sub-Committee played an important role in ensuring local input into the management and development of the wharves, however many believed that it was timely for other governance models to be explored and the committee itself was frustrated at the lack of clear guidance on tasks, delegations and mandate. The point was strongly made that Stewart Island is a unique environment that is often misunderstood, therefore local input is critical and beneficial.
- There was evidence that ‘all was not well’ especially with competitive users of the busy wharves with reports of damage to other boats, illegal parking, and behaviour that was less than desirable. Many mentioned the lack of clear and transparent procedures and policies and the lack of ‘policing’ of any current rules.
- Some reported ‘conflicts of interest’, ‘private agendas’, ‘hostility’, and that this was not a ‘healthy, happy community, they felt there wasn’t enough consultation and little or no transparency about decisions made. Some felt that the ‘gate keepers’ on the island were not willing to accept alternative views, or ideas and that there was no opportunity to have a vision for the future. Many mentioned the lack of opportunity for young people to be involved in decision making on the island.
- Some mentioned that this process had been independent and open, and people welcomed the opportunity to be involved and would like similar processes to continue believing that the community could work together for positive solutions.

Recommendations

No	Recommendation	Priority
1	That the Southland District Council retain ownership of the following wharves:- <ul style="list-style-type: none"> (a) Freds Camp (b) Little Glory (c) Millars Beach (d) Port William (e) Ulva Island 	1
2	That the Southland District Council take ownership of the Golden Bay Wharf from Southport along with a realistic replacement financial settlement, taking into account the current condition of the wharf	1
3	That the following wharves become Southland District Council District assets , and be included in Long Term Plans and are actively managed with the Engineering/Property Management functions of Council, in partnership with the Stewart Island communities including iwi <ul style="list-style-type: none"> a. Freds Camp b. Golden Bay c. Little Glory d. Millars Beach e. Port William f. Ulva Island 	1
4	That detailed Activity Management Plans be developed for the following wharves, including long term maintenance and replacement strategies and budgets <ul style="list-style-type: none"> a. Freds Camp b. Golden Bay c. Little Glory d. Millars Beach e. Port William f. Ulva Island 	1
5	That urgent repairs be made to Golden Bay and Ulva Island, taking into consideration the wider environment (access, roading, parking), and after wide consultation with all user groups and iwi. Options for funding could be from the following sources, or a combination of these:- <ul style="list-style-type: none"> • Significant contribution from Southport as part of any ownership discussions 	1

	<ul style="list-style-type: none"> • Funding from Stewart Island reserves, by way of a recommendation from the Community Board to Council • A Council loan that could be repaid from a possible ring-fenced portion of the Visitor Levy • That a business case be put forward to Environment Southland for a share of the Cruise Ship levy collected previously 	
6	That facilitated community conversations that involve as many wharf users as possible, take place to explore shared Council/community governance models that would replace the current Jetties Sub-Committee. Terms of Reference to be established with clear roles, responsibilities, and tasks.	1
7	<p>That a new long term, sustainable funding model be explored and introduced that takes in to account actual costs for the ongoing maintenance and rebuild of wharves so that they are self-funding. Possible options to explore further are:-</p> <ol style="list-style-type: none"> a. User pays for commercial users – based on tonnage of vessel or per head of passenger or a mix of both¹ b. SDC current rate contribution \$5,000 pa c. Increase of visitor levy– with a portion of the levy being ring-fenced for wharves, or d. A portion of the current visitor levy being ring-fenced for wharves and the levy not be increased at this time e. Partner contributions:- <ol style="list-style-type: none"> i. Environment Southland (cruise ship levy) ii. DOC (92% of land on Stewart Island is owned by DOC) iii. Ulva Island Trust 	2
8	<p>That a Maritime Facilities By Law be introduced to regulate the use of wharves and other landing places, slip ways, pontoons, and trailer-boat launching ramps, either owned by the Southland District Council, or controlled by the Southland District Council under a management agreement with the person or persons owning or leasing such land or facilities.</p> <p>The Local Government Act 2002 provides for the making of bylaws to protect the public from nuisance, and to protect, promote and maintain public health and safety.</p> <p>The By-Law should provide for the orderly management and control of maritime facilities that are owned or under the control of the Southland District Council for the benefit and enjoyment of all users of those</p>	2

¹ Any change in fee structure needs realistic lead-in times to allow commercial operators to adjust accordingly

	facilities. It should also set out clearly the recovery of reasonable costs associated with maritime facilities in support of the purpose of the By-law.	
9	That a Maritime Facilities Manager be appointed by Council (and funded from the overall wharf budget) to act on its behalf with its authority in respect of any matters referred to in the Maritime Facilities By Law. This role will need to be based on Stewart Island and is likely to be a part time, seasonal role.	2
10	That consideration is given by Southland District Council to purchase the Halfmoon Bay wharf , so that it is actively managed under the proposed Maritime Facilities By-Law.	3
11	That consideration be given to facilitating a wide and inclusive strategic visioning process on Stewart Island that considers new ideas and opportunities for Stewart Island over the next 5,10, 20 and 50 years.	3

Introduction

Southland District Council (SDC) is considering a more strategic approach to the current and future provision of wharves on Stewart Island, demand for such, and the quantity and quality of provision requirements and an overall medium to long term capital development provision and maintenance plan.

Council wants to know what residents, ratepayers and stakeholders believe are the best options for these wharves before going any further.

In February 2017 SDC engaged Connecting People Ltd to carry out a community engagement and consultation process with key community members and stakeholders to seek their feedback on:-

- the most effective and efficient ways to manage the wharves on Stewart Island
- who should own the wharves and how they should be paid for
- how many wharves the island needs/wants and how to prioritise them
- the implications for Islanders of any reduction in number or privatisation in wharf access.

Background

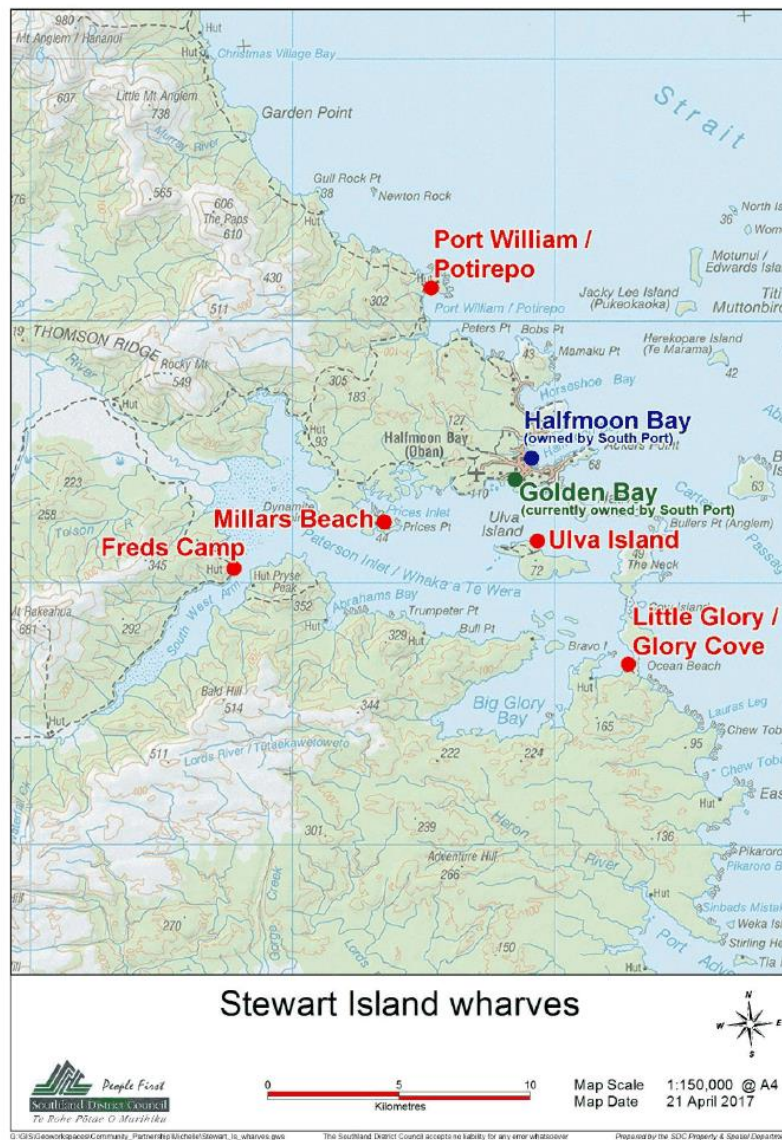
The Southland District Council assumed ownership of the wharves they current own from South Port in 2007 and the wharves are in various states of disrepair due to lack of maintenance by their former owner.

The Stewart Island wharves have been included in the Council's Water Structures Asset Management Plan 2015 – 2025 that proposes to:-

- a) Ensure that the maintenance and renewal requirements identified during condition assessment in 2014 are appropriately funded, prioritised and scheduled; and to
- b) Work with the governance bodies to identify capital or maintenance requirements to meet community needs

Operations and maintenance practices and standards re determined by relevant legislation (e.g. Building Code)

There are seven wharves on Stewart Island – two owned by South Port, including the main Oban wharf and the Golden Bay wharf, and five owned by Southland District Council. South Port has offered the Golden Bay wharf to Council for sale as it wishes to divest itself of it.



Golden Bay (South Port)

Golden Bay is a key wharf for Cruise ship tenders to Stewart Island, the gateway to Ulva Island, wharf of departure for aquaculture staff vessels, and a primary wharf for local tourism operators who operate water taxis around the island.

The engineering report of Golden Bay wharf² has determined that the wharf is close to the end of its physical life and immediate repairs are required to get it to a suitable standard to receive passengers. The report states that the wharf³ has significant deterioration of critical structural components and the wharf, with the exception of the approach is in poor condition.

Ulva Island (SDC)

Ulva Island is a key attraction on Stewart Island and local tourism operators currently gain access via Golden Bay wharf

In the 10 years 2002-2012 there were approximately 23,205 visitors to Ulva Island, which suggests that roughly 65% of all visitors to Stewart Island visit Ulva Island, accessed from Golden Bay wharf⁴.

Ulva Island should be a critical factor in determining the future of Golden Bay wharf. If the wharf is determined to be not viable, then alternative access to Ulva Island may need to be investigated with urgency.

Ulva Island jetty is scheduled for rebuild in 2018/19 at an estimated cost of \$333,000⁵

Millars Beach (SDC)

This wharf is utilised primarily by DOC and local tourism operators

The revenue for this wharf is generated through the annual Jetty User License fee

Wharf is in functional condition and has known repairs due in the next 2 years

Fred's Camp (SDC)

This wharf is utilised primarily by DOC and local tourism operators

The revenue for this wharf is generated through the annual Jetty User License fee

Wharf is in good condition and has maintenance due in the next 2 years

Little Glory (SDC)

This wharf is utilised primarily by DOC and local tourism operator Real Journeys

The revenue for this wharf is generated through the annual Jetty User License fee

² EMTECH Engineering & Marine Consultants Golden Bay Wharf Assessment May 2016

³ Due to the immediate repairs needed for the safe ongoing use of Golden Bay Wharf, Southport have taken the step of directing all cruise ships for the 2016/17 season to tender at Halfmoon Bay wharf

⁴ <http://www.doc.govt.nz/Documents/about/-doc/role/ulva-island-visitor-survey.pdf>

⁵ Estimation based on a wharf rebuild cost of \$3,000 per m2

Wharf is in very good structural condition

Wharf is in excellent condition and was rebuilt in late 2014

Port William (SDC)

This wharf is utilised primarily by DOC and local tourism operators

The revenue for this wharf is generated through the annual Jetty User License fee

Wharf is in excellent condition and was rebuilt in late 2014

Procurement and day to day management is undertaken by the respective Area Engineer, in conjunction with the Stewart Island Jetties Subcommittee.

The Stewart Island Jetties Subcommittee is currently delegated to oversee the development and maintenance of the jetties located at Fred's Camp, Millars Beach, Ulva Island, Port William and Little Glory taking into account Council's goals and objectives and policies. Although it was clear that the roles and responsibilities are not clearly understood by them.

The current maintenance schedule budgeted for the five SDC wharves is \$5,000 pa with no current annual maintenance programme in place. The recommended maintenance expenditure for the five jetties should ideally be calculated at \$5,000 each for Ulva Island and Port William; \$3,750 each for Fred's Camp, Little Glory and Millars Beach at a total of \$21,250 pa

The current sole revenue for SDC owned jetties is through the local tourism operators who pay a total combined Jetty User License fee of \$14,257 pa for the use of SDC owned jetties.

The five SDC owned jetties currently do not generate sufficient revenue to cover the basic costs of maintenance, rebuild or removal.

The long term financial sustainability of the Stewart Island jetties will depend on third party/partnership funding being established and other external funding sources being pursued.



Scope

In Scope:-

- a) The following wharves owned by SDC
 - a. Freds Camp
 - b. Ulva Island
 - c. Little Glory
 - d. Millars Beach
 - e. Port William
- b) Golden Bay Wharf, currently owned and operated by Southport NZ Ltd
- c) All current users (community, tourism, commercial both direct and indirectly) and users of the wharves
- d) Determining future ownership, operating and maintenance responsibilities for in-scope wharfing infrastructure servicing Stewart Island

Out of Scope:-

- a) All other wharves owned and operated by SDC and not listed above
- b) Halfmoon Bay wharf
- c) Bluff Ferry Wharf
- d) All other wharfing infrastructure owned and operated by Southport located off Stewart island
- e) All other infrastructure on Stewart Island that is not specifically identified above
- f) Implementation of any new ownership, operating or maintenance regimes that might be agreed through this project will be addressed

Engagement Process

Aim of this engagement

To find out from residents and ratepayers on Stewart Island, as well as key stakeholders what they want to do with the wharves around the island, in terms of ownership, maintenance, costs, priorities etc.

Phases and Audiences

<i>Phases</i>	<i>Audiences</i>
Phase 1: Consultant appointed and speaks to public key stakeholders as identified by staff on island about best engagement methods	Key stakeholders
Phase 2: Engagement with business key stakeholders	Business key stakeholders
Phase 3: Engagement with community	All Stewart Island ratepayers and residents
Phase 4: Report writing and recommendations developed	Council, staff, Stewart Island ratepayers and residents
Phase 5: Final report to Council for decision	Council
Phase 6: Feedback to the community	Stewart Island ratepayers and residents, key stakeholders – public and business

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Key Messages

- ✓ Council wants to know what is the most effective and efficient ways to manage the wharves on Stewart Island
- ✓ Council wants to know who should own the wharves and how they should be paid for
- ✓ Council wants to know how many wharves does the island need/want and how to prioritise them
- ✓ No decision has been made on any wharf – Council wants to know what you think.

Stakeholders

The following stakeholders were engaged during this consultation:-

- The Stewart Island Community
- Stewart Island Community Board
- Stewart Island Jetties Sub-Committee
- Iwi
- Commercial Operators
- Aquaculture Operators
- Tourism operators
- Water Taxi's and Charter Boats
- Ulva Island Guides
- Southland District Council
- DOC
- Environment Southland
- Venture Southland

Engagement Methods

Tactic	What
Engagement pre-testing	Meet with key public/business stakeholders to get input into how the engagement should take place and get input into key questions
Print Communications	<p>Article in May edition of SIN, press releases sent to Southland Times and Advocate and printed in Advocate 25 May, also a community page notice in the Advocate 11 May.</p> <p>Southland District Council Website</p> <p>150 flyers that went to the island. Distributed through postal boxes, local pub and service centre</p> <p>10 posters - 8 distributed to island for local noticeboard outside supermarket, inside pub, service centre, 2 posters distributed one each to Te Anau and Riverton service centres</p>
Survey	On line and paper survey developed and open 22- 31 May
Drop In Sessions at the Bowling Pavilion, Stewart Island (Open Sessions)	<p>24th May Stewart Island 10 – 12</p> <p>25th May Stewart Island 2 – 4 pm</p> <p>26th May Stewart Island 2-4 pm</p>
Conversation Café (Open Public Meeting)	<p>Thursday 25th May 7 pm – 9 pm</p>
Individual Stakeholder meetings	<p>Key Stakeholder meetings Stewart Island 24 – 26th May</p> <p>Key Stakeholder meetings Invercargill 9th June</p> <p>Telephone interviews, as needed for people who were unable to attend face to face meetings</p>
Final report to Council for decision July 2017	
Mayor to go to Stewart Island to discuss decision – Stewart Island Community Board meeting August 2017	
Print Communications	<p>Print media Story in Stewart Island News August 2017</p> <p>Print media Story in First Edition August 2017</p> <p>Southland District Council Website August 2017</p>

Results

Individual Stakeholder meetings

Key stakeholders, including the Stewart Island Councillor, Environment Southland Harbour master, water taxi and commercial operators, and representatives from the aquaculture industry were invited to individual one-on-one meetings to provide comment.

Their views have been collated into themes and verbatim comments captured.

Number of people who attended: 12

Key Themes:

All of these wharves are pivotal to Stewart Island tourism
Golden Bay and Ulva Island need urgent attention. A loan should be considered to get them up to an acceptable standard immediately.
There needs to be a much more strategic approach to the wharf management for Stewart Island – and tourism in general - there should be visioning for the future and a process to bring the whole community together to discuss this.
Wharf repairs, maintenance and replacement need to be actively managed and budgeted for properly. There needs to be a wharf asset management plan in place.
There are bigger boats, more boats, there needs to be tight rules, policies and procedures that cannot be misinterpreted and that are enforced. Council are the right people to lead that but with community input
There needs to be a long term funding strategy for the wharves. Including more equity in fees charged for wharf usage, a review of the Visitor Levy fee and distribution criteria, partner agency contributions including the Environment Southland Cruise Ship Levy - it shouldn't be solely for the Council to be responsible. Any wharf maintenance/rebuilds are far too reactive now.
There needs to be much more clarity about the role and responsibilities of the Jetties sub-committee, how it fits with the Community Board and in fact if it is the right mechanism for the governance of the wharves – a model such as the CRA8, with a more user focus, should be investigated
Public ownership was favoured, with a very small number preferring private/community ownership. The reason was under private ownership these wharves have not been protected and well managed for the future of Stewart Island. Council ownership was seen as the best option as long as there was a clear mechanism for community input
There needs to be wide consultation when designing and building wharves so a range of views and options are considered, as well as access, transport routes etc. Currently the

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scope is too narrow. We need to be forward looking and build fit for purpose and future – proofed wharves and surrounds.

There needs to be careful thought about increasing or ring-fencing the Stewart Island Visitor Levy – other critical infrastructure is also needed if visitor numbers keep increasing e.g. toilets and footpaths – again needs some strategic thinking and planning

Individual comments:

“Public ownership does not mean community ownership – a private trust should be established to own and manage the wharves”

“Need to include younger people in the conversations at the moment it is everybody for themselves mentality – need to be more proactive and build more of a ‘community’”

“Where is the Stewart Island Plan? What is the vision for Stewart Island now, 20 years, and 50 years? And how would we finance it?”

“There is a need for civilised conversations”

“The community does not have the skills, independence or knowledge to future plan for the wharves on Stewart Island e.g. what about climate change and rising sea levels?”

“There needs to be equity for fees between big operators vs small operators, number of passengers, size of the vessel”

“It is expensive to operate on Stewart Island”

“The visitor levy should be used for key tourism infrastructure and be much more professionally managed – currently no big picture overview of what the fund is hoping to achieve”

“There is community politics, private agendas and vested interests on community committees – they are not professional and not effective”

“There needs to be better operating mechanisms, transparency, consultation with independent knowledgeable people leading the conversations, and establishing rules, policies and procedures for wharf operation and management. Council need to step up into this role”

“This is not a healthy happy community – but it could be if we focused on positive solutions”

“We need to get out of the spiral of chasing our tail”

“We have to future proof Stewart Island – it is such a special place, we have got to have good infrastructure”

“Too many private vested interests have been considered on wharf development to date”

“What are we doing about global warming and sea level rise?’ Has anyone thought about the impact on Stewart Island the wharves?”

“Some of these wharves are primarily used to service DOC land – there should be an obligation for the taxpayer to pay for the asset that gets them to the land”

“Half-moon Bay and South Port have set the precedent. All vehicles should pay a base rate per person and a multiplier based on tonnage of vessel administered by Council”

“The wharves have to be self-funding”

“Some of the wharves are nice to have and should be user pays – there needs to be analysis of use and whether they are viable”

“It shouldn’t be up to current users to pay for mismanagement in the past”

“People are proud of the island and what happens here – people want it to be safe and enjoyable for visitors”

“Stewart Island is the jewel in the crown of Southland”

“Council should own all the wharves to protect them from mismanagement and to ensure future proofing”

“Care should be taken when redesigning the Golden Bay wharf that the whole environment is considered – currently parking is inadequate and dangerous on busy days and the approach is also hazardous”

“Any increases or ring-fencing of the current Stewart Island Visitor Levy for wharves needs to be carefully considered against other infrastructure priorities like toilets and footpaths... there needs to be more strategic thinking in this area – so there is a long term view of what is needed”

“Jetties sub-committee is a good voice, Fordie gets things done, however they are hamstrung by not having money and Council red tape”

“The maintenance and repair of these wharves should be paid for by the commercial users, just make sure there is a reasonable lead in, as fees will have to be adjusted”

Community Board/Jetties Sub Committee Meeting

The Stewart Island Community Board and the Jetties Sub Committee decided to meet together as one group to provide comments. Several members were on both the board and the committee.

See Appendix A for DOC uncalibrated track data.

Number of people who attended: 10

Key Themes:

The Stewart Island wharves are critical infrastructure for tourism and if we were forward looking we'd be looking at how many more wharves we need, not less
Long term planning for the wharves is essential – far too reactive at the moment
The wharves should be publicly owned by Council as seen as a District Asset with robust long term asset management plans, realistic budgets as well as operating policies and procedures that are enforced
Council need to get a better understanding of managing wharves- take the on and do it well
Council should continue to provide \$5,000 pa for wharf recreational users – all other funding should be self-generating from users pays, visitor levy, cruise ship levy
Council can play a pivotal role in advocating, lobbying for resources to ensure that the island strategic assets are managed well – there are opportunities we haven't pursued
Local input is essential – it's the locals who've 'saved' the wharves from mismanagement in the past – there is a lot of knowledge that should be utilised.
The Jetties sub-committee should report to the Stewart Island Community Board so that a whole of community approach is taken
We can't have one of New Zealand's 9 Great Walks without good access via wharves

Individual comments:

“Stop the neglect”

“Pull your finger out and take more responsibility – wharves are misunderstood by authorities and have been for many years”

“We are totally frustrated, no clear mandate, embarrassed”

“Wharves are as important as footpaths”

“There isn't much point in a national park if people can't get off the boat safely”

“There's been 10 years of consultants, and here's another, with little or no action taken – just more and more reports”

“Jetties sub-committee should be a sub-committee of the Stewart Island Community Board”

“Council need to be more responsible for their assets”

Drop in sessions

A number of ‘drop-in’ sessions were advertised for interested community members to have an opportunity to have their say. All of these sessions were well attended and a variety of other business owners (motels, restaurant owners etc.) plus interested locals took the chance to participate indicating a high level of interest and passion for the wharves on Stewart Island.

Number of people who attended: 12

Key Themes:

Wharves are critical infrastructure, not just for Stewart Island but for the District as a whole.
Tourism is untapped and has great potential – providing a sustainable future for the Island – the wharves are key to this
Key Government Agencies should also be paying their share e.g. DOC, Environment Southland – these wharves are critical to their business
All of the wharves currently owned by Council are needed – we should be looking at more wharves not less if we want to continue to attract tourists to Stewart Island. Ulva Island and Golden Bay are the most important wharves.
A Council owned/community managed model would be best
There needs to be a good maintenance/replacement plan in place
Health and Safety concerns about Ulva Island and Golden Bay wharves
Wharves need to be fit for purpose and suitable for the types of visitors who are older and less fit
The Golden Bay wharf environment is dangerous and needs to be looked at as a whole when the wharf is rebuilt – is it even in the right place?
Better understanding of realistic costs to maintain, rebuild wharves for next 50 years so a budget can be developed and funding options explored
Some of the visitor levy should be ring-fenced for wharves

Individual comments:

“Wharves are essential to Stewart Island way of life”

“Some of the wharves could be owned privately, as they are almost solely used privately”

“Need a long term wharf strategy - we shouldn’t just be sustaining what we’ve got, we should be growing for the future”

“Gateways to the National Parks”

“Stewart Islands uniqueness needs to be recognised – we are not the same as Te Anau or Winton and they’re not the same as us”

“The wharves are our bridges and roading”

“I doubt Ulva Island and Golden Bay wharves meet Health and Safety Legislation – they are dangerous”

“There is a lot of political, business and personal rivalry – everyone needs to work together”

“We just react when something needs fixing – there is no plan”

“Ring fence some of the Visitor Levy for wharves – they’re critical to tourists coming on to our island”

“Tourism is increasing we’ve got to provide quality experiences for people to keep coming”

“Ulva island is extremely important to Stewart Island and is an Icon’ for New Zealand”



Emails

A number of emails were received from individuals not able to make the public engagement sessions. All of this correspondence was about the pontoon, attached to Golden Bay wharf.

Key Themes:

That the pontoon is an asset for the failing Golden Bay wharf
That the pontoon added value especially for small craft
The pontoon improves a facility that otherwise appears to have seen very little maintenance or extension for many years
The Golden Bay wharf is relatively small and the pontoon enables small boats and vessels easy access. Particularly when larger boats are also using the wharf.
Wheel chairs are able to manoeuvre passengers onto small boats without cranes easily by using the pontoon.

Individual comments:

“The floating dock at the end of the wharf is in my opinion a great asset to the island, the owner of this dock who also pays to maintain it and let’s visiting cruise ships load and unload passengers on it which greatly benefits Stewart Island in general.”

“There is a need for everyone to operate in a harmonious manner with regard to these docks”

“The wharf is in a general state of disrepair and I think the island on a whole benefits greatly from this floating Pontoon.”

“It allows for less congestion on the main wharf, particularly during the busy summer season”

“My husband and I both feel that the pontoon has been a very user friendly facility at Golden Bay and the owner has been very generous”

“I cannot see how Golden Bay Wharf would function efficiently, for all users, both private and commercial, without the use of the existing pontoon.”

“I believe Patterson Inlet is made more accessible with this pontoon and the addition access it offers alongside to the Golden Bay wharf”

Conversation Café

Number of people who attended: 16

The Conversation Café invited people to sit together in groups (which were rotated) and consider a number of questions. Many of the people who attended the Conversation Café had been interviewed as key stakeholders or at drop in sessions.

Question 1

What is your vision for the wharves?

- Let's form a cooperative to manage the wharves
- Marine Educational Complex and/or Research Centre – this could provide a sustainable/environmental approach – employment/jobs/opportunities
- Current conditions are holding us back from opportunities.
- An educational/research hub at Golden Bay (based near Marine Reserves)
- Wharves that are well managed, well maintained, future proofed and self-funding
- We should go beyond thinking wharves are just for transport – they can be a hub for education, recreation, research – it's about creating a viable future for our wharves

Question 2

Looking out 20 years what would you like to see happening with the wharves on Stewart Island?

- All brought up to standard and affordable (e.g. charges but free for Stewart Islanders)
- Owned by the Stewart Island residents, local trust combined with SDC
- Need to have transparent management and funding of wharves
- Commercial developments of wharves – to help fund and create a nice ambience, bars etc. – needs to be well done – like Kawarau Bridge Bungy Jumping – Halfmoon Bay lends itself to this
- If we had one big wharf – it could help fund the other wharves. SDC should take over ownership of Halfmoon Bay
- Independent Body to govern
- Private ownership Ok so long as public access is maintained
- Could other infrastructure be rolled e.g. slips, (e.g. Lee Bay)
- Mixed ownership e.g. DOC/SDC
- No reduction in wharf numbers – possibly new ones
- Meet health and safety standards immediately, then be well maintained
- Increased tourist numbers may necessitate more wharves servicing new tracks and other areas of interest
- Learn from past
- Good maintenance so wharves don't end up in such a poor state
- Surcharge on visitors going to Ulva?
- Surcharge on boat tonnage or on a passenger basis
- All wharves in good condition
- All wharves remain in public lands with full public access

Question 3

What is the key to viable and sustainable wharf infrastructure on Stewart Island?

- Need \$ for maintenance
- Need an income e.g. business, visitors, user pays

- Needs to be locally managed so we can see it is being run as intended
- \$ not being taken away from Stewart Island – local companies to maintain – they’ve done a good job in the past
- Idea – trial some different management models
- Needs to be properly set up
- Unique situation – locals know what is happening and what is needed
- Local knowledge and management, fixing – more care
- Transparency re costs critical
- Why are they not viable now?
- Collection and feedback of how the \$ are spent is critical
- The technology now exists to collect effectively people may not just know about the it
- Signage too old school
- Stewart Island is in a position of playing catch up – argument for a different approach while bringing up to standard
- Commercial users charged? SDC regional rates?
- License for all Stewart Island wharves? Private owners/commercial/tonnage?
- Once wharves in a good state, ongoing maintenance costs easier to source. Deprecation needs to be taken into account also
- Universal wharf system so lesser wharves do not miss out
- Need figures to make educated decisions
- Money!
- Fred’s Camp hut will not be replaced when it is past it use by date (possibly 10 years away) – wharf may not be needed at that point?

Question 4

- a) How should we decide how many wharves are needed on Stewart Island?
- b) How should the wharves be managed?
- c) How should the maintenance and replacement of wharves be funded?

- Usage should be need based
- Prioritise for repair
- Consider increased numbers of wharves in future (possibly privately owned, or by business)
- Increased opportunities for residents if wharves maintained and grown
- Current wharf rebuilds to high spec
- Local wharf maintenance/construction favoured
- Would island be vulnerable if wharves passed into private/business hands?
- Should people pay for the exclusive use of facilities?
- Major decisions should be decided by Stewart Islanders only
- Some local rate application
- Locals should be free
- User pays – wharf/slip fees
- As Council assets, shouldn’t Council rates finance or regional council
- Halfmoon Bay wharf – we have first refusal
- Definition of local difficult, does this include cribbies? Who should contribute?
- Ulva Island wharf will cost \$220 - \$240 K to fix – where will this come from?
- Usage?
- Need more wharves e.g. to service tracks
- Repair in a staged way

- Need will become apparent e.g. bottlenecking
- Let's address what's needed now
- Don't be unrealistic
- Some Stewart Islanders are struggling/others not – communal assets will help close the gap
- Work that been done is of a high standard
- Community control is important
- If exclusive use should pay – locals shouldn't have to pay
- Why don't we charge for use like other places in NZ
- Wider tastes – as a wider group has use
- We pay e.g. Rabbit Tax better to see wharf!
- Visitor Levy also
- \$220 - \$240 K Golden Bay Repair/Replace
- Hard to make decisions without figures

Question 6

What key messages would you like to send to the Southland District Council?

- Purchase Golden Bay – negotiate best deal – should come with some \$ to rebuild
- Need to get Engineers opinion on size of vessels for wharves and what is suitable and needs to be policed and enforced – at the moment everyone does what they like
- If we take over management of the wharves receive in fully functional and certified condition
- Health and Safety is an issue
- Local Management so we can get income and put back into 'self-sustaining the wharves on the other hand it could self-sustaining and not profit making
- All wharves have a role to play
- Can a big wharf sustain other (e.g. Fred's Camp- was designed as a backup for tides even if not huge usage?
- Construction and maintenance of wharves should be tailored to purpose/usage
- Fix them! Replace where necessary. Ulva Island Golden Bay urgent and crucial
- Fund – Visitor Levy/Environment Southland/User Pays mixture, Rates
- Ulva key asset to Island, Southland and is world renowned. It is listed as DOC's top 18th site
- Revamp Jetties Sub-Committee – membership, terms of reference, transparency
- Who will be responsible if the wharf (Golden Bay) is closed prior to ownership being resolved?
- We need an Engineers report asap to assess current safety

Survey

No of surveys returned: 102 responses were received to the on-line and paper survey.

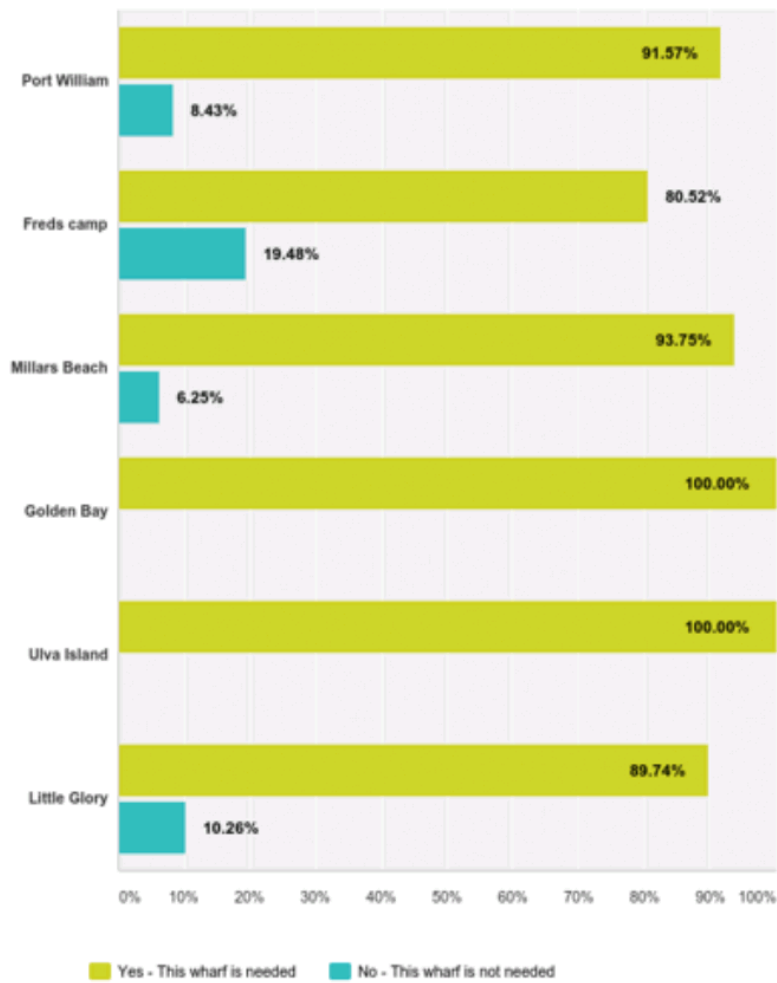
The purpose of the survey was to seek feedback and comments on how important each wharf was, what it was used for, and ideas on future viability and sustainability for the wharves. See a copy of the survey in Appendix B. The full results report is included in Appendix C. Below is selected data that captures key results.

Key results:

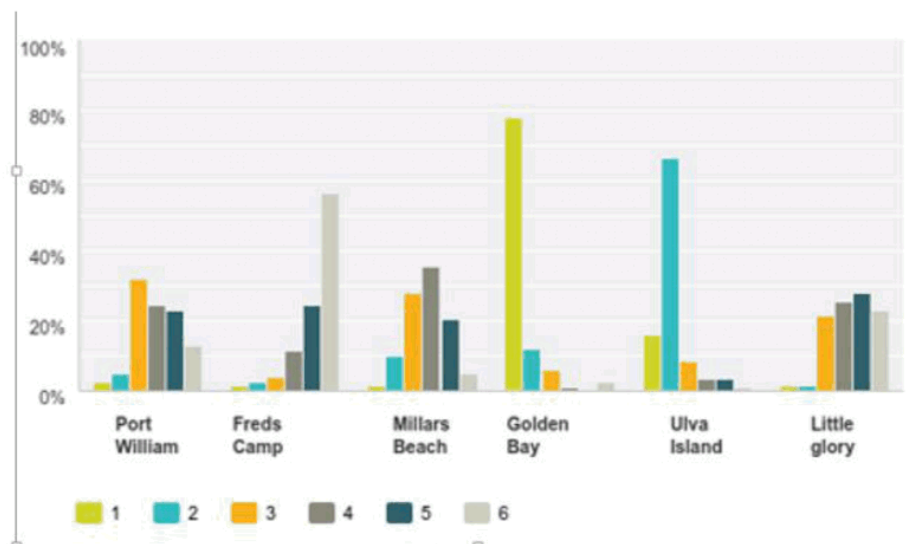
Respondents were asked whether the wharves were needed or not and why. Verbatim comments are included in the full report in Appendix B.

- Golden Bay and Ulva Island were seen equally as the most important wharves. (100%)
- Of next importance was Millars Beach (94%).
- Port Williams was seen by 92% of respondents as important.
- Little Glory was seen by 90% of respondents as important.
- Freds Camp was seen as important by 81% of respondents.

The following graph shows the results:-



Next respondents were asked to rank in order of importance, from 1 being the most important to 6 being the least important, how important each of the wharves were to them personally.



The results below show that Golden Bay and Ulva Island were the most important to respondents with Freds camp being least important

Answer Options	1	2	3	4	5	6	Rating Average	Response Count
Port William	2	6	29	19	20	10	3.92	86
Fred's Camp	1	2	4	9	23	48	5.24	87
Millars Beach	2	8	23	33	17	5	3.80	88
Golden Bay	72	11	5	1	0	2	1.37	91
Ulva Island	13	60	8	5	3	1	2.20	90
Little glory	1	1	19	21	24	22	4.50	88
answered question								92
skipped question								10

Next respondents were asked about wharf ownership. The highest percentage of support for public ownership is as follows:-

- Port William (82%)
- followed by Ulva Island (81%),
- Golden Bay (79%),
- Millars Beach (74%),
- Fred's Camp 74%
- and lastly Little Glory wharf (59%).

The wharf with the highest support for private ownership was:-

- Little Glory (19%)
- followed by Fred's camp (12%),
- Millars Beach (6%)
- Port William (6%)
- lastly Golden Bay and Ulva island (4% respectively).

The wharf with the highest percentage of support for a mix of public and private ownership was:-

- Little Glory (22%)
- followed by Millars Beach (19%),
- Golden Bay (16%),
- Ulva Island (15%)
- Fred's camp (13%)
- and lastly Port William (11%)

Limitations

The timeframe for the engagement was limited to 4 days on the Island and one day in Invercargill. This meant that some people were unable to make the face-to-face meetings and had to contribute comments via email or telephone.

The surveys were deliberately made anonymous to capture honest feedback, this however was criticised as there was no way of checking that multiple surveys had not been filled in by the same person. The large number of differing comments and distribution of data suggests that there was a wide range of views captured.

Whilst there was a large turnout of participants at the open sessions and the conversation cafes – not many of those who attended were young people. As reported during the process young people do not engage in these processes as new ideas and differing views are often not taken seriously. If in fact, we had engaged, younger people there may have been other views expressed.

Conclusion

The face-to face engagement identified and explored prioritisation of wharves and ownership, and sustainability questions. Drop-in sessions allowed people not identified as key stakeholders to enter into the discussion about the wharves. The on-line/paper survey quantitatively gathered information to confirm what was heard in the face-to-face engagement sessions. The Conversation Café gave the community as a whole the opportunity to discuss and debate important questions about the wharves.

The level of engagement was high for a small community that has been over consulted. People welcomed the opportunity to have a say and were genuine in their comments. Many

mentioned that they found the process beneficial and useful. And they would like similar approaches to be repeated.

Everybody wanted 'action' from this consultation.

Without a doubt the wharves are important to everyone on Stewart Island. They are an integral part of the aquaculture/tourism/commercial industries that form a critical part of the Stewart Island economy and employment and livelihoods for many on the island. Whilst Golden Bay and Ulva Island were the most highly prioritised wharves, the other wharves were also of importance. Access to recreation, hunting, fishing, tramping, is part of what makes Stewart Island a very special and unique place.

Through new ways of doing things there is great opportunity for these wharves to be self-sustaining, and well managed with clear policies and procedures, and enforcement – it is critical that there is local input in this new way of working, and that is developed in partnership between the Southland District Council and the community including key stakeholders.

Appendix A: Uncalibrated counter data supplied by the Department of Conservation

The Department of Conservation provided the following reports as an indication of usage. These reports use uncalibrated counter data, i.e. the number of times the counter sensor has been triggered by a person, bicycle or motor-vehicle. Uncalibrated counter data must not be used to indicate the number of visits or the number of unique visitors to a place. Converting counter data into visits and visitors requires calibration of the data, and should be undertaken with guidance from a DOC Technical Advisor.

DOC report that Ulva is one of the highest used sites and numbers have been up to 25000 per year. This is a pest free open wildlife sanctuary and one of DOC's Icon sites, must see sites. The track counter is approx. 200mts from the wharf and would record and estimated 90% of people who land there.

Port William counter is counter is approx. 15minutes from the Wharf and close to the Port William hut (Great Walk hut).

The Millars Beach counter is 5 minutes along the track from the wharf. Most people who go to Millars will use the wharf as it's the best landing point. This wharf leads to a National significant historic site (Whalers base).

Freds Camp counter is a couple of km from the wharf where about approx. 200 people per year use this track.

Note the hut at Freds Camp will not be replaced in its current location as there are coastal erosion issues and the bank behind the hut is also unstable. However the hut is still good for another 15 – 20 years.



Post Office Cove

Access DMF Destination Consolidated Report for:
Ulva Island.



Counter Information

This report uses **uncalibrated counter data**; i.e. the number of times the counter sensor has been triggered by a person, bicycle or motor-vehicle. Uncalibrated counter data must not be used to indicate the number of visits or the number of unique visitors to a place. Converting counter data into visits and visitors requires calibration of the data, and should be undertaken with guidance from a DOC Technical Advisor.

<ul style="list-style-type: none"> • Equipment Number: 100085132 • Technical ID: 30553 • Counter Network: Regional • Region: SSI • DMF Category: Icon • Type of Installation: Long term • Counter Type: Pedestrian Counter - Pad 	<ul style="list-style-type: none"> • Generated on: 28/05/2017 • Date of first download: 09/11/2009 • Date of last download: 02/03/2017 • Days counted at location: 2670 • Count from last 365 days: 15193 • Count from prev. 365 days: 18700 • Change from prev. 365 days: -19% <p><small>*Missing data points are modelled.</small></p>
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<http://counterreports.doc.govt.nz/var/100085132.html>

29/05/2017

A more detailed representation and discussion of the counter data at this location may be found in the associated [Technical Report](#).

Data - Longitudinal Time Series

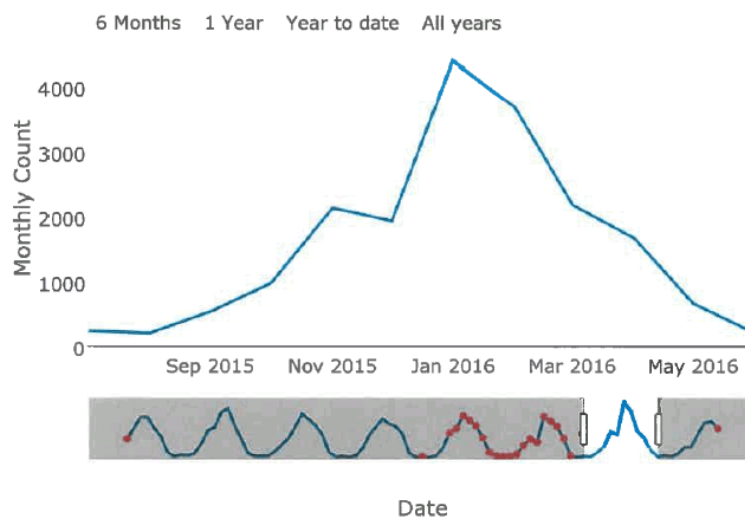


Figure 1: Monthly total counts at installation site over time

Notes:

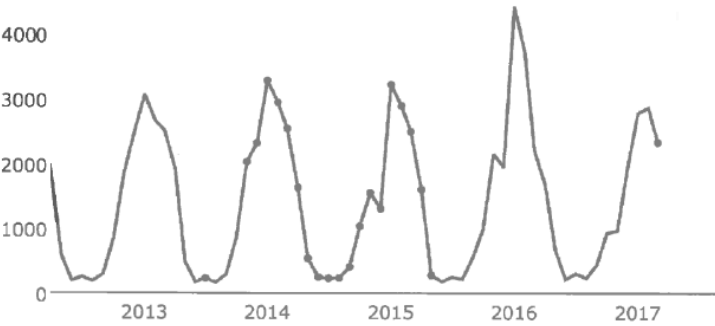
- Default period is last Financial Year. To view different periods, use either zoom buttons at the top left of graph, or specify a period using the adjustable sliders at the bottom of the graph.
- Red points labelled A-Z indicate periods (in days) where count data is incomplete.
- Red points at either end of graph indicate incomplete data due to installation/latest download date occurring sometime during the month.

Data - Financial Year

FY	Count	Change from prev. FY +/-	Prop. days counted
2009/2010	17414	NA	0.64
2010/2011	19153	0.10	1.00
2011/2012	18073	-0.06	1.00
2012/2013	16675	-0.08	1.00
2013/2014	17045	0.02	0.41

<http://counterreports.doc.govt.nz/var/100085132.html>

29/05/2017



<http://counterreports.doc.govt.nz/var/100085132.html>

29/05/2017

FY	Count	Change from prev. FY +/-	Prop. days counted
2014/2015	15399	-0.10	0.18
2015/2016	18966	0.23	1.00
2016/2017	15043	-0.21	0.67

Table 1: Actual/modelled total counts by Financial Year (period ending 30th June)

Notes:

- Counts for some years are incomplete (refer Figure 1) - i.e. prop. of annual days counted is < 100%.
- Where proportion of annual days counted is < 100%, modelled counts are used to enable meaningful comparisons across FYs.

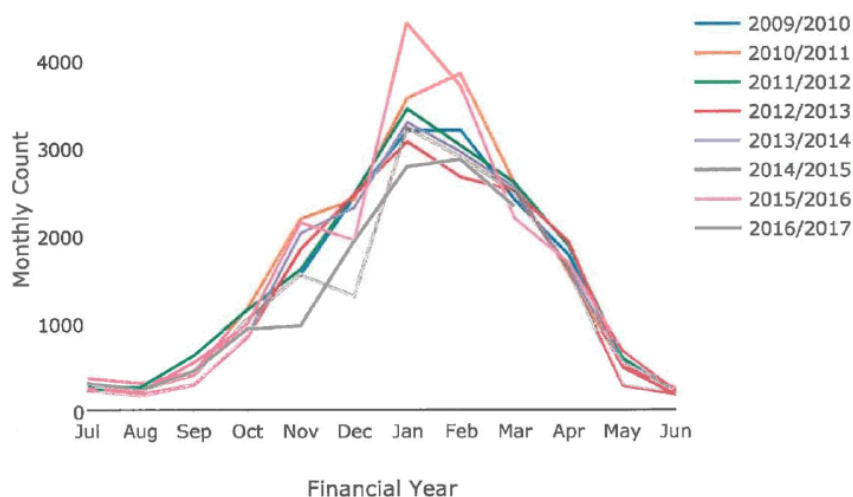


Figure 2: Actual/modelled total monthly counts by Financial Year

Notes:

- Counts for some years are incomplete (refer Figure 1).
- Where proportion of annual days counted is < 100%, modelled counts are used to enable meaningful comparisons across FYs.

Data - Daily & Weekly Profiles By Season

<http://counterreports.doc.govt.nz/var/100085132.html>

29/05/2017

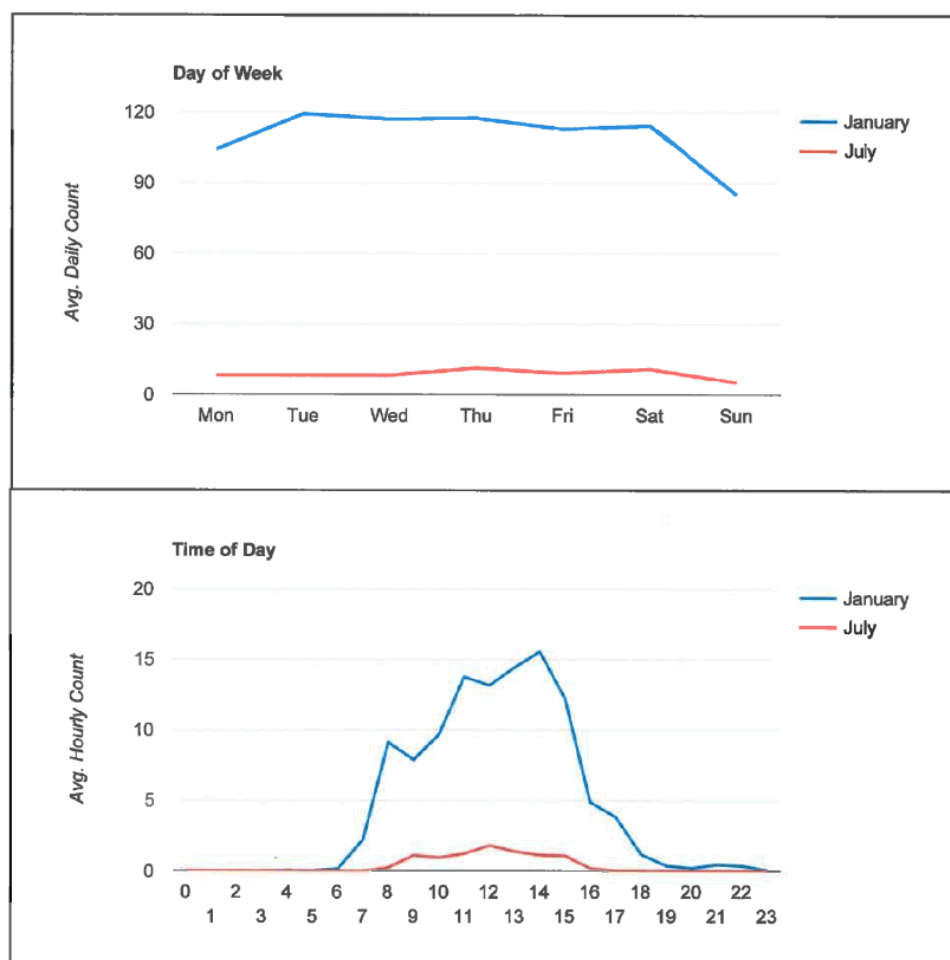


Figure 3: Actual/modelled average counts by Day of Week / Time of Day

Notes:

- January = High Season; July = Low Season

Report created by: Planning Monitoring and Reporting (PMR), Science & Policy Group, Department of Conservation.

Requests: File an Assyst request to get more detailed information.

Help improve this report: This Visitor Asset Utilisation Report is a work-in-progress, and we welcome your feedback.

Please forward your comments to pmr@doc.govt.nz subject: Counters



Visitor Asset Utilisation Technical Report

For equipment number 100085132
at Post Office Cove
May 27, 2017

This uncalibrated counter data set ranges between 09/11/2009 and 02/03/2017 with a total count of 102162 in 64078 hourly observations. This document is set up to view the number of counts at an hourly scale, then to view the patterns there are over time (year, month, and day). At the daily level we fit a model that shows the relationship of the counts with time, month, and the Christmas holidays which seem to be the peak time at many sites. These reports are automated, so this trend needs to be evaluated by how well the model in red on Figure 1b matches with the the data.

We estimate that there was a decrease in the number of visitors over time. The busiest 10 days are shown in Table 1 and the longest 10 occasions without any visitors are shown in Table 2. This should give a rough idea of the strength and validity of the data.

Date	Count
2011-02-03	329
2011-01-06	318
2012-02-15	265
2016-01-02	262
2010-02-09	254
2013-03-11	254
2016-02-03	241
2016-01-11	239
2012-01-24	235
2016-02-14	230

Table 1: Busiest 10 days in the dataset

Date	Days no visits
2014-10-23	48.88
2015-05-08	19.96
2014-12-21	4.38
2013-08-29	4.08
2013-06-18	3.71
2012-09-09	3.04
2010-09-22	2.96
2011-08-14	2.96
2012-06-24	2.92
2013-06-25	2.88

Table 2: The 10 Longest times without any visitors for a period.

Page created by: Planning Monitoring and Reporting (PMR), Science & Policy Group.
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Please forward your comments/requests for assistance to:
Jeff Dalley at jdalley@doc.govt.nz

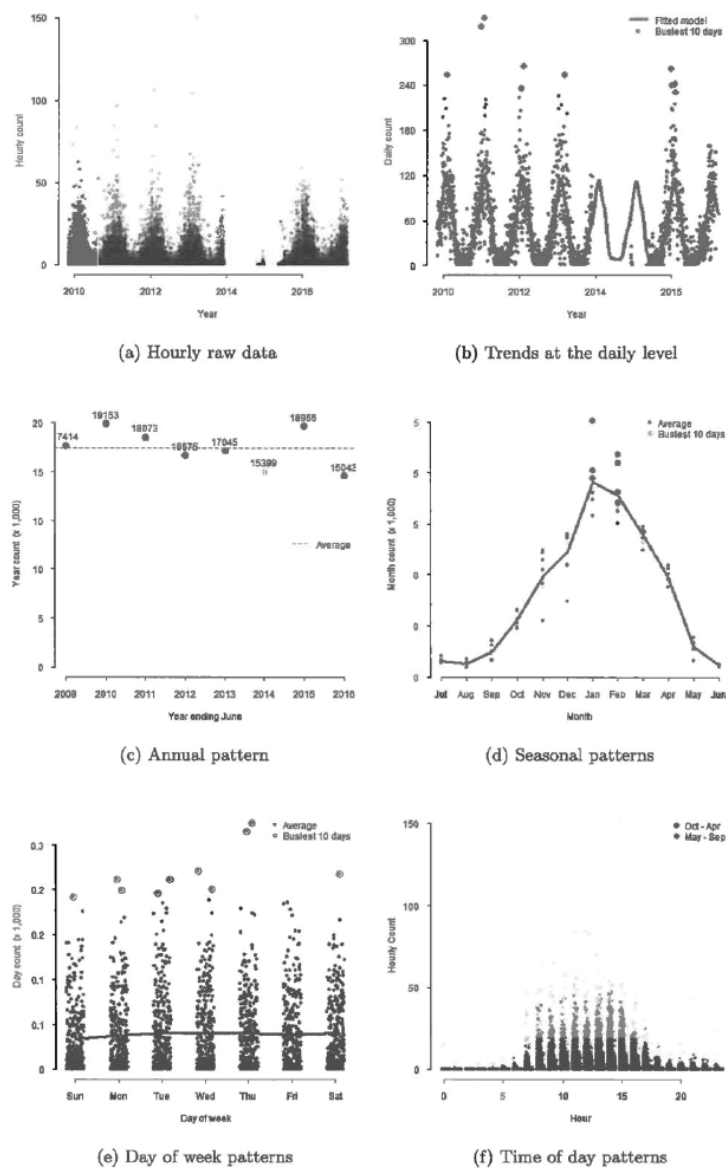


Figure 1: Basic trends in visitor counter data shown by (a) the raw hourly data, (b) model of the trend in count by time, season, and, Christmas holiday, (c) sum of counts annually with incomplete years in grey, (d) monthly patterns, (e) weekday patterns, and (f) hourly patterns. If a point was incomplete we filled that month/year with what was predicted to occur and faded the point as a function of the amount of uncertainty.



Port William

Access DMF Destination Consolidated Report for:
Rakiura Track.



Counter Information

This report uses **uncalibrated counter data**; i.e. the number of times the counter sensor has been triggered by a person, bicycle or motor-vehicle. Uncalibrated counter data must not be used to indicate the number of visits or the number of unique visitors to a place. Converting counter data into visits and visitors requires calibration of the data, and should be undertaken with guidance from a DOC Technical Advisor.

<ul style="list-style-type: none"> • Equipment Number: 100085137 • Technical ID: 30559 • Counter Network: Regional • Region: SSI • DMF Category: Gateway • Type of Installation: Long term • Counter Type: Pedestrian Counter - Pad 	<ul style="list-style-type: none"> • Generated on: 28/05/2017 • Date of first download: 11/11/2009 • Date of last download: 02/03/2017 • Days counted at location: 2668 • Count from last 365 days: 9215 • Count from prev. 365 days: 10331 • Change from prev. 365 days: -11% <p><small>*Missing data points are modelled.</small></p>
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<http://counterreports.doc.govt.nz/var/100085137.html>

29/05/2017

A more detailed representation and discussion of the counter data at this location may be found in the associated [Technical Report](#).

Data - Longitudinal Time Series

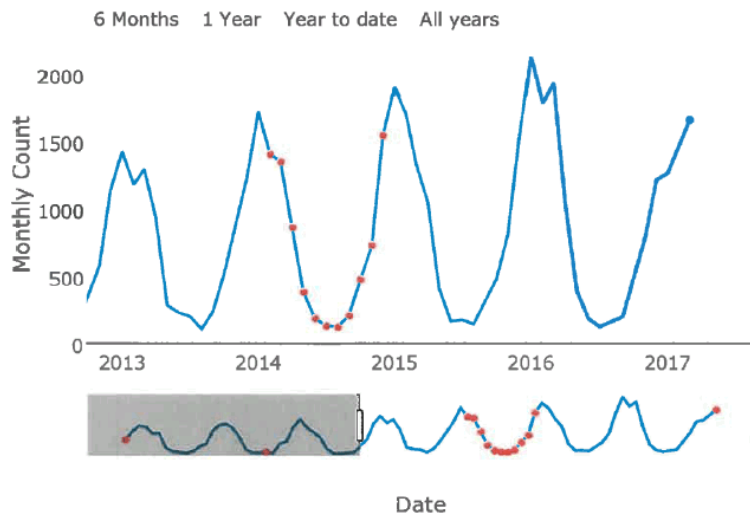


Figure 1: Monthly total counts at installation site over time

Notes:

- Default period is last Financial Year. To view different periods, use either zoom buttons at the top left of graph, or specify a period using the adjustable sliders at the bottom of the graph.
- Red points labelled A-Z indicate periods (in days) where count data is incomplete.
- Red points at either end of graph indicate incomplete data due to installation/latest download date occurring sometime during the month.

Data - Financial Year

FY	Count	Change from prev. FY +/-	Prop. days counted
2009/2010	6303	NA	0.64
2010/2011	6363	0.01	1.00
2011/2012	6573	0.03	1.00
2012/2013	7653	0.16	1.00
2013/2014	9067	0.18	0.63

<http://counterreports.doc.govt.nz/var/100085137.html>

29/05/2017

FY	Count	Change from prev. FY +/-	Prop. days counted
2014/2015	9754	0.08	0.54
2015/2016	10916	0.12	1.00
2016/2017	9204	-0.16	0.67

Table 1: Actual/modelled total counts by Financial Year (period ending 30th June)

Notes:

- Counts for some years are incomplete (refer Figure 1) - i.e. prop. of annual days counted is < 100%.
- Where proportion of annual days counted is < 100%, modelled counts are used to enable meaningful comparisons across FYs.

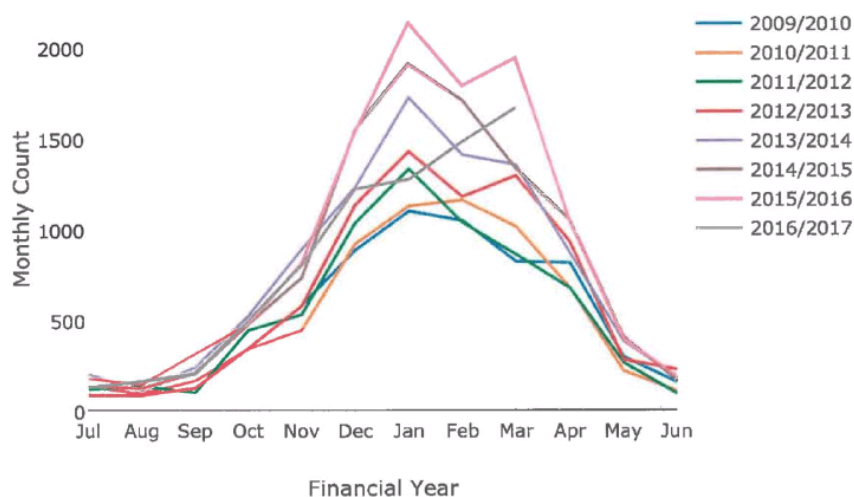


Figure 2: Actual/modelled total monthly counts by Financial Year

Notes:

- Counts for some years are incomplete (refer Figure 1).
- Where proportion of annual days counted is < 100%, modelled counts are used to enable meaningful comparisons across FYs.

Data - Daily & Weekly Profiles By Season

<http://counterreports.doc.govt.nz/var/100085137.html>

29/05/2017

Visitor Counter Reports

Page 4 of 4

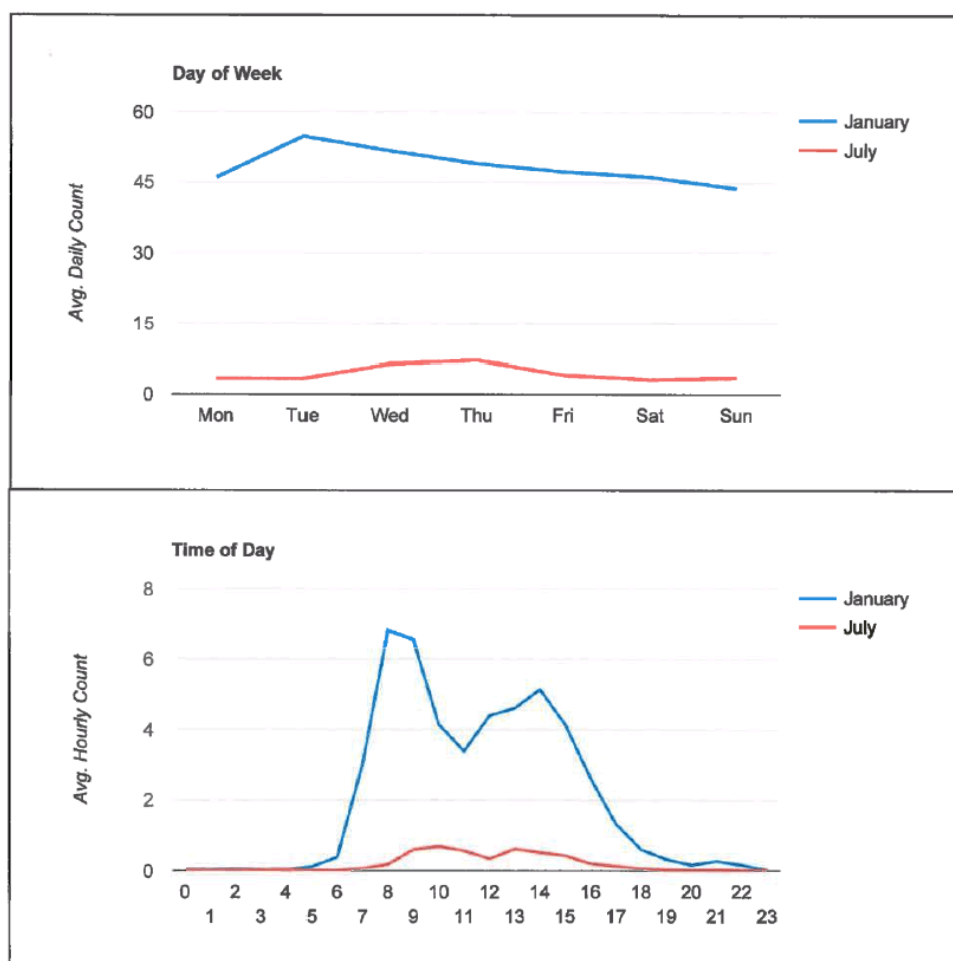


Figure 3: Actual/modelled average counts by Day of Week / Time of Day

Notes:

- January = High Season; July = Low Season

Report created by: Planning Monitoring and Reporting (PMR), Science & Policy Group, Department of Conservation.

Requests: File an Assyst request to get more detailed information.

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Please forward your comments to pmr@doc.govt.nz subject: Counters

<http://counterreports.doc.govt.nz/var/100085137.html>

29/05/2017



Visitor Asset Utilisation Technical Report

For equipment number 100085137
at Port William
May 27, 2017

This uncalibrated counter data set ranges between 11/11/2009 and 02/03/2017 with a total count of 56115 in 64033 hourly observations. This document is set up to view the number of counts at an hourly scale, then to view the patterns there are over time (year, month, and day). At the daily level we fit a model that shows the relationship of the counts with time, month, and the Christmas holidays which seem to be the peak time at many sites. These reports are automated, so this trend needs to be evaluated by how well the model in red on Figure 1b matches with the the data.

We estimate that there was an increase in the number of visitors over time. The busiest 10 days are shown in Table 1 and the longest 10 occasions without any visitors are shown in Table 2. This should give a rough idea of the strength and validity of the data.

Date	Count
2014-12-29	116
2014-12-30	110
2015-12-01	108
2013-03-30	104
2015-01-04	101
2010-04-08	100
2016-03-20	100
2015-02-17	99
2016-03-30	95
2014-01-16	94

Table 1: Busiest 10 days in the dataset

Date	Days no visits
2012-07-31	9.29
2011-08-06	4.88
2011-06-28	4.83
2012-09-11	4.21
2010-09-10	4.08
2016-06-23	4.08
2013-08-01	4.00
2012-08-11	3.92
2011-08-14	3.88
2012-06-22	3.67

Table 2: The 10 Longest times without any visitors for a period.

Page created by: Planning Monitoring and Reporting (PMR), Science & Policy Group.
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Please forward your comments/requests for assistance to:
Jeff Dalley at jdalley@doc.govt.nz

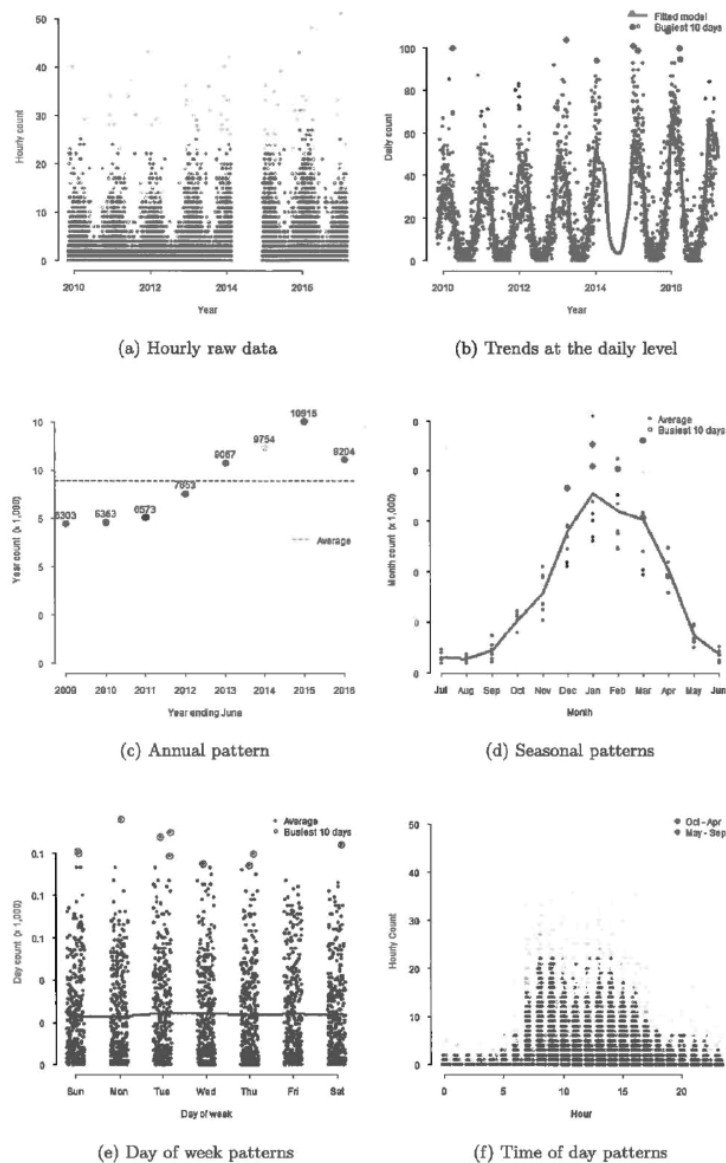
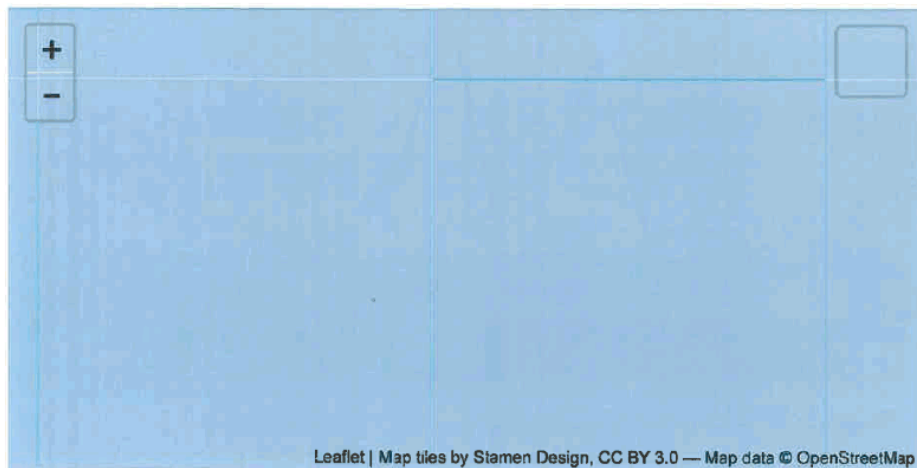


Figure 1: Basic trends in visitor counter data shown by (a) the raw hourly data, (b) model of the trend in count by time, season, and, Christmas holiday, (c) sum of counts annually with incomplete years in grey, (d) monthly patterns, (e) weekday patterns, and (f) hourly patterns. If a point was incomplete we filled that month/year with what was predicted to occur and faded the point as a function of the amount of uncertainty.



Millers Beach

Access DMF Destination Consolidated Report for:
Stewart Island backcountry.



Counter Information

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<ul style="list-style-type: none"> • Equipment Number: 100089168 • Technical ID: 37943 • Counter Network: • Region: SSI • DMF Category: BackCountry • Type of Installation: Long term • Counter Type: Pedestrian Counter - Pad 	<ul style="list-style-type: none"> • Generated on: 28/05/2017 • Date of first download: 29/04/2011 • Date of last download: 09/07/2013 • Days counted at location: 802 • Count from last 365 days: 653 • Count from prev. 365 days: 790 • Change from prev. 365 days: -17% <p><small>*Missing data points are modelled.</small></p>
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<http://counterreports.doc.govt.nz/var/100089168.html>

29/05/2017

A more detailed representation and discussion of the counter data at this location may be found in the associated [Technical Report](#).

Data - Longitudinal Time Series

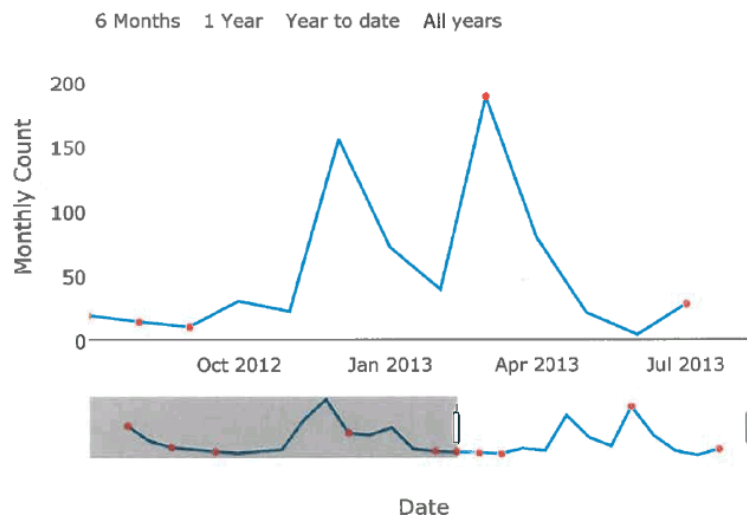


Figure 1: Monthly total counts at installation site over time

Notes:

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- Red points labelled A-Z indicate periods (in days) where count data is incomplete.
- Red points at either end of graph indicate incomplete data due to installation/latest download date occurring sometime during the month.

Data - Financial Year

FY	Count	Change from prev. FY +/-	Prop. days counted
2010/2011	1004	NA	0.17
2011/2012	787	-0.22	0.98
2012/2013	643	-0.18	0.87
2013/2014	502	-0.22	0.02

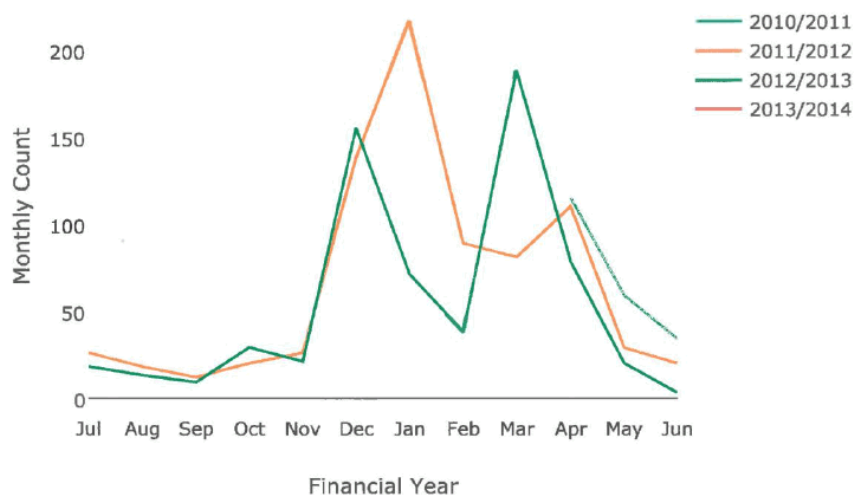
Table 1: Actual/modelled total counts by Financial Year (period ending 30th June)

<http://counterreports.doc.govt.nz/var/100089168.html>

29/05/2017

Notes:

- Counts for some years are incomplete (refer Figure 1) - i.e. prop. of annual days counted is < 100%.
- Where proportion of annual days counted is < 100%, modelled counts are used to enable meaningful comparisons across FYs.

**Figure 2:** Actual/modelled total monthly counts by Financial Year**Notes:****Data - Daily & Weekly Profiles By Season**

<http://counterreports.doc.govt.nz/var/100089168.html>

29/05/2017

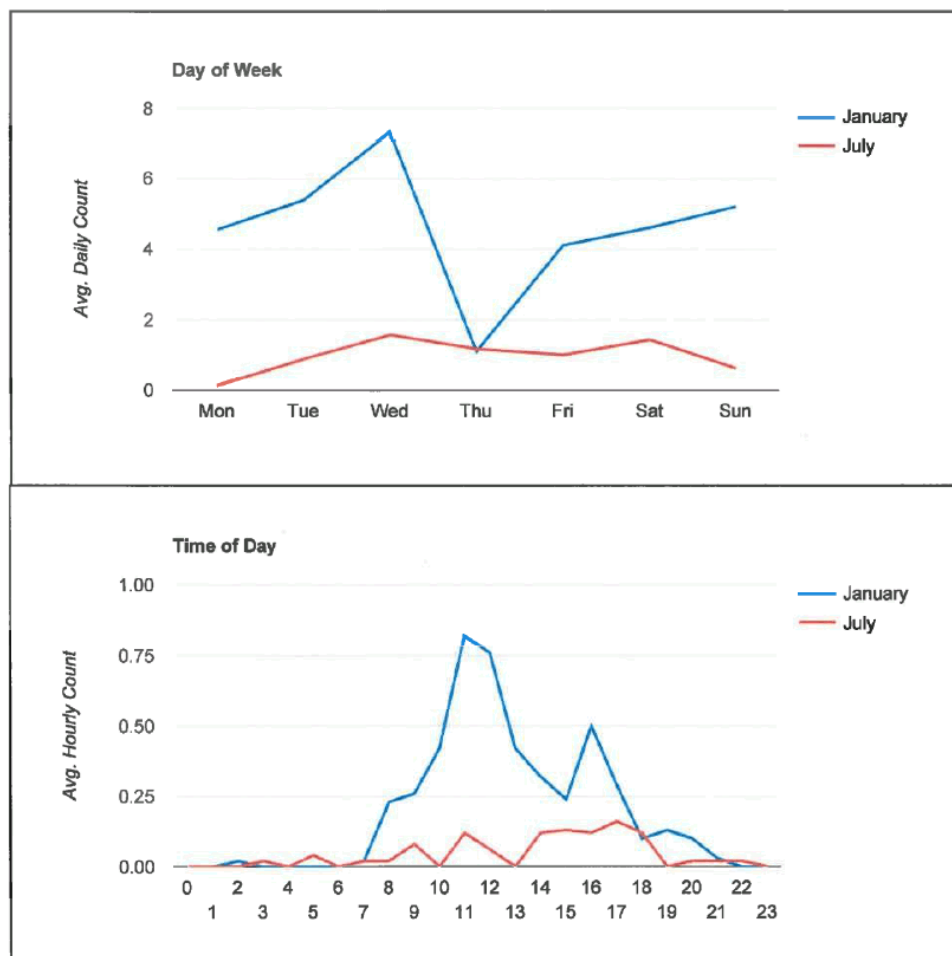


Figure 3: Actual/modelled average counts by Day of Week / Time of Day

Notes:

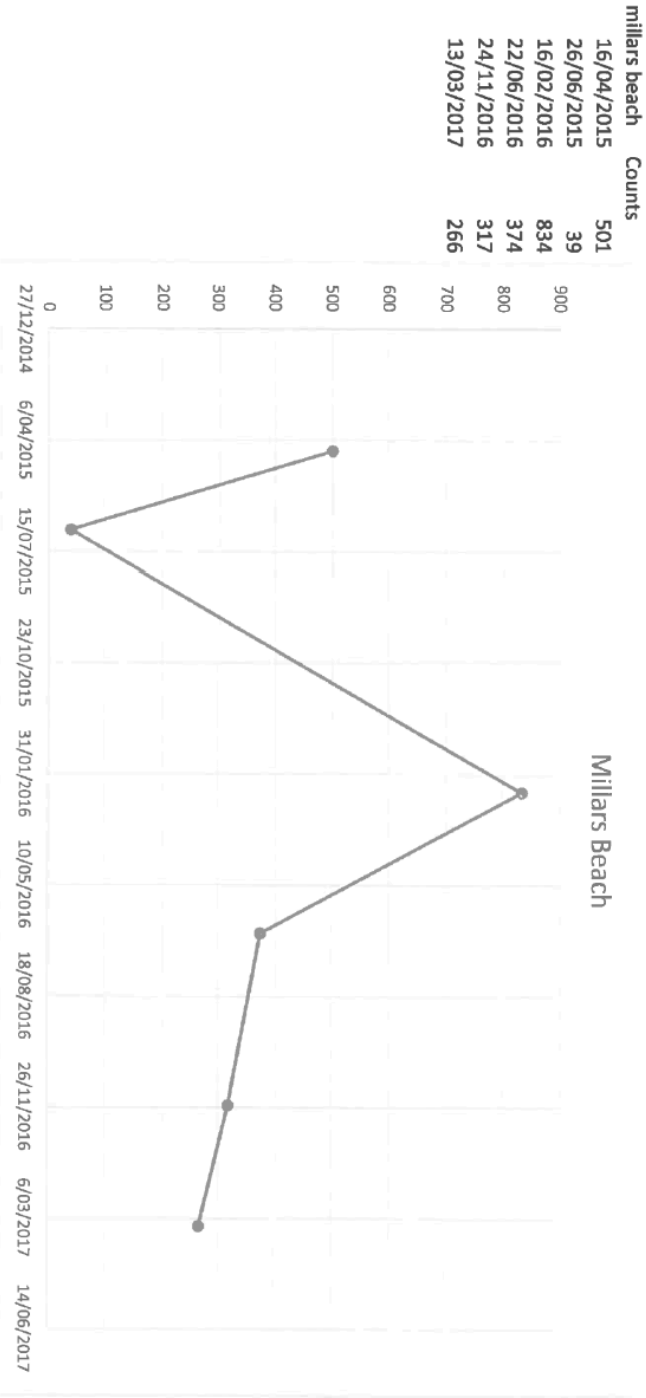
- January = High Season; July = Low Season

Report created by: Planning Monitoring and Reporting (PMR), Science & Policy Group, Department of Conservation.

Requests: File an Assyst request to get more detailed information.

Help improve this report: This Visitor Asset Utilisation Report is a work-in-progress, and we welcome your feedback.

Please forward your comments to pmr@doc.govt.nz subject: Counters



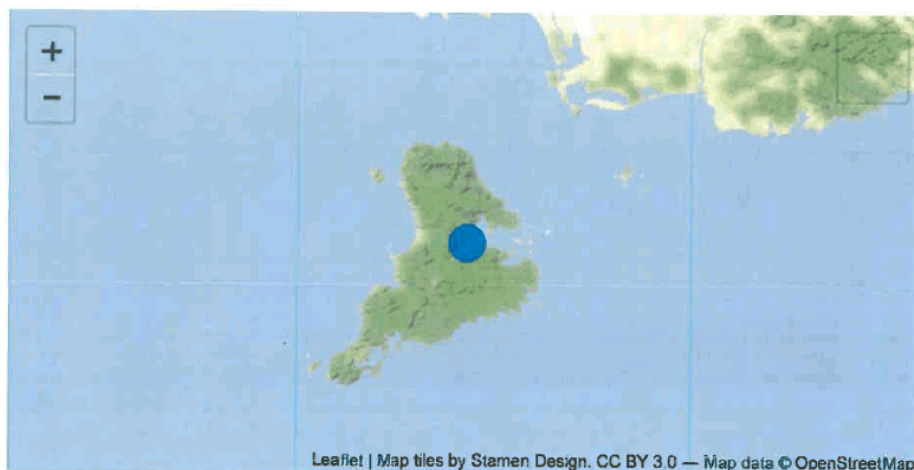
Visitor Asset Utilisation Report



Department of
Conservation
Te Papa Atawhai

Southwest Arm

Access DMF Destination Consolidated Report for:
Stewart Island backcountry.



Counter Information

This report uses **uncalibrated counter data**; i.e. the number of times the counter sensor has been triggered by a person, bicycle or motor-vehicle. Uncalibrated counter data must not be used to indicate the number of visits or the number of unique visitors to a place. Converting counter data into visits and visitors requires calibration of the data, and should be undertaken with guidance from a DOC Technical Advisor.

<ul style="list-style-type: none"> • Equipment Number: 100089173 • Technical ID: 37948 • Counter Network: • Region: SSI • DMF Category: BackCountry • Type of Installation: Long term • Counter Type: Pedestrian Counter - Pad 	<ul style="list-style-type: none"> • Generated on: 04/06/2017 • Date of first download: 05/05/2011 • Date of last download: 02/03/2017 • Days counted at location: 2128 • Count from last 365 days: 208 • Count from prev. 365 days: 220 • Change from prev. 365 days: -5% <p><small>*Missing data points are modelled.</small></p>
--	---

<http://counterreports.doc.govt.nz/var/100089173.html>

6/06/2017

A more detailed representation and discussion of the counter data at this location may be found in the associated [Technical Report](#).

Data - Longitudinal Time Series

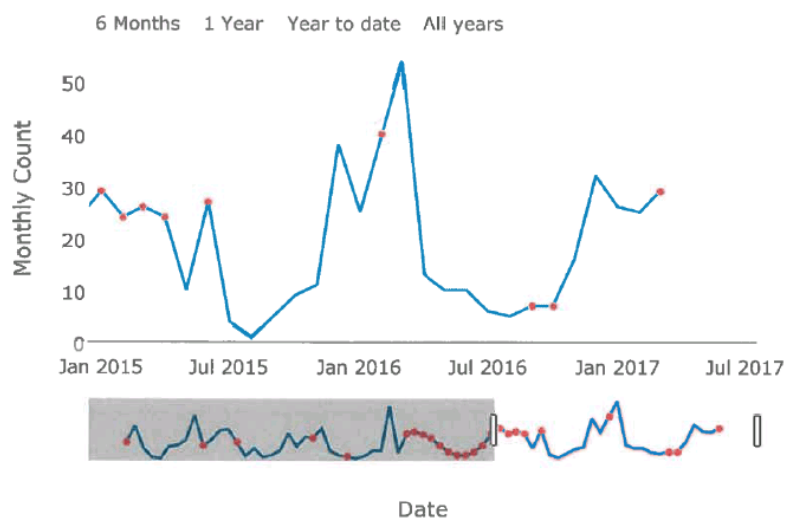


Figure 1: Monthly total counts at installation site over time

Notes:

- Default period is last Financial Year. To view different periods, use either zoom buttons at the top left of graph, or specify a period using the adjustable sliders at the bottom of the graph.
- Red points labelled A-Z indicate periods (in days) where count data is incomplete.
- Red points at either end of graph indicate incomplete data due to installation/latest download date occurring sometime during the month.

Data - Financial Year

FY	Count	Change from prev. FY +/-	Prop. days counted
2010/2011	196	NA	0.16
2011/2012	200	0.02	0.98
2012/2013	145	-0.27	0.99
2013/2014	184	0.27	0.60
2014/2015	201	0.09	0.20

<http://counterreports.doc.govt.nz/var/100089173.html>

6/06/2017

FY	Count	Change from prev. FY +/-	Prop. days counted
2015/2016	220	0.09	0.99
2016/2017	212	-0.04	0.63

Table 1: Actual/modelled total counts by Financial Year (period ending 30th June)

Notes:

- Counts for some years are incomplete (refer Figure 1) - i.e. prop. of annual days counted is < 100%.
- Where proportion of annual days counted is < 100%, modelled counts are used to enable meaningful comparisons across FYs.

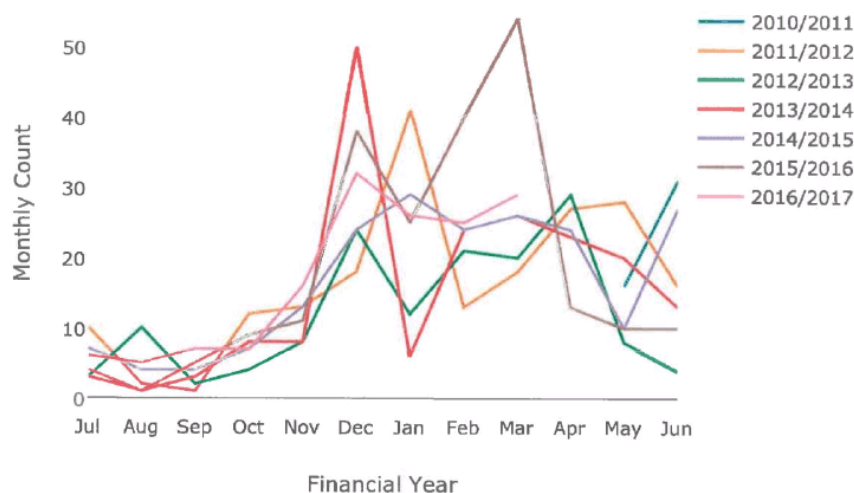


Figure 2: Actual/modelled total monthly counts by Financial Year

Notes:

- Counts for some years are incomplete (refer Figure 1).
- Where proportion of annual days counted is < 100%, modelled counts are used to enable meaningful comparisons across FYs.

Data - Daily & Weekly Profiles By Season

<http://counterreports.doc.govt.nz/var/100089173.html>

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Visitor Counter Reports

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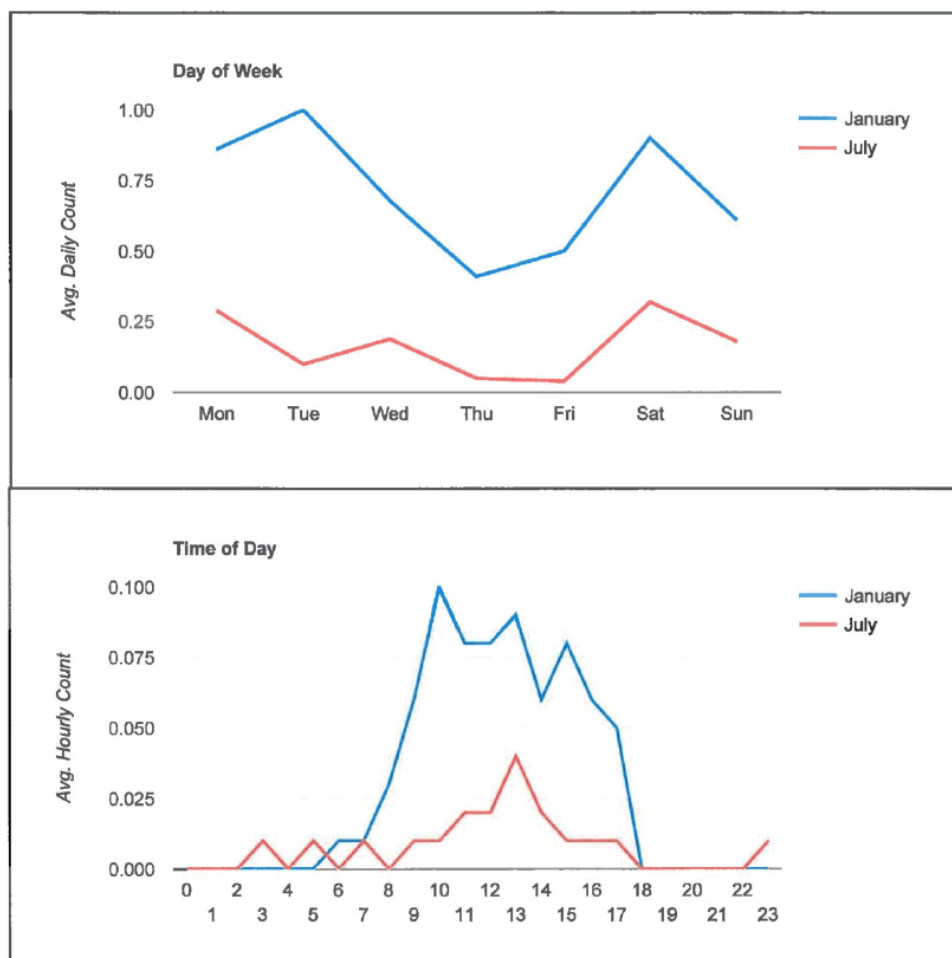


Figure 3: Actual/modelled average counts by Day of Week / Time of Day

Notes:

- January = High Season; July = Low Season

Report created by: Planning Monitoring and Reporting (PMR), Science & Policy Group, Department of Conservation.

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<http://counterreports.doc.govt.nz/var/100089173.html>

6/06/2017

Appendix B: Survey Questionnaire



Stewart Island Wharves Consultation

There are seven wharves on Stewart Island - Two owned by South port including the main Oban wharf, and five are owned by Southland District Council. South Port has offered one of its wharves to Council as it wishes to divest itself of it.

Two of the wharves are needing maintenance urgently while others will need work in the next few years. Council at present does not rate for wharf maintenance.

Council wants to know what residents, ratepayers and stakeholders believe are the best options for these wharves before making any decisions. At some point in the near future Council will need to make decisions on how to manage and fund the wharves and which wharves are needed. This survey will help inform those decisions.

1. Tell us how often you use the following wharves?

	Daily	Weekly	Monthly	Less than six monthly	Less than annually	Never
Port William	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you use this wharf for?						
<input type="text"/>						
Freds Camp	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you use this wharf for?						
<input type="text"/>						
Millars Beach	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you use this wharf for?						
<input type="text"/>						
Golden Bay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you use this wharf for?						
<input type="text"/>						
Ulva Island	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you use this wharf for?						
<input type="text"/>						
Little Glory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you use this wharf for?						
<input type="text"/>						

2. Should all of the wharves be publicly owned or privately owned or perhaps a mix. Tell us who you think should own/manage the wharves and why?

	Public	Private	Mix of public and private
Port William	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who should own this wharf and why?			
<input type="text"/>			
Freds Camp	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who should own this wharf and why?			
<input type="text"/>			
Millars Beach	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who should own this wharf and why?			
<input type="text"/>			
Golden Bay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who should own this wharf and why?			
<input type="text"/>			
Ulva Island	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who should own this wharf and why?			
<input type="text"/>			
Little Glory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who should own this wharf and why?			
<input type="text"/>			

3. If the wharves are to be kept in public ownership Council needs to consider how they will be paid for. If you think that they should be kept in public ownership do you have any ideas about how the wharves could be funded sustainably so they are managed, maintained and replaced as necessary?

4. Do you have any ideas about how the wharves could be managed so they are viable and sustainable to meet future needs?
5. Of the following list of wharves which ones do you think are needed and why

	Yes - This wharf is needed	No - This wharf is not needed
Port William	<input type="radio"/>	<input type="radio"/>
Why/Why not	<input type="text"/>	
Freds camp	<input type="radio"/>	<input type="radio"/>
Why/Why not	<input type="text"/>	
Millars Beach	<input type="radio"/>	<input type="radio"/>
Why/Why not	<input type="text"/>	
Golden Bay	<input type="radio"/>	<input type="radio"/>
Why/Why not	<input type="text"/>	
Ulva Island	<input type="radio"/>	<input type="radio"/>
Why/Why not	<input type="text"/>	
Little Glory	<input type="radio"/>	<input type="radio"/>
Why/Why not	<input type="text"/>	

6. Please rank in order of importance, from 1 being the most important to 6 being the least important, how important each of the wharves are to you personally?

<input type="text"/>	Port William
<input type="text"/>	Freds Camp
<input type="text"/>	Millars Beach
<input type="text"/>	Golden Bay
<input type="text"/>	Ulva Island
<input type="text"/>	Little glory

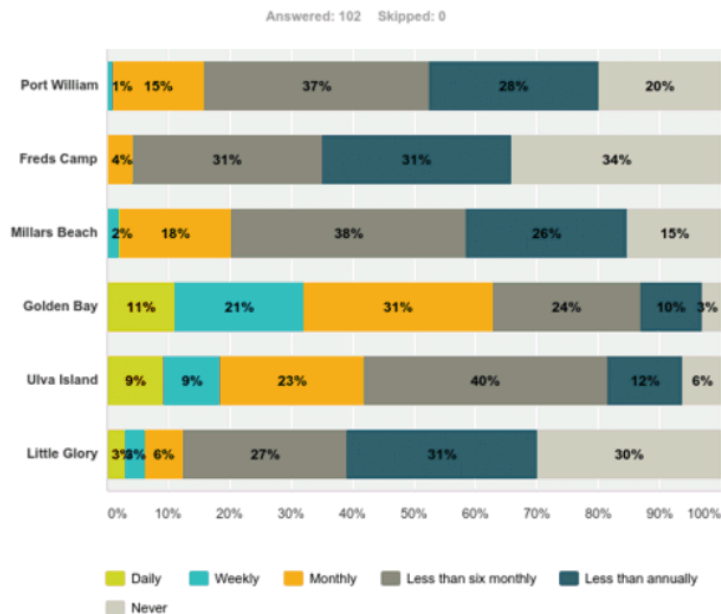
7. Please rank in order of importance, from 1 being the most important to 6 being the least important, how important each of the wharves are to the island?

<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div> Port William
<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div> Freds Camp
<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div> Millars Beach
<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div> Golden Bay
<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div> Ulva Island
<div><div></div><div></div><div></div></div>	<div><div></div><div></div></div> Little glory

8. What other things are important to you as a user of the wharves on Stewart Island?

Appendix C: Online and Paper Survey Results

Question 1 – Telling us how often you use the following wharves?

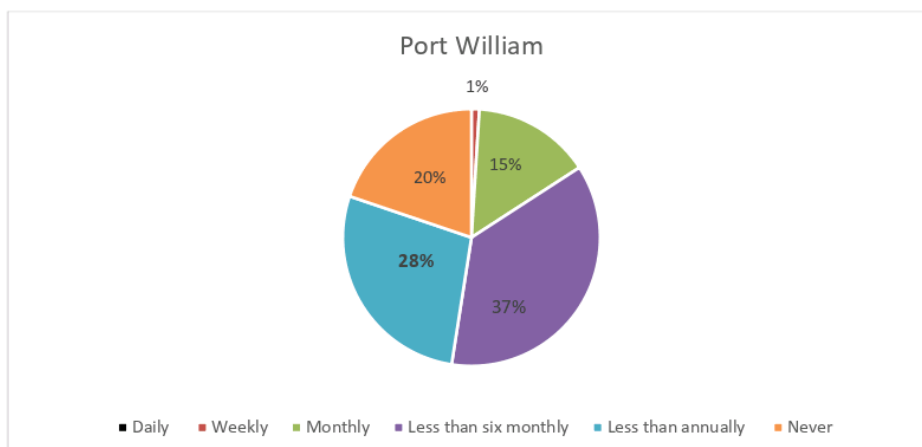


According to the survey results the wharves with the highest daily use were Golden Bay (11%) and Ulva Island (10%) followed by Little Glory wharf (3%). The highest weekly usage was Golden Bay (21%). The highest monthly use was Golden Bay (31%). The highest less than 6 monthly result was Ulva Island (40%). The highest less than annually result was Fred's Camp (and Little Glory (31% respectively). The highest result for never used was Fred's Camp (34%).

The results below show the individual wharves broken down further

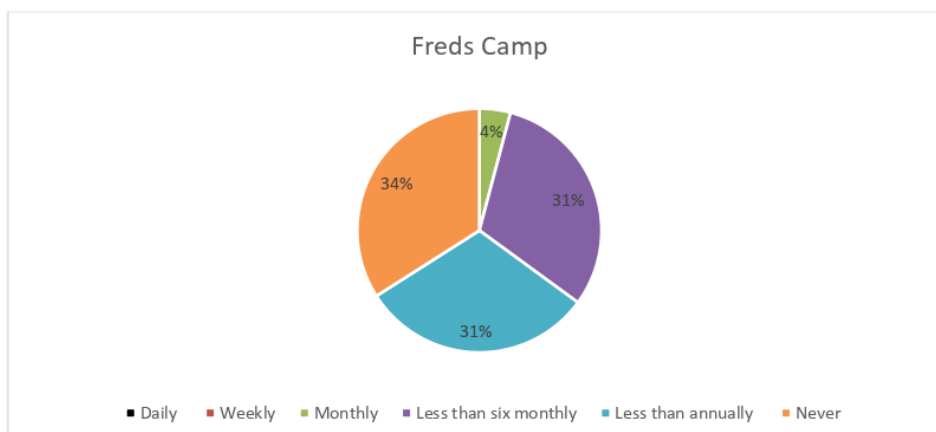
Port William

	Daily	Weekly	Monthly	Less than six monthly	Less than annually	Never	Total
Port William	0	1%	15%	37%	28%	20%	
Port William	0	1	15	37	28	20	101



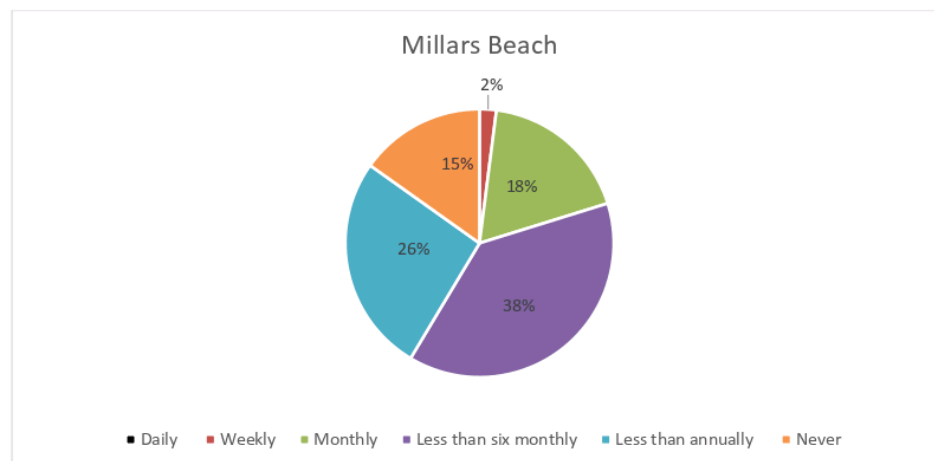
Fred's Camp

	Daily	Weekly	Monthly	Less than six monthly	Less than annually	Never	Total
Fred's Camp			4%	31%	31%	34%	
Fred's Camp	0	0	4	30	30	33	97



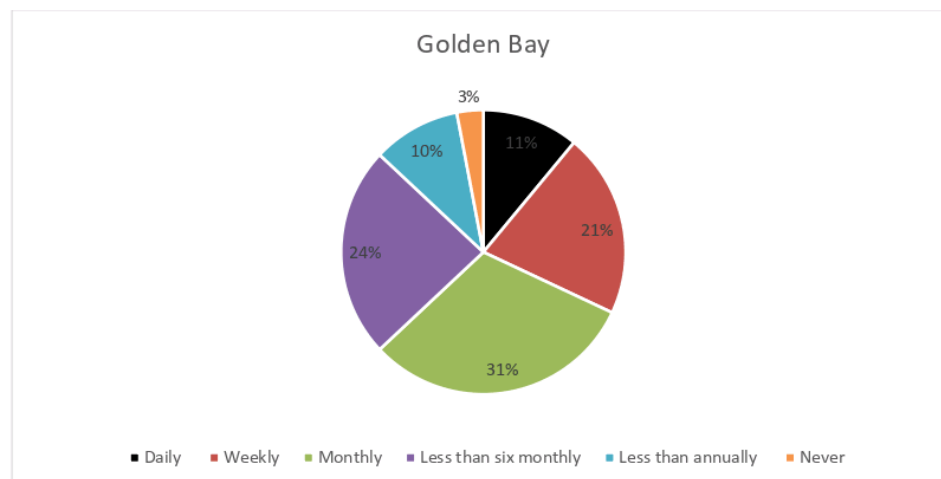
Millars Beach

	Daily	Weekly	Monthly	Less than six monthly	Less than annually	Never	Total
Millars Beach	0	2%	18%	38%	26%	15%	
Millars Beach	0	2	18	38	26	15	99



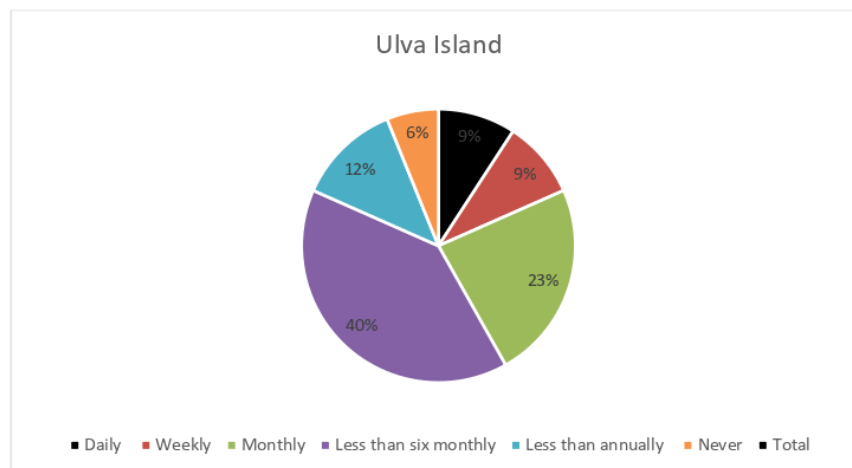
Golden Bay

	Daily	Weekly	Monthly	Less than six monthly	Less than annually	Never	Total
Golden Bay	11%	21%	31%	24%	10%	3%	
Golden Bay	11	21	31	24	10	3	100



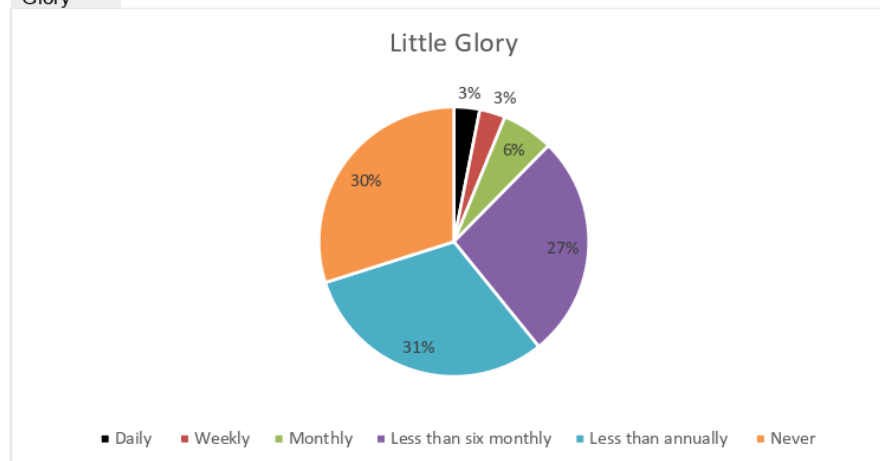
Ulva Island

	Daily	Weekly	Monthly	Less than six monthly	Less than annually	Never	Total
Ulva Island	9%	9%	23%	40%	12%	6%	
Ulva Island	9	9	23	39	12	6	98



Little Glory

	Daily	Weekly	Monthly	Less than six monthly	Less than annually	Never	Total
Little Glory	3%	3%	6%	27%	31%	30%	
Little Glory	3	3	6	26	30	29	97



Verbatim comments for Q 1 are listed below:-

What do you use this wharf for? Port William

Commercial

- Work
- Work
- work
- For disembarking and picking up passengers.
- Guiding tourist on walks
- Picking people up for charters
- work drop-offs
- loading and unloading passengers and personal effects,
- Only used in the winter when our overnight boat visits for only 2-3 weeks - tender drops people to walk on track
- Occasional guide for Port William to Lee Bay - around 4 times per tourist season
- Weekly to monthly, depending on time of year. Used by DOC staff working in the area.
- Dropping off clients for a guided walk back along the beaches and forest to Oban township
- Used a lot by water taxis: dropping off or picking up trampers/hikers who enjoy the day walk to or from Port William
- Work
- Pick up Drip Off trampers
- Drop off for track walk.
- dropping of walkers
- Offloading hunting parties/ recreation
- Passenger pickup/drop off

Accessway

- Landings
- Unloading and getting accessing to the shore
- Disembarking

Don't Use

- N/A

Leisure/Recreational

- walking
- fun
- Recreation
- Visiting by boat, walking Rakiura track back to HMB
- Recreation
- Recreation
- Recreation
- casual use
- Recreation
- "Sightseeing" - I can't walk well so the only way I can get to see parts of Island around me.
- Recreational
- access to walking tracks
- Artist research, access to walking tracks
- Private use
- Access to Rakiura Track
- Weekend Visits
- Tie up for walk around
- Dropping off or picking up family that wish to walk the track
- Recreational Boating
- Recreation boating
- Getting ashore & back on to a boat without getting wet feet
- recreation staying hut
- Recreational access to Port William area

- Heading away hunting or just dropping off stuff
- Fishing and day walking to/from Oban
- Private use.
- Staying at Port William hut
- Landing people at port William to enjoy the nature at port William and the surrounding area
- drop off friends
- Day walks camping expeditions
- If dropped off for a walk
- Recreation - getting people on and off boat
- Recreation
- Dropping off or picking up friends and family
- Jumping off/ catching a boat
- Visiting Pt William/ fishing/hunting.
- Jumping off, tying boat up to
- recreation
- Tramping
- Recreation

Tourism

- casual use
- Being dropped off when walking
- dropping people off to walk back to Oban
- Boating trips, when at port William have enjoyed sitting and using for view

Tourism, Leisure/Recreational

- tourism, Leisure/Recreational

What do you use this wharf for? Fred's Camp
--

Accessway

- getting to Fred's camp
- Landings
- access
- Stop over, waiting for tide to access Rakiura river or Freshwater river
- Unloading and getting accessing to the shore
- Disembarking

Commercial

- Work
- Work
- work
- Water taxi to and/or from Fred's Camp
- Used by DOC staff working in the area.
- Work
- Water taxi pick up drop off
- Offloading charter groups/ hunting parties, recreation

Don't Use

- N/A

Leisure/Recreational

- hunting
- fun
- Dropping hunters off
- Recreation
- Recreation
- casual use
- Recreation
- "Sightseeing" - I can't walk well so the only way I can get to see parts of Island around me.

- as above
- occasional visits
- Recreational
- Personal
- Artist research, access to walking tracks
- Private use
- When accessing walking track to Doughboy
- Same as above
- Dropping family and friends off for tramping
- Recreational Boating
- day visit waiting for tide to enter fresh water Rakiura river
- Tramping
- Recreational access but very rarely.
- Heading away hunting or just dropping off stuff
- Hunting fishing tramping
- Private use.
- as above
- Camping and hunting. Also access to mason bay and Rakiura track and camp
- Recreation - use it regularly during January and February- getting people on and off boat
- Recreation
- As above.
- Boating

Tourism

- Enabling guests to go ashore from my yacht
- If dropped off or picked up for a tramp
- Passenger pickup /drop off

Tourism/Access way

- Use when arriving by water taxi and private boat

Tourism/Leisure/Recreational

- Important access for hunters and trampers to several tracks
- Pick up drop off Hunters and trampers

What do you use this wharf for? Millars Beach
--

Commercial

- Work
- Work
- work
- loading and unloading passengers and personal effects
- Used by DOC staff working in the area.
- Dropping off clients for a guided walk along the beaches and forest
- Work (Track counters 3 monthly)
- Passenger pickup /drop off

Access way

- Drop off for Whalers base
- Unloading and getting accessing to the shore
- Disembarking

Leisure/Recreational

- Museum - access to Whaling Base
- fun
- Recreation and access
- Visiting with family to walk to Whalers Base
- Family trips

- Recreation
- casual, nice to take people for a look
- Recreation
- "Sightseeing" - I can't walk well so the only way I can get to see parts of Island around me.
- Whalers base access
- Recreation
- as above
- family holidays to the area
- Recreational
- Recreation
- Personal
- picnicking, walking to the whaling station
- Artist research, access to walking tracks
- Family picnics private use
- I have visited this wharf once in the last 5 years to put an elderly cuddie ashore.
- Same as above
- Dropping family and friends off for tramping through to the whaling base
- Recreational Boating
- Getting ashore & back on to a boat without getting wet feet
- family day out visit whalers base
- Picnic/walking
- Odd trip but tend to head straight to the beach
- Private use.
- When visiting the Whaling Base if it is blowing.
- Very popular drop off/pick up point for access to the historical Whalers Base, beautiful walk plus picnic/events building
- Recreational
- walk ashore to visit shelter and Whaling base
- Access to historic Norwegian Whalers base track and bush walks
- recreation
- Recreation - use it daily during January and February - Daily- getting people on and off boat
- Recreation
- Jumping off/ pick up drop off
- As above.
- access to whalers base
- Access to Whalers Base.
- going to whaling base
- Boating
- Private boat use
- Recreation
- recreation
- Visiting the Whalers Base
- Recreation, walking access to whalers base
- Occasional visits with friends
- Recreation

Tourism

- Part of our Patersons Inlet cruise
- Visiting

Tourism/Leisure-Recreational

- Taking visitors to the Whaling Base
- Whalers Base visits - BBQ's
- To visit the Whalers Base
- Recreational access. To walk through to Whalers Base. To show our visitors around.
- Walk to historic Whaler base
- Enabling guests to go ashore from my yacht

What do you use this wharf for? Golden Bay

Access way

- Leaving and arriving from visiting Ulva Island
- It is difficult to use this wharf because it is so tied up and dominated by boats left unattended
- Landing & embarking people
- travel to Ulva
- Off trip to Ulva
- Trip to Ulva Island
- access to Ulva Island
- Unloading and getting accessing to the shore
- Disembarking
- To go to Ulva Island

Commercial

- Work
- work
- Ulva Island - clients
- work
- Oyster farm
- sometimes pick up and drop off
- as above
- Water taxi to various locations
- work
- Charter boat
- same as above
- going to and from work marine farms or Neck land management
- It is the primary departure point for the Ulva water taxis
- Used by DOC staff working in the area.
- Embarkation on to 7minute water taxi ride to Ulva Island Bird Sanctuary. Client groups. Not necessarily daily, but very often over the tourism season.
- depart to Ulva is-fishing-marine farm departures
- Passenger drop off
- to get to work
- Work, embarking water taxis, loading work boats, picking up passengers on own boat
- To take/land people on Ulva
- Pick up drop off Passengers
- Loading/unloading gear/personnel from marine farms
- Drop-off/loading of passengers occasionally
- Passenger pickup /drop off

Leisure/Recreational

- Recreation, fishing & visits to Ulva Is
- Adventures with kids
- Recreation
- "Sightseeing" - I can't walk well so the only way I can get to see parts of Island around me. + visiting Hunter family members on Ulva Island.
- My boat is moored there
- convenient arrival and departure point for family holidays up the inlet
- Recreational
- Access to our boat. Personal
- photography, access to Te Whaka a Te Wera (Patterson inlet), access to Ulva Island
- Artist research- photography and drawing. Access to Paterson inlet by boat.
- Drop off pick up family private use
- I have a boatshed and mooring in Golden Bay and i sometimes use the wharf to load and unload fuel for my boat,
- Picking up and dropping friends and family.
- Recreational Boating
- Getting ashore & back on to a boat without getting wet feet

- Recreational access - to board water taxi, our friends' boats or our private boat for exploring Paterson Inlet.
- Private use.
- Going to ultra, kids catching fish
- Recreational
- I live in HB but visited SI with my family earlier this year, their visit there, and went on the wharf during a walk.
- When we are staying on the island, we use the wharf for dropping people off from the boat and water taxi trips to Ulva and elsewhere,
- Recreation - use it daily during January and February - getting people on and off boat
- Recreation - Cruise ship passenger embark and disembark here
- Dropping off or picking up friends and family
- Jumping off/ catching water taxis
- Departure point for Ulva Is; place for grandchildren to fish from.
- Fishing boating sitting
- Recreation
- Recreation

Leisure-Recreational/Commercial

- Work & visit to Ulva Island
- Work access & visit Ulva
- Transporting visitors, personal trips to Ulva Inlet etc.
- Recreation, work
- Work & Pleasure
- Have dropped some people off there twice.
- Enabling guests to board and go ashore from my yacht
- Ulva island water taxi access .Access for all tracks in Paterson Inlet also departures for recreational fishing and hunting
- Recreation. work
- Work and pleasure. I have a dinghy moored in Golden Bay/
- Private use and water taxi
- Recreation/work

Tourism

- Guiding tourists. Paterson Inlet and access to Ulva Island
- Loading boat for outings
- Ulva Island of Freshwater landing visits
- To visit Ulva Island, also drop off from Freshwater pickup
- I would...picking up people for an afternoon cruise.
- Cruise Ship visits
- To drop off gear for travellers etc.
- Visiting oval island
- Ulva island ferry

Tourism/Commercial

- Currently unable to use because of safety and tonnage restrictions but would like to use it most months in summer. It's a concern we can't access this wharf - it needs to be available to take our ferries in bad weather situations and we want to use it for cruise ship days but can't until its repaired - this is therefore affecting the viability of cruise ships visiting the Island which affects everyone, not just the ferry company
- picking up people

Tourism/Leisure-Recreational

- To use the water taxi to gain access to Ulva island

Tourism/Leisure-Recreational/Commercial/Access way

- Access point for any marine excursion
- Main access (apart from HMB wharf) to access all areas of Paterson Inlet which is the 'playground' of locals and visitors, and also contains aquaculture farming.

What do you use this wharf for? Ulva Island
Access way

- Arriving and leaving Ulva Island
- access to Ulva Island
- Access to Ulva Island
- access
- Getting ashore & back on to a boat without getting wet feet
- To arrive on Ulva
- Ulva golden bay return
- Trip back from Ulva Island
- Trips to Ulva
- access to Ulva Island
- Unloading and getting accessing to the shore
- Disembarking

Commercial

- Work
- Clients - bird watching
- As part of my job
- Guiding on Ulva Island
- Sometimes put elderly passengers ashore.
- Taking visitors to Ulva Island
- Landing & embarking people
- Most of my charters are for fishing. have dropped two groups of for walks
- Visiting Ulva Island with Real Journeys
- Daily visits to drop visitors to walk as part of our Inlet cruise from 1 Sept - 31 May
- To disembark from the water taxis that transport you to Ulva Island
- Weekly to monthly, depending on time of year. Used by DOC staff working in the area.
- Disembark & embark client groups on to water taxi to return to Golden Bay wharf. Not necessarily daily, but very often over the summer tourism season.
- Passenger drop off for bird watching
- work
- Catching water taxis
- dropping off and picking up
- Water taxi
- For access onto Ulva island and then return trip to golden bay in water taxi
- Passenger pickup /drop off

Don't Use

- N/A

Leisure/Recreational

- access - walking - bird studies
- Boating trips
- Recreation
- casual use
- Leisure
- as above
- Recreational
- Artist research, access to Ulva Island
- Private use
- Dropping friends and family to walk the Island
- Recreational Boating
- leisure
- only use occasionally
- Odd trip to Ulva
- access to walking and bird watching

- Private use.
- The occasional trip with friends
- Recreational
- Enabling guests to board and go ashore from my yacht
- drop off and pick up friends
- Access tracks and walking beaches and bird watching
- Recreation - use it regularly during January and February- getting people on and off boat
- Dropping off or picking up friends and family
- Access to Ulva walking tracks.
- Boating accessing Ulva
- Recreation
- recreation
- Pick up / drop off friends recreational x
- Recreation

Leisure-Recreational/Commercial

- work/leisure
- work/leisure
- Visiting the island - work & pleasure trips with family
- Recreation, work

Tourism

- Visit Ulva
- "Sightseeing" - I can't walk well so the only way I can get to see parts of Island around me. + visiting Hunter family members on Ulva Island.
- visits to Ulva
- Visiting Ulva Island
- visiting Ulva
- Ulva Island Guiding or just visiting
- To visit Ulva Island, also guiding for cruise ship visits
- Taking our visitors to see Ulva Island. Access to Ulva Island. Visiting the Hunter family.
- Cruise Ship visits
- Essential for access to this open bird sanctuary - enjoyed by locals, and a 'must do' for visitors, plus access for the monitoring team
- for sightseeing
- Visiting Ulva island
- Ulva Is Birding tours
- Recreation - Cruise ship passenger embark and disembark here
- Visiting the island
- Pleasure/visiting Ulva Is.
- Visiting
- To visit Ulva Island

What do you use this wharf for? Little Glory

Access way

- Disembarking

Commercial

- Work
- Work
- work
- Dropping hunters to block
- checks of track
- To land people to go kiwi spotting from 1 Sept - 31 May
- Used by DOC staff working in the area.
- Dropping off clients for a guided walk along the beaches and forest
- work
- Part of our Inlet cruise

Don't Use

- NA
- Don't get the chance to visit

Leisure/Recreational

- Adventures
- Recreation
- casual use
- "Sightseeing", only accessible by water anyway
- as above
- very occasional visits
- Recreational
- Recreation
- Personal
- Photography, access to ocean beach
- Artist research, access to walking tracks
- Private use
- Recreational Boating
- loading and unloading passengers and personal effects
- Odd trip to Beach
- Private use.
- Night time access to the popular 'Kiwi Spotting' area with walk through to Ocean Beach; also day walk in this spectacular spot
- Recreational
- Enabling guests to board and go ashore from my yacht
- Recreation
- As above/
- Visiting
- going for walks
- Private use recreation
- recreation
- Recreation, access to ocean beach
- Pleasure
- Recreation

Leisure-Recreational/Access way

- Unloading and getting accessing to the shore

Leisure-Recreational/Commercial

- Recreation - getting people on and off boat

Tourism


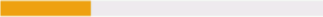
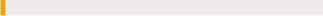

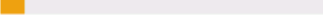
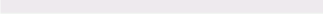
- Taking visitors to Ocean Beach
- Marine Excursions - Days out
- Night visit for kiwi spotting
- kiwi spotting-hunting -walking
- Passenger drop off for scenic walk
- Kiwi spotting
- Kiwi spotting bush walking fishing

Tourism/Leisure-Recreational

- To walk through to Ocean Beach with visitors.

Comments - Port William


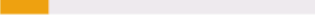




Showing 5 custom categories

Accessway View all • Edit • Delete		4.41%	3
Commercial View all • Edit • Delete		27.94%	19
Don't use View all • Edit • Delete		1.47%	1
Leisure/Recreational View all • Edit • Delete		60.29%	41
tourism View all • Edit • Delete		7.35%	5
Uncategorized View all		0%	0

The primary use for this wharf was leisure/recreational.

Comments Fred's Camp






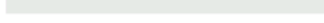
Showing 5 custom categories

Accessway View all • Edit • Delete		13.46%	7
Commercial View all • Edit • Delete		15.38%	8
Don't use View all • Edit • Delete		1.92%	1
Leisure/Recreational View all • Edit • Delete		61.54%	32
tourism View all • Edit • Delete		11.54%	6
Uncategorized View all		0%	0

The primary use for this wharf was leisure/recreational.

Comments Millars Beach







Showing 5 custom categories

Accessway View all • Edit • Delete		4.35%	3
Commercial View all • Edit • Delete		11.59%	8
Don't use View all • Edit • Delete		0%	0
Leisure/Recreational View all • Edit • Delete		78.26%	54
tourism View all • Edit • Delete		11.59%	8
Uncategorized View all		0%	0

The primary use for this wharf was leisure/recreational.

Comments Golden Bay




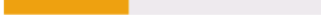

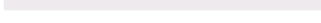
Showing 5 custom categories

Accessway View all • Edit • Delete		13.48%	12
Commercial View all • Edit • Delete		44.94%	40
Don't use View all • Edit • Delete		0%	0
Leisure/Recreational View all • Edit • Delete		49.44%	44
tourism View all • Edit • Delete		15.73%	14
Uncategorized View all		0%	0

The primary use for this wharf was leisure/recreational closely followed by commercial.

Comments Ulva Island






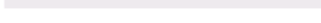
Showing 5 custom categories

Accessway View all • Edit • Delete		14.29%	12
Commercial View all • Edit • Delete		28.57%	24
Don't use View all • Edit • Delete		1.19%	1
Leisure/Recreational View all • Edit • Delete		39.29%	33
tourism View all • Edit • Delete		21.43%	18
Uncategorized View all		0%	0

The primary use for this wharf was recreational followed by commercial and tourism.

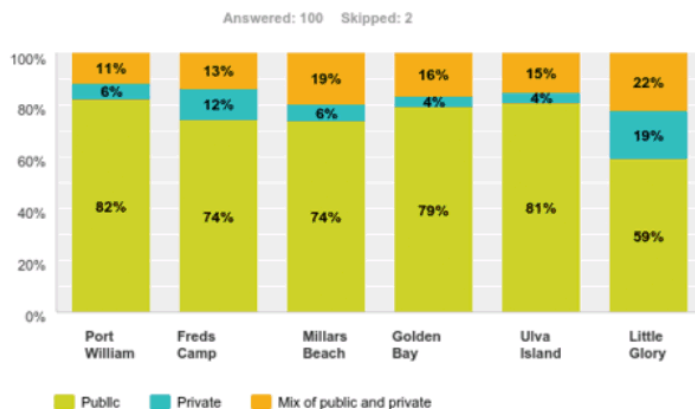
Comments Little Glory

Showing 5 custom categories

Accessway View all • Edit • Delete		3.92%	2
Commercial View all • Edit • Delete		21.57%	11
Don't use View all • Edit • Delete		3.92%	2
Leisure/Recreational View all • Edit • Delete		60.78%	31
tourism View all • Edit • Delete		15.69%	8
Uncategorized View all		0%	0

The primary use for this wharf was leisure/recreational.

Question 2 - Should all of the wharves be publicly owned or privately owned or perhaps a mix. Tell us who you think should own/manage the wharves and why?



The wharf with the highest percentage of support for public ownership was Port William (82%) followed by Ulva Island (81%), Golden Bay (79%), Millars Beach (74%), Fred's Camp 74% and lastly Little Glory wharf (59%).

The wharf with the highest percentage of support for private ownership was Little Glory (19%) followed by Fred's camp (12%), Millars Beach & Port William (6% respectively, lastly Golden Bay and Ulva island (4% respectively).

The wharf with the highest percentage of support for a mix of public and private ownership was Little Glory (22%) followed by Millars Beach (19%), Golden Bay (16%), Ulva Island (15%) Fred's camp (13%) and lastly Port William (11%)


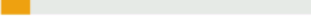



Comments - Port William

Showing 4 custom categories

Didn't Answer	<div><div></div></div>	2.78%	2
View all • Edit • Delete			
Mix	<div><div></div></div>	8.33%	6
View all • Edit • Delete			
Private	<div><div></div></div>	5.56%	4
View all • Edit • Delete			
Public	<div><div></div></div>	83.33%	60
View all • Edit • Delete			
Uncategorized	<div><div></div></div>	0%	0
View all			



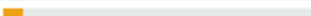


Comments Fred's Camp

Showing 4 custom categories

Didn't Answer View all • Edit • Delete		3.08%	2
Mix View all • Edit • Delete		9.23%	6
Private View all • Edit • Delete		6.15%	4
Public View all • Edit • Delete		81.54%	53
Uncategorized View all		0%	0






Comments Millars Beach

Showing 4 custom categories

Didn't Answer View all • Edit • Delete		7.58%	5
Mix View all • Edit • Delete		18.18%	12
Private View all • Edit • Delete		6.06%	4
Public View all • Edit • Delete		68.18%	45
Uncategorized View all		0%	0






Comments Golden Bay

Showing 4 custom categories

Didn't Answer View all • Edit • Delete		5.88%	4
Mix View all • Edit • Delete		16.18%	11
Private View all • Edit • Delete		4.41%	3
Public View all • Edit • Delete		73.53%	50
Uncategorized View all		0%	0



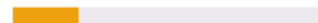


Comments Ulva Island

Showing 4 custom categories

Didn't Answer View all • Edit • Delete		8.96%	6
Mix View all • Edit • Delete		13.43%	9
Private View all • Edit • Delete		4.48%	3
Public View all • Edit • Delete		73.13%	49
Uncategorized View all		0%	0

Comments Little Glory

Showing 4 custom categories

Didn't Answer View all • Edit • Delete		11.59%	8
Mix View all • Edit • Delete		17.39%	12
Private View all • Edit • Delete		20.29%	14
Public View all • Edit • Delete		50.72%	35
Uncategorized View all		0%	0

Verbatim Comments for Q 2 are listed below:-

Should all of the wharves be publicly owned or privately owned or perhaps a mix. Tell us who you think should own/manage the wharves and why?

Port William

- A mix of public use this wharf and a lot of private users
- Access for all
- all the wharfs should be owned and be freely available to the public [any businesses should pay a fee to use]
- all wharf should be public for no commercial
- All wharves are used by the public, none should be privately owned. This comment applies to all the below wharves.
- All wharves should be publicly owned to ensure that proper maintenance is carried out as required.
- Appropriate for continuing access to Park, recreational fishing area, tourist access
- Commercial users should pay and perhaps private ownership would ensure this happens.
- Community should administer
- Council, it should remain an asset for all southlanders
- DOC it is part of the track system
- Everyone should have access to all wharves
- For use by anyone for work and leisure
- Govt- tourism potential
- High use by public (visitors being dropped off).

- Historic wharf site, free access to all users except commercial operators who should pay, public ownership
- I believe all of Rakiura wharves need to remain in public ownership. privatisation sucks
- I think it's in the National Park so part of the public infrastructure
- I'm not sure it matters to me, who owns or maintains these wharves, as long as we have safe wharves and access
- is used by a lot of different user's
- It is my understanding that this wharf is mostly used by tourist operators and DOC and they should be responsible for it.
- It should not be in private hands the area needs accessible to all
- it's likely the vast majority of usage is by a very few commercial operators, water taxis and DOC
- it's part of the national park which we support via our taxes
- Kept for public use
- Local community should own and operate. No operator should have priority access to this wharf. SDC should not own it - too much money wasted on 'Consultants'.
- Local fisherman first, local business, visitors
- Local Govt - National Park
- Mainly used by visitors so good to retain public access and keep as is
- Mixed responsibility and gain from council and commercial operators
- Mostly public use
- National Government. Access for all.
- Ongoing public access for pleasure boats is essential. Ownership should be worth council on behalf of the community.
- Part of Great Walks network. Rebuilt using SDC money. Needs to be accessible to all
- Possibly DOC or Council as it is a drop off and pick up point for access to tramping tracks and tourism for people to walk but to Oban.
- Private ownership ensures political and business rivalry.
- Private ownership might restrict public usage.
- public
- Public owned as it is a major spot for the Rakiura track and the surrounding area
- Public ownership. This would (to my knowledge) be used by a mix of water taxis, DOC-related activity, and possible emergency purposes. There is no dominant group that could realistically be expected to fund this facility.
- Publicly owned with a fee for commercial users - public access must be maintained. Especially with growing tourist numbers. Access to the land at these areas will become more and more necessary to relieve pressure from other sites
- SDC as they have the best management personnel available re Maintenance etc.
- SDC as tourist provision
- SDC should hold ownership as it keeps things neutral.
- SDC so use can be regulated
- see below golden bay
- shared use
- Should be owned by the community for everybody to use on private basis and commercial on passenger payment
- So everyone can use it
- So everyone can use it & benefit from them
- southland district council - Stewart Island community
- Southland District council. Integral to tourism for Southland
- Southport - because they have the money
- The Community - SDC
- The community should - why would you risk restrictions?
- The Council should own this wharf because privately owned could mean access for public use to be limited
- The Public
- The public need access for recreation, but commercial users, fishers, tourist operators will use the wharf the most.
- The Stewart Island Community and all visitors
- this is a destination for the general public, used by both private individuals and business drop offs

- This wharf is extremely popular with tourists who enjoy the Port William excursion
- This wharf is in good repair - regular maintenance via VL or SDC reserves should ensure its longevity.
- This wharf should be publicly owned as it is used by a number of operations to access Rakiura track
- This wharf was originally built by Forest Service, and serves DOC land, so should be owned by DOC, who could then require a concession for commercial access, which would pay for the upkeep
- To allow access to everyone
- To ensure access to all
- To remain accessible for the public
- Tourist amenity
- use for visitor infrastructure
- Used by DOC and private water taxis
- Used for Tourism
- Wharf is in the CMA and gateway to National Park and should be available for public use. Frequent or commercial users should pay

Question 3 - If the wharves are to be kept in public ownership Council needs to consider how they will be paid for. If you think that they should be kept in public ownership do you have any ideas about how the wharves could be funded sustainably so they are managed, maintained and replaced as necessary?

Ninety two comments were received and have been listed below.

- 3 methods: 1 - Small rates levy for local users, 2 - 99% of visitors to the island will use one or more of the wharves. The council should apply a visitor surcharge that is added to ferry and air tickets to Rakiura. 3 - Water taxi operators are the main users of many of the wharves, and should apply a SDC surcharge to all passengers
- An annual fee depending on usage (daily, weekly, monthly). Part of the levies that is paid by visitors.
- A fee for using the wharf either annually (for a water taxi) or per visit
- A levy.
- A proportion of the Visitor Levy should be used for all wharves, as all are used by visitors. Commercial operators should pay a per customer levy for any embarkation/disembarkation.
- A tourism levy & SDC rates
- A uniform charge per person for all wharfs instead of current fixed fee. Visitor levy should be main source of funding.
- Add it to the visitor levy
- All commercial operators should pay per head levy for use of the wharves. Private users should pay on a casual basis for numbers using the wharf. Marine farmers using this wharf should contribute for current and past use. Real Journeys should pay a higher premium as it is their ferries that are wrecking the wharves. Note Ulva Island damage caused by ferries. Little Glory is a perfect example. More damage done since Real Journeys took over kiwi spotting operation.
- All the wharfs should be owned and controlled by Stewart Island residents in form of a charitable trust and run as a commercial business profiting Stewart Island residents. All wharfs includes also half moon bay wharf which shouldn't be kept in Southport's portfolio just because it is profitable in contrast to the others. All wharfs, including half moon bay wharf should be owned by Stewart islanders in form of a charitable trust and run as a commercial private business with profits benefiting the island population.
- All users of the wharves should be approached and asked to pay a fee towards.
- All wharves should be free to non-commercial, all commercial user should be charged
- An annual levy on tourist operators using the wharf, and possibly a small charge on rates. Cruise ships should also pay a levy as many of their passengers visit Ulva Island
- Annual fee for all tourist boat operators increased; honesty box at each wharf; tickets for users of wharves purchased in advance; cruise ship revenue; visitor levy revenue.
- Any business should pay for usage as the wharfs are used as part of their operations
- By central Govt as they are significant for the tourism promotion of SI and NZ
- Charge commercial users
- Charge users, both private and commercial
- Charter boats that dominate a wharf and sit there unattended and overnight should be expected to pay substantially more than the casual commercial user. As it stands at the moment, commercial users dominating the wharves for many hours and overnight pay the same as a casual user. Charter boats should not dominate a wharf continuously - they should use only for dropping off and picking up, or they apply to put their own wharf in so that they have the right to stay in one place. Non-commercial vessels should be able to use the wharves free of charge but not be left unattended. The visitor levy could contribute in this area.
- Collect realistic fees from Southport's share of profits - fees to commercial users.
- Commercial operators should be charged. Places where non-commercial people can pay a donation if they wanted. Apply for grants. Use the visitor levy.
- Commercial operators should pay for a licence like a doc concession which allows them to use the wharves for commercial gain. Not sure how you capture revenue from visitors to the Island who come down once in their life. Crib owners could pay a small levee and get an annual pass????

- Commercial operators to pay an annual usage fee, with fee based on vessel type, size passenger numbers, and frequency of use. Private operators to pay a flat annual fee.
- Concession for commercial use. Don't have so many wharves. Rates
- Council funded with commercial operators paying a modest levy.
- Council needs to maintain a wharf fund. Via rates and Govt subsidies. They are essential aids to tourism and work places for Southland and Stewart Island.
- Cruise ship money/tourist tax on top of operator costs - transport/DOC fees/Rakiura National park fees
- DOC / taxes from visitor levy
- Donation box? Companies that use it most should help pay for upkeep
- Donation, grant, government, passenger movements.
- Environment Southland Cruise ship fund/visitor levy
- ES Cruise Fund would be appropriate funder
- ES have cruise ship funding - is appropriate we should have a share of grants for starters.
- ES marine fund
- Fees are already charged - Use the fees collected and being allocated especially by Environment Southland!
- Fees for commercial users, Use the Island levy, how does Environment Southland/Southport get to off load Golden Bay wharf that does not make a profit and keep the Oban Wharf that does make a profit. Either get Environment Southland to front up with some funding for all wharves or get them to relinquish both the Golden Bay wharf and the Oban wharf. The Oban wharf profit will then be able to fund the other wharves."
- From the levy
- Happy to pay for them out if Rates even if this means an increase
- How have they been paid for in the past? I presume Council have either built them or taken ownership of them but have obviously not factored in an ongoing maintenance programme or considered before now where the funds should come from. Pretty impossible to monitor and control use other than just general public free use therefore consider Council should fund with assistance from commercial operators based on their monitored usage
- I believe all wharves except Golden Bay should be in private ownership and at least 50% of R&M for Golden Bay wharf also private funds.
- Increase rates & scope of wharf fees. Rates. Funds from ES. Visitor Levy. Ulva/Golden Bay funded from Govt tourist incentives fund?
- JV - user pays. Local Govt contribution through marine fees (ES).
- Levies on commercial operators, Stewart Island visitor levy funds, rates.
- Managed by present wharf committee, funded by commercial operators and visitor levy
- Maybe a berthing fee?
- Maybe a gold coin donation box at the wharves
- Mixture of rates, VL grants, Commercial Wharf users Annual levy (although they should not be expected to pay a disproportionate amount.) An Annual Contribution could be requested from special interest groups (NZ Deer Hunters Assoc.)
- Money to come from what Southport collects, and a percentage of Visitor levy, plus any other money collected in the way of wharf usage. The wharves should all be of a good standard before/if they are all handled by council
- Most wharves are extensions of the roads or tracks a bit like a bridge, so there needs to be public use and funding from the main users either from a passenger levy or a set fee/concession.
- National Government, Tourist levy, Commercial levy
- National government, Visitor levy, Commercial levy
- Out of Rates however subsidised by Stewart Island Visitor levy. Commercial users should also be charged a per passenger fee.
- Paid for by southland rates and charter operators as they seem to be tied up to them most of the time
- Partly by increasing wharf fees for all vessels, both commercial and recreational. Partly by the Stewart island visitor levy. Partly by council.
- Payment should be on a "per Passenger" basis, but with a multiplier commensurate on vessel size. Ratepayers should contribute a percentage, as there is a good percentage of non-commercial users
- Possibly a small customer surcharge applied to the commercial entities who use the wharves. Perhaps a small fee applied to permit users of deer stalking blocks? As a service to the

general public, funding should also be prioritised in the general budget for maintenance that must be kept up to date for safety and functionality.

- Public access needs to be funded through rates. Private access for tourist operators and fishers who get the most benefit and cause most of the damage requiring maintenance need to pay a charge each time they moor, or a yearly charge.
- Rates
- Rates and user pays, Maybe charge a nominal fee to boat owners \$50pa to use all wharves
- Rates here are significant. Out of the rates
- Rates, Visitors levy, Business users levy
- Regular commercial use should be by permit and chargeable. Recreational users could be asked to contribute to an honesty box.
- Small SDC ratepayer component of costs. Commercial users have a sliding scale of payments depending on frequency of use and/or no's of paying passengers. Not over the top e.g. a fee of \$1.00 pp for return trip to Ulva. Use the visitor levy to do the bulk of the funding
- Some of the wharves should be kept in public ownership as I have outlined above. Modern CCTV systems could monitor use by per person number and by vessel size. Larger the vessel larger the fee.
- Southport receive (and have done for many years) large dollar returns from transport operators already. Any income has obviously gone elsewhere because they are extremely frugal in returning for any maintenance on Stewart Island wharves.
- Stewart Island Levy money could fund wharf maintenance. All wharfs should be open to public use unless specifically on private land.
- The visitor levy, rates and grants
- The wharves on Stewart Island are an essential part of our infrastructure here. We rely on them in the same way as road/rail/air transport hubs on the mainland. I don't know enough about wharves to suggest how they can be managed, maintained or replaced. How do private ownership wharves manage it?
- The wharves that are used extensively for tourism, help all people on the Island and should be added to rates
- They are a strategic asset as far as Stewart Island is concerned just as Roads are on the mainland. They are the only safe access to many areas and as such should be retained and viewed as vital to the further development of the island.
- They are an asset to the whole of Southland and New Zealand. They provide access to tourism and industry which can benefit all the region and country. General funding needs to be from the greater region or national level. The number of ratepayers that are on Stewart Island cannot carry the full burden. Activities that receive a financial benefit from the wharves existence could be potentially levied.
- Through grants
- Through rates for locals and through a landing fee honesty box for visiting boats to Stewart Island
- Tourism operators use theses wharfs - charge a fee per head for each paying person requiring transportation. The visitor levy should have an allocated portion for wharf maintenance costs. Ratepayers within SDC use a variety of amenities around Southland even though they do not live in a specific area - a rating fee could be introduced. We pay for Environment Southland rates for little result - there is no difference. Pledge cruise ship dividends to maintain the Golden Bay and Ulva Island wharves - they discharge passengers from tender craft there and often take over the Golden Bay wharf. Real Journeys use the Ulva Island wharf for the Paterson Inlet cruise - charge a small fee per person to go towards the maintenance. They also run transport shuttles for the cruise ships disembarking passengers at Golden Bay - perhaps once again a \$1 per head should be donated to the maintenance of this wharf. Sanford use the wharf also - a financial contribution should be levied for this commercial enterprise. Also perhaps a parking fee from staff parking there all day could be introduced - this may alleviate congestion and the difficulty of accessing parking space during the day. Southport had a duty of care, if they had replaced deteriorating timbers etc. On an annual basis then the "crisis situation" for maintenance would not be a point for this debate to have arisen. If SDC takes over the Golden Bay wharf then Southport should carry out the necessary work prior to exchange of ownership.
- Tourists levy, National governments through DOC, commercial concession/levy
- Use pays (3)
- User pay system per person per landing
- User pays (commercial)
- Visitor levy

- Visitor levy - wharves should be a priority
- Visitor levy funding. Charge rate for all users, visitors etc.
- Visitor levy or user pays. Are commercial users paying for usage?
- Visitor levy, commercial users levy, rates and taxes, DOC, government funding in keeping with large and increasing tourism numbers
- Visitor Levy. User fees. Cruise ship fee. Possible handover fee from Southport for Golden Bay.
- Visitors levy + Real Journeys
- Wharf fees, fisherman's levy, visitors pay double
- Wharf user charge per visit e.g. to Ulva
- Wharf user fee and visitor levy funds. Perhaps the cruise ship should contribute more.
- Wharves used frequently by tourist operators could be partly funded by visitor levy - a fixed rate annual payment
- Where there is Business activity a proportional cost should be charged by SDC

Question 4 - Do you have any ideas about how the wharves could be managed so they are viable and sustainable to meet future needs?

Seventy seven comments were received and have been listed below.

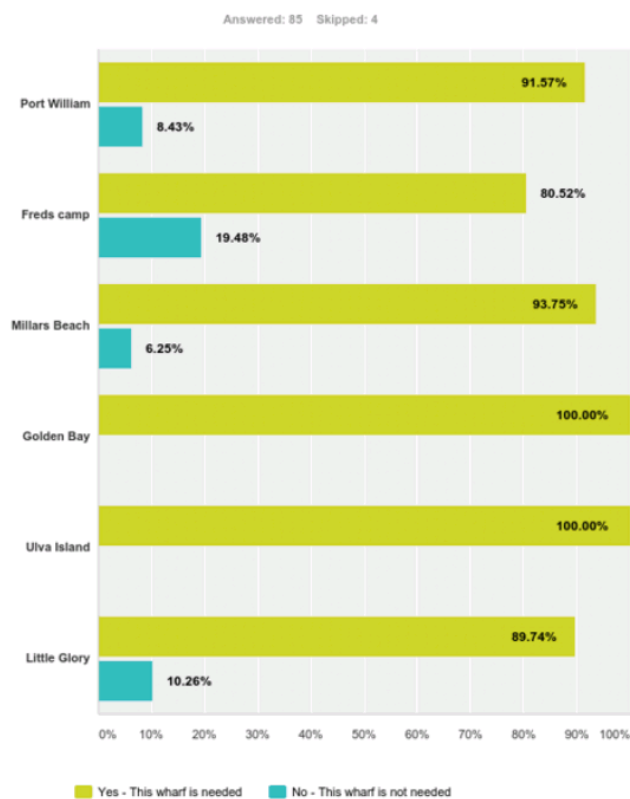
- A charge rate i.e. user pays
- A management structure that has representatives from all the main users and as there are casual users some funding from residents through SDC rating.
- Active committee that represents stake holders and users.
- All owned by southland district council, checked and maintained on a regular basis.
- Allow community members with more practical experience to have direct involvement. Appoint 1 SDC person who is accountable.
- Am unsure
- An honesty box for voluntary contributions from users could be put in place as either a permanent fixture or during busier seasons
- As a visiting property owner for only half the year and low wharfie usage i cannot comment
- As above (4)
- As above. There should be a simple formula for collecting monies, no bureaucracy involved to keep costs down. The piece of privately built wharf at golden bay should not be exempt from the fees. There should be a person responsible for checking fixings such as bolts holding the wharf timbers together, this would keep the wharves in a much better state of repair if every wharf was checked say six monthly and would negate the need for huge repair jobs every 5 or 6 years
- Bring all up to the required standard as a one off action funded by rating all southland dc as happens with roading - little glory and port adventure have been - and then charge all commercial users on a self-invoicing basis for the use of the wharves to allow for future maintenance. Recreational users could be asked for donation
- Can only think of status quo - open to other ideas but if properly funded, why reinvent the wheel
- Central Govt grants
- Charge fees
- Charge tourist fees on top of transport costs
- Commercial operators charged per head landed on the wharf used and per vessel charge based on tonnage of vessel. Regular inspections and if obvious damage is done by a particular vessel they should pay.
- Commercial users to pay annual fee. Private use honesty box and on busy periods maybe a person to monitor
- Community DOC communications
- Community governance
- Community groups
- Community management
- Community n business liaison
- Evaluate usage, prioritize repair according to usage, charge on the basis of size of vessel and number of usages (e.g. water taxi at 8 metres would pay less per wharf visit than the san braz) at golden bay, but the water taxi would pay more per annum because of the multiple usages per day ...). Either charge on honesty system or electronic senders on each vessel, possibly similar to the recording devices now on some fishing boats - sends record via satellite to a computer - probably in SDC island office. Someone can record visits per wharf to each wharf and invoice monthly using the weighting by vessel as determined.
- Get them all up to standard with levy fund or loan from council and then maintain them on user fees
- Good idea to continue having a local wharf committee consisting practical members of the public drawn from a range of user groups as is the current practice. Need for strong leadership on this committee because of unnecessary rivalry amongst water taxi users.
- Harbour master needs to take an interest. Commercial users need to understand they do not own the wharf.
- I don't think the wharves are used to such an extent they need heavy management. Perhaps set a public fund from Stewart Island levy money for future wharf replacement, otherwise,

wharves may become privately funded and users could end up getting charged each time to use a wharf

- I'm sure people using different wharves will be happy to pay towards.
- Jetties committee.
- Little glory wharf, because it has a high usage by a commercial company, should receive a lot more financial support from that company, similar to golden bay wharf. However there is the casual commercial boat which may like to use these wharves, but might only use them a few times a year - these would be charged at a substantially lesser rate.
- Maybe a wharf committee
- Maybe some of the environment southland cruise ship levy and the Stewart Island levy, Maybe a small rates levy
- Mix of private use and funding
- Need to take a long-term view with adequate maintenance and a contribution from users. We need other wharves, especially Port William, freshwater and Millers beach to protect Ulva Island from being over-visited with increasing tourist numbers to Stewart island/Rakiura.
- Needs to be a combination of community ownership + local Govt contribution so widespread accountability + funding options.
- Not really.
- Ongoing maintenance. User pays to businesses, free to residents
- Out of rates and volunteer work
- Part time manager. Or locals. It needs to be a part time paid position
- Perhaps an analysis of how much \$\$ has been given to Southport for say, the last 10 years? And see if that amount can be returned to this area.
- Proper repairs undertaken before they are in a total state of disrepair. Port William, little glory & Fred's camp are fantastic examples of what to aim for.
- Re-establish the wharfs & jetties committee. Review the current management plan to ensure all assets are covered on a regular basis. When repairs are necessary carry out as soon as practicable rather than delaying until repairs are more costly.
- Reduce number of wharves
- Regular maintenance instead of sporadic patch up work. All the wharfs have been let go to the point it now takes major work to repair them. In some cases entirely new wharfs have been built!
- Remove low use wharves when they come to end of life. Consider increasing user fees.
- Run by a committee of stakeholders.
- Same comment as question 3 - council retain ownership, be responsible for upkeep and condition with assistance from commercial users who have priority of use and notices put up to advise conditions of use on each wharf
- See #3
- See above (3)
- Sorry no
- Sorry, not on the island enough these days to be "au fait" with locals thoughts
- Southland district council - Stewart island community
- Southport makes a huge profit, Environment Southland should subsidise wharves as well as dairy farmers
- Southport manage them & receive the levy
- Stewart island jetties committee
- Stewart Island wharves are part of the general island infrastructure and are council responsibilities. Stewart Island and wharves are synonymous. A user levy to assist?
- Tax the commercial users.
- The cost of a wharf needs to be calculated and stated. The ongoing maintenance needs to be budgeted for so everyone knows what is required to keep it viable. Activities that directly benefit from a wharf need to be considered as a potential revenue source. Organisations that have direct requirement for a wharf need to be cornerstone in the wharf sustainability. Operations that are deemed detrimental to a wharves sustainability need to be stopped.
- They need management the same as any public resource
- They need to be brought up to standard, and annual maintenance plan followed so the situation does not get out of hand as it is now.
- They need to be maintained regularly
- They need to come under someone's area of responsibility, likely in the community council

- They're a bit like bridges, so should be funded in the same way. You need to get some evidence of use, public vs tourist operators vs fishers and pass the costs on where they lay.
- Tighten up on charging users only a small percentage pay to use these wharves
- User pay system per person per landing percentage of the visitor levy be used for maintaining of the wharves
- Very carefully in collaboration with community. Government needs to step up to support tourism on Rakiura.
- volunteer groups?, Community
- Wharf committee with local island members but with a confirmed funding stream - levy and Oban wharf profit.
- Wharf community
- Wharves should be managed by Stewart island office of Southland District Council
- With love
- With private ownership responsible for repairs & maintenance costs
- Would other types of structures require less maintenance? E.g., floating pontoons within fixed piles?

Question 5 - Of the following list of wharves which ones do you think are needed and why?



Of the following list of wharves which ones do you think are needed and why

Answer Options	Yes - This wharf is needed	No - This wharf is not needed	Response Count
Port William	88	7	95
Why/Why not comments			77
Fred's camp	73	16	89
Why/Why not comments			69
Millars Beach	86	5	91
Why/Why not comments			70
Golden Bay	96	0	96
Why/Why not comments			77
Ulva Island	95	0	95
Why/Why not comments			76
Little Glory	79	9	88
Why/Why not comments			70
answered question			97
skipped question			5

Verbatim comments for Q5:-

Of the following wharves which ones do you think are needed and why?

Port William

- A great tourist loop. Water taxi then walk home.
- Access for Doc and Trampler welfare
- Access for hunting, tramping, fishers
- Access for visitor's safety, etc.
- Access for water taxis - trampers and tourists - day walkers - access for local recreational boaties
- Access point to the National Park network - NW Circuit, Rakiura Track, some hunting blocks.
- Access to port William hut/ hunters
- Access to Pt William hut/Nor west circuit. It's brand new.
- Access to Rakiura and North West circuit tracks.
- Adds to tourist experience
- All current wharves need to be kept to allow continued access
- All existing Wharfs should be maintained to allow for future growth.
- All these wharves are historical features and are sited where they are for very good reasons. Imagine how inconvenient it would be to not have them there in future, especially when our visitor numbers are to be increasing dramatically.
- All wharves are needed. With only 6 access points to such a vast area, we need them all. Maybe even more!
- All wharves are required for access to tourist + heritage sites. If people can't get to them then they won't visit - impact on economy
- All wharves are valuable assets and vital to tourism and locals use. Same answer for all below.
- As above
- Asset for water taxi operators and DOC staff, some visitor / local users
- Beach landing is safe and easy
- Because it is used a lot
- becoming more popular for walkers
- Bit of a daft question given we rely on wharf access to ALL wharves for economic viability.
- But only for commercial operators
- Common used wharf
- could/should be one end of a good day walk, port William to HMB
- Drop offs and pick ups
- Ease of picking up and dropping off for water taxis and private vessels
- Enable walkers to be picked up from the track and emergency use.
- Essential for access to walking tracks.
- For ready access to tracks in case of emergencies i.e. accidents search and rescue
- For the enjoyment of staying at the hut or nearby huts etc.
- For trampers and maintenance of the hut.
- For visitors using the Rakiura track. It also offers a shorter excursion if required.
- Gateway to Rakiura track and also a great day walk option back or to the main bay
- generally very sheltered landing

- Great Walks. Recreational. Important to DOC. Tourist destination
- High use
- Hunters and trampers
- Hunters, trampers and D.O.C.
- I would not say it is not needed completely, but certainly not so important to the island economy
- If the Port William is to be a part of "the great walk" then I believe this wharf is essential.
- Important access for people wanting to walk the Rakiura Track back to Halfmoon Bay or further on NW Circuit.
- Important access point for walks in the National Park as well as used by many boaties staying overnight after fishing etc. in Foveaux Strait.
- increase in tourists and track walkers
- Is a great one-day tramp for tourists, allows easy docking for DOC workers maintaining the Rakiura Track
- It is imperative that all wharves and additional structures that will be needed for tourist growth be progressed
- It is there, but spending the money on it that apparently was is crazy. Was a cost benefit analysis ever done? Perhaps 5% of the Island visitors will actually use this facility, and only one commercial operator uses it on a regular basis. They should be paying for the bulk of this facility.
- it is well used
- It provides a convenient way to get ashore.
- It's perfect now. But that money came from the Stewart Island Visitor Levy. Certainly not Southport (if they were in charge of it, that is...)
- Likely mostly water taxi usage. Water taxis in Abel Tasman National Park utilise many beaches without the presence of a wharf
- Mainly for commercial use; and DOC, also for walkers.
- Makes access to national park
- Needed for recreational or commercial use to serve general surrounding area.
- Public access
- Reasons give earlier
- Safe landings
- See?? 2
- There are a lot of trampers that use this wharf.
- This benefits Doc and commercial operators mostly
- This wharf is new so it needs to be maintained
- To allow safe boat access to this tourist/public destination
- Tourism (2)
- Tourism & access for locals
- Tourism. Many tourist get dropped off at Port William and walk back to Oban. I believe it is safer if the wharf is maintained.
- Tourist use as well as locals
- Tourists use this for their Port William excursion.
- Trampers and hunters
- Used by commercial operators and public
- Used widely by fishermen and by people doing walks
- useful for trampers and boaties alike
- visitors and locals

- Waterways are our only access to the further reaches of the island.
- We need all the wharves
- Well used and a gate way to the national park
- While I use this it's probably low usage

Fred's camp

- Access for water taxis - trampers and tourists - access for local recreational boaties
- Access to freshwater without then constraints of tides.
- Access to hut and national park
- Access to southern circuit/ hunters
- Access to SW Circuit & hunting blocks.
- Access to Tracks in the National Park
- Again this wharf is used to drop off and pick up people experiencing Stewart Island's unspoilt beauty
- All current wharves need to be kept to allow continued access
- All wharves are needed. With only 6 access points to such a vast area, we need them all. Maybe even more
- All wharves are required for access to tourist + heritage sites. If people can't get to them then they won't visit - impact on economy
- as above (11)
- becoming more popular for walkers
- Bit of a daft question given we rely on wharf access to ALL wharves for economic viability. Access to Southern circuit, etc., + alternative route to Masons Bay when freshwater flooded.
- Can land on the beach
- Ditto
- Don't know why it need to be there it is too shallow to use
- Don't know this wharf
- Don't know this wharf but presume it is used by the public and tourist operators and fishers
- Drop off and pick ups
- Ease of picking up and dropping off for water taxis and private vessels
- Enable walkers to be picked up from the track and emergency use.
- Essential for access to walking tracks.
- For ready access to tracks in case of emergencies i.e. accidents search and rescue
- Fred's camp hut is nearing end of life, if / when replaced will be in a new location.
- Fred's is a beautiful spot that should be enjoyed by all
- Gives locals a place to get away to - there has to be some benefit for those of us who live here and help to maintain services!
- Has an analysis/survey been taken from water taxi operators to see how much it has been used? Should be maintained as part of the Rakiura National Park - it's a mandatory entranceway for DOC workers.
- How much traffic?
- Hunters and trampers
- Hunters, trampers and D.O.C.
- I don't personally use it, but maybe others do, so unsure
- I think this wharf gets a very small amount of traffic
- It is a 'nice to have', but really it only serves hunters in my opinion
- It is a starting point for tramping and hunting parties

- It is there, but spending the money on it that apparently was is crazy. Was a cost benefit analysis ever done? Perhaps 5% of the Island visitors will actually use this facility, and only one commercial operator uses it on a regular basis. They should be paying for the bulk of this facility.
- It's nearly new and hunter/tramper access.
- Local fisherman and local business
- Low use
- low use and high cost to retain once nearing end of life
- Need to think long-term, allows easy docking for DOC workers protecting the island's flora and fauna
- Needed for recreational or commercial use to serve general surrounding area.
- Nice to have but not a priority wharf. Limited usage - mainly hunters.
- No real knowledge about this one. Hunters?
- Not used a lot apart from trampers and DOC and some hunters
- Probably infrequently used, beach landing is safe
- Probably mostly for commercial users and DOC
- Public access
- Safe landings
- same
- Same as above
- Same as above including Rakiura and Doughboy tracks.
- To allow safe boat access to this site for trampers/ hunters and public
- tourism
- Tourism & access for locals
- Tourism and locals alike use these wharfs - they are obviously useful otherwise they would not be in the equation.
- Tourist and local use
- Tramper access.
- Used by commercial operators and public
- Waterways are our only access to the further reaches of the island.

Millars Beach

- Access for the old Whalers Base and a favourite place for excursions
- Access for water taxis - trampers and tourists - access for local recreational boaties
- Access to a popular beach + historic Whalers base
- Access to historic site
- Access to important historical site
- Access to NZ Heritage site; recreational use.
- Access to whalers base
- access to whalers base and the shelter at Millers Beach
- Access to Whalers Base.
- All current wharves need to be kept to allow continued access
- All wharves are needed. With only 6 access points to such a vast area, we need them all. Maybe even more
- All wharves are required for access to tourist + heritage sites. If people can't get to them then they won't visit - impact on economy
- Alternative Paterson Inlet trip to take pressure off Ulva Island, could be better promoted

- An easier access to the whaling Base than beach at Whalers, and also the shelter needs to cater for less able people
- as above (6)
- as above - with the added feature of being the drop off point for the Whaler Base walk and popular destination for picnics and boat hires
- Beach landing is safe and easy
- Bit of a daft question given we rely on wharf access to ALL wharves for economic viability. Plus access to Whalers base
- Ditto
- Don't know this wharf
- Don't know this wharf but presume it is used by the public and tourist operators and fishers
- Ease of picking up and dropping off for water taxis and private vessels
- Enable walkers to be picked up from the track and emergency use.
- Essential for access to historic sites.
- for people to experience and enjoy
- General access to whalers base
- good safe location
- High recreational use and great sheltered facility. Access to whaler's base.
- Historic assets
- Important access to a beautiful picnic beach and for the track to Whalers' Base.
- Important to have access to the historic whalers base.
- Important tourist and resident location
- In between as above and as below
- Is used frequently by local as well as tourists
- it is an important historical and recreation place in Patterson inlet
- It's in pretty good condition
- Leads to a valued historic site
- Local fisherman and local business
- Locals enjoyment
- Low use currently, but opportunity for higher use in future due to high historic site values close by
- Needed for recreational or commercial use to serve general surrounding area.
- Needs repaired. Gets many visitors to historic Whalers base and local picnic area/shelter.
- Not really sure. But assume it for tour boats to visit whalers base
- Not sure - only really for locals
- Only walking access to Whalers Base & popular summer spot for locals
- Payment should be on a "per Passenger" basis, but with a multiplier commensurate on vessel size. Ratepayers should contribute a percentage, as there is a good percentage of non-commercial users
- Popular destination
- Public access
- Public access to this popular picnic spot.
- Recreational.
- Safe landings
- same
- This wharf is very much a part of Patterson Inlet and the refuge of "Millars Beach" one of the only places to shelter in westerly.

- To allow safe access to this site for access to whalers base and general recreation
- tourism
- Tourism
- Tourism & access for locals
- Tourism and locals alike use these wharfs - they are obviously useful otherwise they would not be in the equation.
- Tourists to visit the Whaling Station
- Used by commercial operators and locals and a real benefit to tourism
- Used for walking to whaling base by tourists
- Waterways are our only access to the further reaches of the island.
- Well used. Access to whalers base
- Whalers Base access. Destination for local celebrations & visitor tours

Golden Bay

- Absolutely vital as a gateway wharf to the farms and Ulva Island etc.
- Access for hunting, tramping, fishers
- Access for water taxis - trampers and tourists - access for local recreational boaties - commercial users - salmon farm access
- Access point for many Tourist and Commercial operations
- Access to and from Ulva, Marine farms and Paterson Inlet in general.
- Access to the inlet on days when others wharves are not suitable cruise ship use Ulva island departures
- Access to Ulva and the inlet
- Access to Ulva Island and other areas within Patterson inlet.
- All current wharves need to be kept to allow continued access
- All wharves are needed. With only 6 access points to such a vast area, we need them all. Maybe even more
- All wharves are required for access to tourist + heritage sites. If people can't get to them then they won't visit - impact on economy
- as above (4)
- Bit of a daft question given we rely on wharf access to ALL wharves for economic viability. Main access to all destinations
- Both commercial and private use...very popular.
- Commercial and tourist use
- Commercial wharf used for the good of visitors to the island
- critical to water taxi operation
- Crucial for tourism & local business. Gateway for Ulva. Recreational boating. Cruise ships
- Cruise ships, water taxis and recreational/tourism.
- Departure point for Ulva Island and all Paterson Inlet destinations.
- Ditto
- Ease of picking up and dropping off for water taxis and private vessels BUT not for permanent berthage as it is currently used.
- Essential as a water taxi hub and road accessible wharf in Patersons Inlet.
- Essential departure and arrival point for water taxis and cruise ships
- Essential for departure for all Inlet activities; recreation, cruise ships, and D.O.C. purposes
- Even more important as alternate bad weather ferry and cruise landing
- for people to experience and enjoy

- High economic value for the marine farmers and the tourist industry.
- High use
- High use by tourists and aquaculture
- High use, essential for Ulva
- High use, particularly for Ulva Island.
- High use. Needs replaced with bigger wharf,
- High usage for tourists, hunters, fishermen etc.
- Highly beneficial to the island as a whole by providing a convenient, stable land to watercraft access for many people.
- I think the town would suffer if this wharf wasn't there
- Important for daily transport operators and locals and visitors
- Infrastructure for local operators and visiting cruise ships
- Is the main hub for Paterson Inlet trips to/from a range of destinations
- It is a vital drop off and pick up for water taxi operators
- it is well used
- It most important to tourism
- It's the mostly used wharf for any activity in Paterson inlet including the salmon farm and Ulva island
- key departure point for much of the comings and goings in the inlet
- Local fisherman and local business
- Main access to Ulva island
- Main access wharf for water taxis/charter boats carrying passenger to Ulva is and freshwater
- Main attraction for visitors
- Main departure point in Patterson Inlet
- Most importance to access our Tourism hotspots in and around our Marine Reserve and Matatai
- Most important that this major access to Paterson Inlet is retained in public ownership for all to use.
- Most used by general public and charter operators
- Needed for recreational or commercial use to serve general surrounding area.
- Payment should be on a "per Passenger" basis, but with a multiplier commensurate on vessel size. Ratepayers should contribute a percentage, as there is a good percentage of non-commercial users
- Public access
- Public facility
- Silly question - good for children to fish from. Access to Ulva & Patterson Inlet in general
- The hub of so much tourist and resident activity
- This is a high usage wharf that is essential for locals and tourists. Cruise ships are important to cater for
- This is by far the busiest wharf and with the number of visitors to Ulva increasing and also passengers going to all the other wharfs in Paterson Inlet this needs to be looked as part of the track system.
- This wharf. Needed for water tanks and public use.
- tourism
- Tourism & access for locals
- Tourist and local us
- Used by commercial operators and locals and a real benefit to tourism

- Used by commercial operators and public
- Used daily by tourist operators & salmon farm workers. Due to the volume and mixed capabilities of users access needs to be easy, beach landings not practical.
- very important for Ulva
- Very much the hub of the Inlet
- Waterways are our only access to the further reaches of the island.
- We cannot not have this wharf. Many boats, particularly the smaller boats use this. Cruise ships use their tenders to bring their guest to and from the Island.
- Well used and a gate way to the many popular walks
- What a silly question. This is the entranceway for Ulva Island Bird Sanctuary and the biggest (?) wharf in the Paterson Inlet area. It's a vital piece of infrastructure that has NEVER had the proper maintenance from Southport that has been requested. Patch up jobs at best.

Ulva Island

- Absolutely vital as a gateway to the Ulva Island sanctuary - imagine transfers in a dinghy!
- Access for water taxis - trampers and tourists - access for local recreational boaties
- Access point for Ulva Island a Jewel in the Tourist picture
- Access to
- Access to main tourist destination on Stewart Island
- Access to world nature reserve
- All current wharves need to be kept to allow continued access
- All wharves are needed. With only 6 access points to such a vast area, we need them all. Maybe even more
- All wharves are required for access to tourist + heritage sites. If people can't get to them then they won't visit - impact on economy
- Allow visitor access to the island
- an absolute must
- Another silly question. Ulva Island is the southern-most predator-free bird sanctuary in the world. The increase in numbers over the past five years should have alerted them to the state of this wharf. It is in dire need of replacement. Immediately.
- as above (5)
- Bird bonanza
- Bit of a daft question given we rely on wharf access to ALL wharves for economic viability. Predator free sanctuary, advertised world-wide.
- critical to tourism on Stewart Island - the draw card to get visitors to Stewart Island, providing much of the employment revenue on Stewart Island
- Crucial for tourism & local business. Recreational boating. Cruise ships.
- Ditto
- Ease of picking up and dropping off for water taxis and private vessels
- Essential for tourism on Ulva and a key attraction for visitors to Rakiura.
- Extremely popular by tourists and locals
- for people to experience and enjoy
- High use (2)
- High use, used by many tourists. Icon destination
- High use. Needs replaced with bigger wharf.
- If you continue to operate Ulva as a tourism mecca then the wharf is cornerstone
- Important for daily transport operators and locals and visitors
- Infrastructure for local operators and visiting cruise ships

- It is not practical to unload visitors especially seniors without a fit for purpose facility
- It is the ideal place to embark Ulva
- it is well used
- local business
- Main attraction for visitors
- Major tourist destination, and tourists don't want to get their feet wet.
- May be a case for joint ownership with DOC. Very important access for visitors to Ulva Island. Probably the most used wharf in Paterson Inlet.
- Much used for recreation, cruise ships, and D.O.C. purposes
- Needed for recreational or commercial use to serve general surrounding area.
- Only access to Ulva.
- Payment should be on a "per Passenger" basis, but with a multiplier commensurate on vessel size. Ratepayers should contribute a percentage, as there is a good percentage of non-commercial users
- Public access
- Public access to the Island
- Question...who is allowed to stay alongside.....perhaps commercial only?
- same
- Silly question - good for children to fish from. Access to Ulva & Patterson Inlet in general
- Stewart Island would not have the same attraction if Ulva Island was not able to be visited so easily
- Taxis
- The jewel in the conservation crown
- This accesses the Jewel in our crown , our own Natural Nature Reserve
- This has a high usage for private, Businesses with tourists
- This wharf is required as the landing point for people wanting to visit the Island and in particular our birds. Many tourist come to Stewart Island with their main aim to visit Ulva
- Tourism (5)
- Tourism & access for locals
- Tourist must have
- Tourists
- Ulva is a major tourist attraction and contributes a lot of money to the local tourist operators and local economy
- Ulva is a massive tourism drawcard
- Ulva Island is a must-visit tourist destination as well as the only open bird sanctuary in the South Island. Essential to have easy access for boats - unless you want to build a bridge across Paterson Inlet.
- Used by commercial operators and locals and a real benefit to tourism
- Used by commercial operators and public
- Used daily by tourist operators. Due to volume & mixed capabilities of users access needs to be easy, beach landings are not practical
- Very important conservation area and for tourism on Stewart Island.
- Visitor destination of high economic value.
- Water taxis, tourism, recreation.
- Waterways are our only access to the further reaches of the island.
- Well used and a gate way to the many popular walks on the bird sanctuary

- With the popularity of Ulva as a destination for nature lovers this wharf needs to be able to handle some of the bigger boats

Little Glory

- Access for hunting, tramping, fishers
- Access for water taxis - trampers and tourists - access for local recreational boats
- Access point for commercial operations and for recreational visits to that aspect of the inlet - No land access.
- Access to great beach
- Access to Ocean Beach
- Access to the neck, kiwi spotting activities. Could be a good model for private/public control
- All current wharves need to be kept to allow continued access
- All wharves are needed. With only 6 access points to such a vast area, we need them all. Maybe even more
- All wharves are required for access to tourist + heritage sites. If people can't get to them then they won't visit - impact on economy
- An important Stewart island attraction and drawcard for tourists - essential for kiwi spotting - which is beneficial primarily for the businesses who offer this trip.
- as above
- as above
- as above
- As above
- Bit of a daft question given we rely on wharf access to ALL wharves for economic viability. Kiwi spotting
- But charge the major users Real Journeys
- But should be paid for by Kiwi spotting operation
- Commercial Kiwi spotting...but upkeep paid by users
- Ditto. All wharves are an essential and integral part of Stewart Island's living/working/holidaying. Boats are used in a similar way to cars/trucks/buses on land.
- Don't know this wharf (2)
- Ease of picking up and dropping off for water taxis and private vessels
- Essential for night visits for kiwi spotting and also easier access for daytime predator control.
- For kiwi spotting
- For Kiwi spotting and some hunters
- for people to experience and enjoy
- For Real Journey's kiwi viewing
- Hunter access.
- Hunters, salmon farms and kiwi spotting should be paying something towards upkeep.
- I think this gets rare usage but I would not be certain
- I'm sure all of these wharves are used enough to warrant being there
- Kiwi spotting
- kiwi spotting and hunters
- Kiwi spotting enable walkers to be picked up from the track and emergency use.
- Kiwi spotting. If not desired by SDC, sell to Real Journeys who can own and maintain it.
- local business

- Main access to kiwi watching/ visitor access to ocean beach
- mainly commercial use and maybe they should pay
- Most important for the continuation of the evening Kiwi Spotting Tour. And daily Inlet cruises.
- Near new. Main kiwi spotting tourism spot.
- Needed for kiwi spotting operator
- Needed for recreational or commercial use to serve general surrounding area.
- Night time beach access not practical for groups going ashore.
- No use
- Not sure
- ONLY if commercially funded
- Only one company regularly use this wharf so it wouldn't make an impact on recreational or commercial vessels if it wasn't there.
- Only used for kiwi spotting- RJs should pay for it
- Payment should be on a "per Passenger" basis, but with a multiplier commensurate on vessel size. Ratepayers should contribute a percentage, as there is a percentage of non-commercial users
- Penguin watching
- Principle of public ownership in the CMA
- Provided public access is allowed during the day this wharf could be owned by Real Journeys and RMLT.
- Public access
- Safe access to Kiwi spotting venture and general sight seeing
- same
- The chance to see kiwi in the wild brings many tourists here.
- This wharf has been important for the island because of Kiwi Spotting, but should not be maintained by general funds
- Tourism (2)
- Tourism & access for locals
- Tourism and locals alike use these wharfs - they are obviously useful otherwise they would not be in the equation.
- Tourism/ leisure
- Tourist and local use
- Tourist must have
- Ulva and Little Glory are visited by many visitors many wouldn't visit SI if these wharfs weren't there.
- used for kiwi watching
- Used mostly by commercial operators
- Waterways are our only access to the further reaches of the island.
- Well built. But that's mainly through local workers who actually know what they are doing. As long as large vessels do not moor against it for long periods of time, it should last for a long while.

77 Comments - Port William

National Park Usage Needed Reasons Wharf
 Landing Trampers Allow Tourist
 Commercial Operators Access Tourism
 Walk Safe Visitors Growth Rakiura Track
 Maintained Water Taxis Staying Walkers

69 Comments Fred's Camp

Tourism Traffic National Park Walkers Wharf
 Beach Hunters Nearing end of Life
 Access Water Taxis Local Drop off and Pick
 Commercial Low Safe Hunting DOC Workers

70 Comments Millars Beach

Tourism Track Beach Patterson Inlet
 Recreational Public Access Local
 Destination Access to Whalers Wharf
 Historic Commercial Tourist Water Taxis
 Needed Island Safe

77 Comments Golden Bay

Cruise Ships Visitors Ulva Island Public
 Commercial Operators Inlet Needed
 Access Important Tourist Essential Local
 Popular Water Taxis

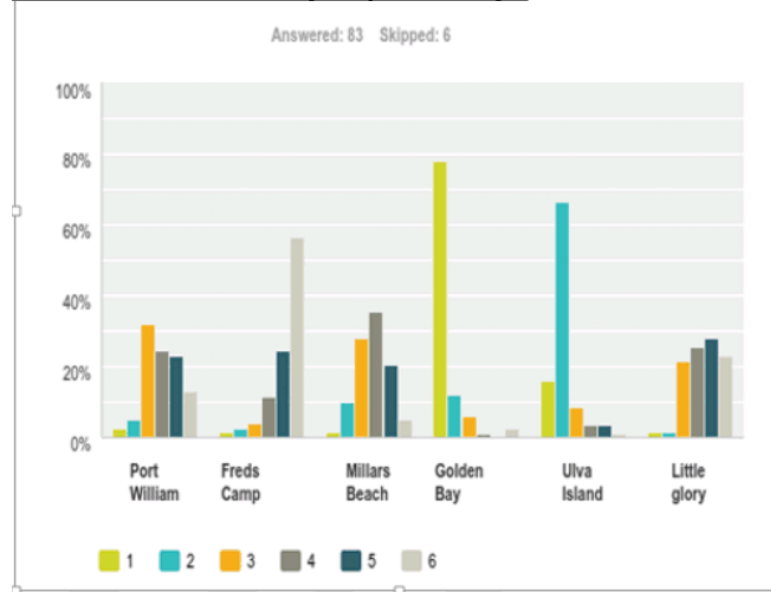
76 Comments Ulva Island

Water Taxis Popular Commercial Bigger Tourist
 Nature Reserve Ulva Jewel Access
 Attraction for Visitors Tourism Economic Local
 Cruise Ships

70 Comments Little Glory

Tourism Private Wharves Water Taxis
 Commercial Vessels Kiwi Spotting
 Real Journeys Access Kiwi Watching Wharf
 Pay Tourist Local

Question 6 – Please rank in order of importance, from 1 being the most important to 6 being the least important, how important each of the wharves are to you personally?



Please rank in order of importance, from 1 being the most important to 6 being the least important, how important each of the wharves are to you personally?

Answer Options	1	2	3	4	5	6	Rating Average	Response Count
Port William	2	6	29	19	20	10	3.92	86
Fred's Camp	1	2	4	9	23	48	5.24	87
Millars Beach	2	8	23	33	17	5	3.80	88
Golden Bay	72	11	5	1	0	2	1.37	91
Ulva Island	13	60	8	5	3	1	2.20	90
Little glory	1	1	19	21	24	22	4.50	88
answered question								92
skipped question								10

	1	2	3	4	5	6	Total	Score
Port William	2.33% 2	6.98% 6	33.72% 29	22.09% 19	23.26% 20	11.63% 10	86	3.08
Freds Camp	1.15% 1	2.30% 2	4.60% 4	10.34% 9	26.44% 23	55.17% 48	87	1.76
Millars Beach	2.27% 2	9.09% 8	26.14% 23	37.50% 33	19.32% 17	5.68% 5	88	3.20
Golden Bay	79.12% 72	12.09% 11	5.49% 5	1.10% 1	0.00% 0	2.20% 2	91	5.63
Ulva Island	14.44% 13	66.67% 60	8.89% 8	5.56% 5	3.33% 3	1.11% 1	90	4.80
Little glory	1.14% 1	1.14% 1	21.59% 19	23.86% 21	27.27% 24	25.00% 22	88	2.50

From the responses, the 3 most important wharves were Golden Bay followed by Ulva Island then Port William.

Golden Bay

The majority ranked Golden Bay as the most important.

Ulva Island

The majority ranked Ulva Island as the second most important.

Port William

The majority ranked Port William as the third most important.

Millars Beach

The majority ranked Fred's Camp as the fourth most important.

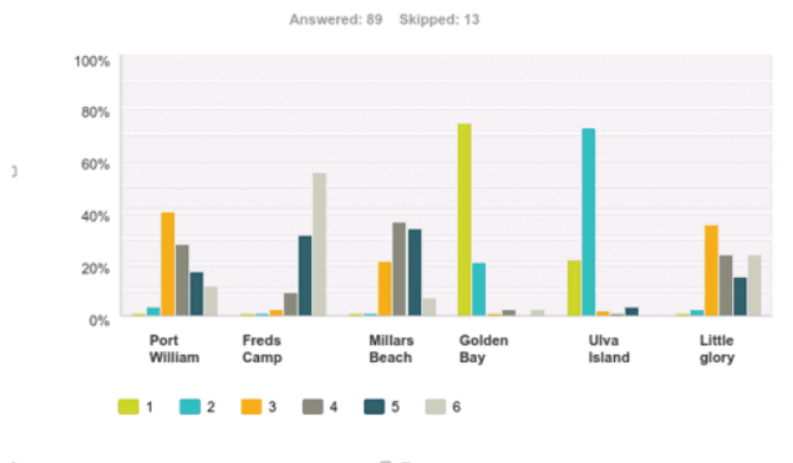
Little Glory

The majority ranked little Glory as the fifth most important.

Fred's Camp

The majority ranked Fred's Camp as the six most important.

Question 7 - Please rank in order of importance, from 1 being the most important to 6 being the least important, how important each of the wharves are to the island?



Please rank in order of importance, from 1 being the most important to 6 being the least important, how important each of the wharves are to the island?

Answer Options	1	2	3	4	5	6	Rating Average	Response Count
Port William	1	3	35	24	15	10	3.90	88
Fred's Camp	1	1	2	8	27	48	5.33	87
Millars Beach	1	1	18	31	29	6	4.21	86
Golden Bay	65	18	1	2	0	2	1.41	88
Ulva Island	19	64	2	1	3	0	1.93	89
Little glory	1	2	30	20	13	20	4.19	86
answered question								89
skipped question								13

	1	2	3	4	5	6	Total	Score
Port William	1.14% 1	3.41% 3	39.77% 35	27.27% 24	17.05% 15	11.36% 10	88	3.10
Freds Camp	1.15% 1	1.15% 1	2.30% 2	9.20% 8	31.03% 27	55.17% 48	87	1.67
Millars Beach	1.16% 1	1.16% 1	20.93% 18	36.05% 31	33.72% 29	6.98% 6	86	2.79
Golden Bay	73.86% 65	20.45% 18	1.14% 1	2.27% 2	0.00% 0	2.27% 2	88	5.59
Ulva Island	21.35% 19	71.91% 64	2.25% 2	1.12% 1	3.37% 3	0.00% 0	89	5.07
Little glory	1.16% 1	2.33% 2	34.88% 30	23.26% 20	15.12% 13	23.26% 20	86	2.81

From the responses, the 3 most important wharves were Golden Bay followed by Ulva Island then Port William.

Golden Bay

The majority ranked Golden Bay as the most important.

Ulva Island

The majority ranked Ulva Island as the second most important.

Port William and Little Glory

The majority ranked Port William and Little Glory as the third most important.

Millars Beach

The majority ranked Fred's Camp as the fourth and fifth most important.

Fred's Camp

The majority ranked Fred's Camp as the six most important.

Question 8 - What other things are important to you as a user of the wharves on Stewart Island?

84 comments were received and have been listed below.

- Ability to access the wharf for a brief pick-up or drop-off. Some of my boat guests are elderly and cannot manage small dinghies. Wharves should not be monopolized by squatters including commercial users.
- Access to everyone no private owned wharves
- Access to fresh water. Please note that I do not use any wharves because I have issues with the pricing as it is at the moment - that a casual user pays the same rate as the vessels that have permanent usage, including overnight berthage. I don't pay any money for this reason.
- Access to them and they are in a fit condition to use.
- Accessibility, safety and the knowledge that these wharves are not owned or governed by a single individual but are owned by the community ensuring continuity for future generations of Stewart Islanders.
- Accessible for all users
- All of the wharfs are important for various reasons to various users. I think to go forward we need to look at who are the highest users of each wharf and those users should then pay higher amounts. That should include recreational and commercial users.
- All the wharfs need to be able to cater for boats of various sizes with good steps/ladders and fenders to suit as well. Ideally Golden Bay and Ulva to have a means of handling handicapped people?
- All wharves equally important, couldn't rank them as loss of any would be difficult for me. We can't afford to lose any. Important to individual business operations + Island economic viability. Access, safety but especially accessibility to people who otherwise would see little of the island - that's 1000's of visitor's pa.
- All wharves should be maintained as if they are closed gaining access back in the future may not be possible. It is difficult to predict what future use they will be require for. Tourist numbers will continue to rise placing pressure on other places in the country - Stewart Island will have greater pressure on its infrastructure.
- As an Island access to the sea is a right. Safe access for all ages is essential. They also act as a tourist focus.
- As per phone call we the Hunter camp trust do not use the wharfs ,and hunters would have very limited use ,it is hard to answer all the questions ,as commercial operators use a lot of these as part of their operations they should pay a levy for the use
- Convenience of having the facility available, compared to having to carry/tow a dinghy to be able to disembark. Boats are important to Islanders and boats need some wharves.
- Coping with the future increases in visitor numbers not just now and not losing infrastructure that once gone will not be replaced
- Cruise ship facilities seriously lacking such as shelter.
- Ease of use and safety when using them
- Easy access during both high and low tides. The golden bay pontoon wharf is excellent in this regard. Safety.
- Ensure all pay on a fair and reasonable basis.
- every user has to take responsibility in regard to use, maintenance and upkeep by doing and financing
- Free access to locals
- Golden Bay and Ulva Island - equally important - can't have one without the other without extra costs associated with further travel.
- Get money out of Environment Southland they collect fees from the cruise ships coming here - Where does that money get spent? And why is it not spent on the wharves from which it is collected?? ES are the worst!
- Golden Bay pontoon is valuable as I am able to meet the needs of less able tourists, offering access to small boats and therefore Patterson inlet and Ulva Island.
- Halfmoon Bay is extremely important for all boaties and the community. I don't believe Real Journeys should have a monopoly on any wharf on the Island.
- I feel that boating on Stewart Island is of equal importance to roading; tourists are less likely to visit more remote areas without the safety and ease of a wharf. I don't like getting wet feet before starting a tramp/walk and can imagine that most tourists don't either.

- I love the pontoon at the golden bay wharf. The moment of this part of the wharf makes it possible for elderly and physically challenged visitors to get on and off boats in all tides.
- I think if funding could be found, a water tank at each wharf would be great or even a couple of them.
- I would just like to point out that some of these questions need clarifying. Who is public and who is private as far as ownership of a wharf is concerned? The main wharf desperately needs parking available and collection/drop off at the wharf has become very difficult. No parking on particular parts of the wharf, and where goods are held for collection has limited access. In season you are down at the wharf daily for dropping off linen and collecting various goods. This needs addressing and users need to be consulted NOT just Real Journeys via South port. (Conflict of Interest here). Same person employed by both
- If there are going to be responsibilities and regulations for boat owners/operators (such as no boats to be left unattended) then uphold them.
- It would be great to see Leask Bay Wharf reinstated. The access and land based infrastructure is there. A great spot for young & visitors to fish from plus access to the water for people based in the area.
- Keeping access open for all users. Correct signage on wharves for good etiquette regarding staying at the wharf, Biosecurity etc.
- Kept open for public use for future generations.
- Maintaining safe wharves. Open access to areas. Limiting costs. Biosecurity management (rodents, weeds, seeds, disease).
- Maintenance, Access. The pontoon at golden bay needs to stay
- Maintenance to a level of high safety
- Maintenance to make sure they are all safe and practical to use
- Most important is public access for all user groups, but with that goes the responsibility of paying for it. User pays - based on numbers is the only way to go. Disgusting warfare between irrational water taxi operators. Good for a doco on 'Taxi Wars' but not good for the Island's reputation. Golden Bay particularly problematic. Nothing wrong with the private pontoon on the end of the wharf provided it is available for general public access. Other water taxi operators don't have the right to complain and cause problems just because they didn't think of it. Cooperation is a foreign word on Stewart Island. Important to have owner/management guidelines on use of wharves.
- Need to be fit for purpose to comply with H & S regulations. Steps, ramps need to be as user friendly as is possible. Commercial operators deserve a good working environment.
- No restrictions on access. Must be available for all users. Must be maintained and have suitable bollards.
- Not being able to get into some wharves because charter operators are always tied up there
- open public use of all wharves
- Our DOC needs access to maintain tracks and support conservation of wild life in particular, i am aware the pontoon on the golden bay wharf is under attack. This pontoon, in my opinion, offers unrestricted access for personal use, while creating a platform for those otherwise unable to board a boat, easy access. I.e. physically challenged and those in wheelchairs are able to access the inlet and also visit Ulva island. I'd like to see pontoons on more wharves. This pontoon fits well into the aesthetic look of the golden bay wharf commercial operators who use these wharves, those who gather revenue from accessing these wharves, need to contribute proportionally to the maintenance. This is relevant whether the wharves are privately or publicly owned. Once again, i believe national government needs to financially contribute to the maintenance of these wharves. They are the access points to the vast tourist highlights on this island.
- Outlying areas are important for visitors/locals able to get to the quieter less visited areas
- Ownership has to be a balancing act of responsibility for public safety & access with commercial viability and charging commercial users, especially visitors, i.e. visiting cruise ships and yachts, etc.
- Professional presentation. I believe we have 60/40% international visitors to Stewart Island. The wharves are our introduction to Rakiura National Park. We should show our pride in this beautiful part of the world. Also I believe that the local community has wharf fatigue; years of asking for anything/something to be done has gone unheeded. Please hope that this survey is not just another 'consultation paper' to be swept into a bin.
- Safety
- Safety! Access for private boats.
- Shameful the wharves have been neglected for so long

- Somehow the hunters also need to pay a levy. General tax support from local and national government. Tourism is only getting bigger... our infrastructure needs attention. And access to the island is via waterways m wharves. Maybe we even need more wharves
- Suitable access as required.
- That access to the wharves is maintained for all rather than owned by private individuals who may restrict access and/or rort the price - e.g. Manfred's pontoon at golden bay ...
- That all wharves are an essential combination of the visitor industry and must be retained and expanded to fit the projected increase of tourists in future. The tick boxes above do not allow adequate importance as i believe all are of equal importance as combination of service.
- That commercial operators pay for the facilities commensurate with passenger numbers and vessel size... larger vessels need bigger, stronger facilities, and also have a greater degrading effect on structures. Payment should be on a "user generated" invoice basis (DOC rely on operator honesty) Vessels are require to keep a details log of passenger numbers etc., and this could be the basis for payment. Any operator caught screwing the system could have their concession to use withdrawn for a fixed period
- That commercial operator's pay for using the wharves. In a tier system i.e. Real Journeys pay more than small operations.
- That locals do not lose the use of the Wharves in favour of commercial operators taking over and monopolising their use
- That other areas, that have had wharves in the past, are given due consideration for the future, so that experience/enjoyment of this beautiful place progresses.
- That Real Journeys do not take over the main wharf.
- That the wharves remain publicly owned for public access, never sold off to any private business
- That they are safe and well maintained and available for everyone to use.
- That they are safely maintained. Accessible for casual usage
- That those on the mainland look at wharves in the same light as bridges on the roading network. They are essential and access to them for all must be maintained.
- That whatever is decided, it is clearly communicated via Notices on each wharf and includes public consideration on any future decision
- The fact that they are safe, access is good, that boats are not left there for long periods such that others cannot use them. Free for anyone to use them.
- The maintenance and preservation of all existing facilities with up grading where bottlenecks exist as cruise vessels are poorly served and tourist numbers are increasing.
- The Real Journeys supposed monopoly & guardianship is bullshit
- The wharfs give us the ability to show our clients the Natural and local history of these access points.
- The wharves are our roads and cycle trails. Disgraceful to have let them deteriorate. Once they are all upgraded regular maintenance should ensure that the current situation is rectified.
- The wharves must be upgraded and retained in public ownership, preferably by a subcommittee of the local Community Board so that there is knowledge about what is required in relation to usage and maintenance.
- The work being done on replacing them has been great, good to see Ulva
- & Golden Bay brought up to speck.
- These wharfs were maintained before present P/C crap and it is our responsibility to stop the bullshit and get on and look after our heritage.
- They are an asset to an island. We consider them to be a gate way to many places and from a safety point of view it is safer to disembark off a boat to a wharf.
- They are important to remain for public use. They need to be available for all to use. They will enhance accessibility for tourism and locals alike.
- They are safe to use.
- They form an important part of what the Island is, SDC should recognize that they are an asset that they should make more effort to manage effectively for all users.
- They have to be safe and easy to use. If you have an island you have to have wharves
- They should be maintained appropriately, and all users should be obliged to contribute in some form
- Toilet facilities/ shelter
- Use by vessels larger than wharves are designed to cope with - damage to wharves.
- Wharf rules such as where moorings are placed near access to these wharves. Thule has no access lanes.

- Wharves need to be big enough for all the vessels that use them. I feel company's like real journeys shouldn't be using some of the smaller wharfs due to damage incurred by repetitive use of them. Especially in times of heavy winds.
- Having helped build some of those wharfs i can see that the bigger vessel really do knock the wharfs about and weaken piles and bracings. "
- Wharves are an iconic part of SI, they're what we fished from as kids, and walk down onto to see the sea when were older. They are essential to assist tourism and the fishing industry, but those who benefit need to proportionally pay for their maintenance.
- Wharves being in fit & safe state. Accessible to all residents - not in private/restricted ownership. Wharves are a big part of Island tradition and recreation.
- Wharves equal access to nature on SI and the nature is the major tourism attraction. To grow the island, then tourism is an obvious opportunity. The wharves are like the tracks, they open up the island. If we are committed to the island then we need to be committed to funding the wharves. The burden is not just one for SI rate payers, or even Southland, it is for NZ. It is a national park after all, not a regional park. The costs need to be calculated, and way up the value. If we need the wharves then they must be funded, if we don't need or want them then let them go and accept the outcome.
- Wharves facilitate safe boat transport, making them a key component of the island's transport infrastructure. This prevalence of boat transport and maritime activity contributes substantially to the island's uniqueness and special character for many locals and visitors. Some component of user pays is appropriate, because many rate payers make little or no use of these facilities.
- Wharves should be open to all users

FINAL REPORT

Future Opportunities Stewart Island Rakiura

23 OCTOBER 2020

OVERVIEW

This is the final report to the Provincial Growth Fund for the Future Opportunities Stewart Island Rakiura project. The Provincial Growth Fund provided a very welcome funding contribution to: -

‘lead strategic development and planning for Stewart Island Rakiura so that the island, in partnership with local, regional and central government, iwi and other strategic partners, can proactively plan its future’.

Southland District Council was the other partner in this project.

This funding has enabled a community-led development process on Stewart island Rakiura that has seen several important milestones achieved that will support the continuation of future focused strategic planning on the Island.

This is the final report that details the process and results of the project to date. It is important to note that community-led development takes time and the work completed to date is foundational. The group that has been formed during this process, Future Rakiura has become an Incorporated Society and developed a foundational plan (see Appendix 1) to continue to work towards their vision, which is *‘ensuring a bright, sustainable future’* for Stewart Island Rakiura.

BACKGROUND

In 2018 the Southland District Council (Council) and The Ministry of Business, Innovation and Employment (MBIE) joined forces to support a community consultation process with Stewart Islanders to determine short, medium and long term visions to identify opportunities for the sustainability and development of Stewart Island Rakiura.

Priorities identified through that process were:-

1. Sustainable, affordable electricity

The community rates electricity as the number one barrier to living on Stewart Island Rakiura. It is expensive and the current diesel generation is not seen as sustainable and does not fit with the community's environmental values. It is also seen as a barrier to attracting new businesses to the Island. Islanders would like to see options for a renewable, sustainable, affordable energy to be explored and pursued.

Currently, with funding from MBIE, the Stewart Island Wind Power project is exploring if wind is a viable option to reduce the reliance on diesel and provide some stability around the cost of electricity to the island.

2. Predator Free Rakiura

The community is fiercely passionate about the special and unique natural environment of Rakiura and the influence that nature has on all facets of Island life and protecting this environment for future generations. Predator Free Rakiura is an important project in achieving their aspiration of being a world leader in conservation and sustainability. The Department of Conservation (DOC) have committed funding of \$1million over 12 months, with up to \$5million on the table over the next five years for this project.

3. Wharves

The community knows that the wharves are critical to those who live on and visit Stewart Island Rakiura and want wharves that are fit for purpose and well maintained. They are to them what bridges and roads are to people who live on the mainland. The replacement of the Ulva Island wharf is progressing and is in council's Long-Term Plan for completion in the 2021/22 year. The replacement of Golden Bay wharf is more complex as the funding options available place a burden on the island community and their ability to fund this replacement.

4. Strategic Leadership

Looking forward, and planning for the future of Stewart Island was seen as important by many to protect the community values and to progress appropriate development. A funded role with a strategic development focus, guided and supported by a strategic governance board was important to ensure that this work progressed at the right level. A 5-year time frame was supported to secure long-term community buy-in, partnership development and sustainable outcomes.

Sandra James from Connecting People conducted the community consultation and a report was produced. The final report is available on request, however this has previously been submitted to MBIE.

Both the Council and MBIE (through the Provincial Growth Fund) were interested in continuing to support ongoing thinking and planning about the future sustainability and development of Stewart Island Rakiura and provided further funding in 2019 to progress the work that had begun and to develop a plan that would help the Community take steps towards meeting its aspirations. Southland District Council agreed to be the fundholder and take responsibility for the delivery of the project, as well as providing partnership funding to support this work.

Sandra James from Connecting People (The facilitator) was re-engaged to continue to work with the community as a contract facilitator to: -

- Get more people involved in future focused conversations and action on Stewart Island/Rakiura
- Build better awareness and communication of future focused planning on the island and with and between key stakeholders
- Establish a future focused governance mechanism, based on the Island, to guide this work
- Build strong, trusted and productive strategic relationships within the Stewart Island Rakiura community and with local, regional and central government and organisations
- Develop a Stewart Island Rakiura Future Opportunities Plan

The facilitator reported directly to the Southland District Council and they allocated a staff member, Karen Purdue, to provide support and guidance to the project and to ensure accountability measures were met.

STAGES OF THE PROJECT

1. Community Engagement to seek community ideas on how to progress the project

The facilitator met with a number of key organisations and individuals on the Island, including the Community Board and Maori leaders to explain the project's purpose and to seek advice on how to best progress this project. Reports on progress of the project to the Stewart Island Rakiura Community Board took place in August and November 2019. There was a mixed response on the Island. Some Islanders were very excited about the opportunity, others felt 'we'd been here before' and no-one would be interested in going here yet again'. Some others on the Island didn't think the project was necessary as there were already a lot of community groups on the Island doing good work e.g. the Stewart Island Museum Trust, SIRCET and the Stewart Island Rakiura Community Board. These reactions were not unexpected, as this is not the first time these issues have been discussed on Stewart Island. Community planning processes have taken place in 1994 and 2011 with wide community buy-in and plans developed. The resulting implementation has been difficult to maintain with such a small population, that has huge seasonal demands on it. Therefore there was some hesitancy to repeat this process unless there was a different, more sustainable approach with a supported governance mechanism and paid strategic worker based on the Island to lead this work and establish a more detailed plan with actions and outcomes, in conjunction with the community and stakeholders.

Throughout the conversations on the Island people were asked to identify community leaders/champions.

In addition, the facilitator also met with key stakeholders to socialise the project and gain their support for being involved in the planning process going forward including Rakiura Maori Lands Trust, Predator Free Rakiura, Stewart Island Promotions Association (SIPA) Southland District Council, Department of Conservation (DOC), Department of Internal Affairs (DIA), Environment Southland, Community Trust South, Great South.

A well-attended community meeting (130 attendees) was held on 11th September 2019 to update the community on the new stream of funding from MBIE and Southland District Council and expected outcomes.

2. Overall Plan

Through one-on-one conversations by the facilitator on the Island it was clear that there were a number of people on the Island that were passionate and committed to Stewart Island Rakiura's future. A common theme identified was that it was difficult to get traction with ideas and plans as a lone voice, and that there would be value in building leadership capability and capacity on the Island.

Local ownership and community-led development were key principles that were valued by those spoken to and it was agreed that building community leadership, capacity and cohesion seemed to be the most logical place to start. 'More doing and less talk' was also a key message! Islanders wanted to see something happening!

Southland District Council made a connection between the project and the Southland Chamber of Commerce 'Southland Leadership Academy' aimed at providing leadership skills and training to emerging business leaders throughout Southland. An initial meeting was held with the Chamber to discuss whether the programme could be amended to focus on strategic community-led thinking and planning and a programme was put together with the Islands goals and aspirations in mind and speakers were arranged. It was also important that the programme was delivered on the Island and was no or low-cost so it could be accessible to everyone.

It was planned that during this capacity building programme (1/2 hour each session weekly) group members would be asked to co-design the next steps for the Future Opportunities project, with the facilitator with the view of a community-led outcome.

3. Leadership Academy

The Leadership Academy was launched at a Public meeting on the Island on 11th September 2019 and advertised through Stewart Island News (SIN) and the Stewart Island Facebook page. See Appendix 2 for the programme.

Funding was secured from the following sources, to allow the programme to be offered at no charge to all participants. (Usual cost is \$1,500 + GST per participant)

- the Future Opportunities project provided \$17,182.61 (excl GST),
- \$6,000 was secured from Community Trust South, and the
- Southland Chamber of Commerce offered 2 free places

The programme ran from the 8th October to 19th November 2019. (7 sessions in total).

The Chamber of Commerce developed and led the application process. A total of 25 Islanders applied for 16 spaces on the Leadership Academy.

Both the Chamber of Commerce and the facilitator were aware of the desire for this work to be community led and driven. With that in mind they enlisted the help of the community leaders/champions (identified by Islanders during the initial consultation for this project) to review and complete a scoring matrix that would allow participants to be selected for the Academy.

As a way of acknowledging the vast breadth of leadership within the community Leader/champion group they were invited to support the Leadership Academy by attending one of the sessions and telling their own leadership story, giving tips and encouragement and also to become wider community 'cheer leaders' for the project. They also hosted the speaker on the Island for dinner and introduced them at the beginning of the session.

Community Champions, identified by the community and who chose to participate were: – Margaret Hopkins, Bruce Ford, Gwen Neve, Stu Newton, Jill Skerrett, Anita Geeson.

Below is the final list of participants for the 2019 Leadership Academy.

Lania Edwards	Charlotte Jenkinson	Josephine Shepard	Cherie Hemsley
Leah Rudin-Jones	Samual Jenkinson	Rakiura Herzhoff	Megan Cowley
Kylie Bakker	Melanie Miller	Kirten Hicks	Teri McCracken
Mary Chittenden	Letitia McRitchie	Bridget Carter	Edward Small

Strong relationships were formed with the speakers, many of whom have been called upon by the group for further guidance, support and advice.

A graduation function was held at the South Seas Hotel on 19th November 2019. Each participant received a certificate and was able to celebrate this achievement with their peers.

Leadership Academy Programme

7 inspirational speakers 'fired' up the locals to dream and believe in the power of 'doing'.

Some of what they heard included: -

- ✓ Penny Simmonds Chief Executive of the Southern Institute of Technology reminded the group to never be frightened to dream big (she told how the Zero fees idea was written on the back of a napkin on Stewart Island!) but to always take others with you! She also challenged participants to not forget the power of collaboration and to have 'Yes, and' and 'Yes, but' conversations – to help think outside the square.
- ✓ Dean Addie, Chief Executive of EIS showed them the infamous 'lone' dancer video – and they learnt that all it takes is one person to start a movement and that they need to make it easy to be followed and nurture other followers. Dean shared with the group the two books he reads every year - - 'Oh, the Places you'll go' by Dr Seuss and 'How to win friends and influence people' by Dale Carnegie. He also introduced participants to the 5 P's to success – people, passion, principles, progress, process.
- ✓ Clare Hadley Chief Executive Invercargill City Council told the group about the PRES acronym. *My point is, the reason is, my example is, in summary.* Claire also encouraged participants to acknowledge the contribution of those that have gone before and to find room for what we want now in a changing world and of the need to work to find what's in the centre so that it's comfortable for all. She also encouraged participants to be clear about what they want and what they need from others.
- ✓ The wonderful story of South Alive inspired the group to believe in community-led action! Robyn Hickman, Chairperson of South Alive reminded the group not to underestimate small wins and to take the time to work out the format for a forming group. She encouraged them to think about getting a brand – something catchy! She also encouraged the group to be 'strategic' in a clever way so that it is successful. And that by focussing on the assets in the community.
- ✓ Jason Tibble, Regional Commissioner, Ministry of Social Development 'wowed' the group with stories of focus, passion and getting s**t done – he shared lots of tools, resources and books that have fuelled his leadership journey from beer (working for Speights!) to care. He wasn't afraid to take the hard news and learn from it – a great lesson!
- ✓ And the Academy participants learnt from Company Director Errol Millar the difference between governance and management and what some of the essentials of both are! Most importantly that a little bit of structure can get things working well.

- ✓ Aimee Kaio, Programme Manager, Tribal Economies, Tokona te Ao of Te Rūnanga of Ngai Tahu talked to the group about future focused planning frameworks and steps, challenges, reality checks and living breathing examples from the Bluff community. She gave them advice about building collaborative higher-level support and getting really good about telling your story, over and over again. She reminded us that these things take time, and it is time well spent – getting the foundation right helps to build a strong whare.



Stewart Island Leadership Academy participants with speaker Jason Tibble, Regional Commissioner, MSD

The Southland Chamber of Commerce is committed to support Southland Leadership Academy Alumni in their ongoing leadership journey and have worked with the Stewart Island Leadership Academy Alumni and Future Rakiura, to plan ongoing capability opportunities on the Island - unfortunately three workshop planning sessions organised for the first quarter of 2020 had to be cancelled due to Covid-19. The Chamber of Commerce was able to reschedule the public workshop *"Ideas to Reality"* facilitated by COIN South to the 23 July 2020 on Stewart Island.

This was well attended, and one on one sessions held the following day were very popular. There are plans for COIN South to return to the Island to continue working with businesses and entrepreneurs on the Island.

The Stewart Island Rakiura Leadership Academy Alumni have also been invited to join the Southland Leadership Academy private Facebook group. This is a place for members to connect with each other and guest speakers, keep up to date with latest events and opportunities.

4. **Future Rakiura**

During the 7 weeks of the Leadership Academy the group took half an hour each week to think about how future-focused opportunities for Stewart Island Rakiura, identified during the earlier community engagement process, might be progressed. In addition, they also met at other times outside of this schedule to hold a series of conversations that considered

- if there was a need,
- what the benefits would be,
- how any future thinking, planning and action could compliment what is happening already on the Island, and
- what it would take to move this idea forward.

The Leadership Academy participants wanted to continue the future-focused conversations at the conclusion of the Leadership Academy so continued to meet as an informal group to keep discussing these ideas and get clear what such a group would achieve, what kind of entity it would become etc.

Future Rakiura have met regularly to progress a programme of work. They have made very good progress in a short amount of time considering initially they were faced with their very busy summer season and then COVID-19. Work that is transformational takes time and care. It also takes the right people with drive and determination to establish and maintain the effort required to progress change in communities.

Future Rakiura Achievements

Strategic tactic	Achievements
Group Formation	<p>Between November 2019 and March 2020, the group: -</p> <ul style="list-style-type: none"> ✓ Chose a name – Future Rakiura ✓ Developed a vision – ensuring a bright, sustainable future ✓ Developed a purpose – to connect and support the Rakiura community to navigate towards our sustainable future ✓ Identified group values <ul style="list-style-type: none"> – Kaitiakitanga -guardianship and protection

	<ul style="list-style-type: none"> – Manaakitanga – leading with moral purpose – Humility – Resilience – Self-determination – Integrity – Honesty – Openness – Transparency – Inclusiveness <p>✓ Elected co-leaders – Josephine Shepard and Rakiura Herzhoff</p>
Foundational planning	<p>Future Rakiura developed a plan to move the group towards having a robust governance structure, good engagement with the community and a number of working groups to progress strategic objectives for Future Rakiura. (See Appendix 1)</p> <p>Future Rakiura has an active membership of 11 committed, passionate Islanders who have developed the project this far. The group meets regularly – at least monthly and are committed to the kaupapa of leading strategic thinking and planning on the island.</p>
Community Awareness raising	<p>A flyer about Future Rakiura was sent to every letterbox on the Island explaining its establishment and future aspirations. (See Appendix 3).</p>
Community engagement/ Community building/Fundraising	<p>Future Rakiura was officially launched at a Hangi held on Waitangi Day. Over 280 meals were served, and the event attracted a large number of residents despite poor weather. Feedback both formally and anecdotally has been that there is wide support for Future Rakiura's kaupapa. The event met Future Rakiura's goal of bringing the community together to connect and build stronger relationships. \$1,000 has been secured from Sanford Salmon Grant to hold the Hangi in 2021. (See Flyer Appendix 4)</p>
Strategic relationship development	<p>A Community meeting to promote better communication and connectedness on the Island had been planned for March 26th, 2020. Future Rakiura wanted to take the opportunity to update the community on progress and plans and has invited other key stakeholders to do the same.</p>

Community engagement and connections	<p>Confirmed speakers were: -</p> <ul style="list-style-type: none"> • Future Rakiura • Stewart Island Community Board • Rakiura Maori Lands Trust • Rakiura Marine Guardians • Great South • Ngai Tahu Fisheries Ltd <p>This meeting did not go ahead due to COVID-19. Due to ongoing alert level restrictions the meeting is scheduled to take place in late October.</p>
Community capacity building	<p>Future Rakiura in conjunction, with the Chamber of Commerce had planned to host a workshop on Stewart Island on 30th April where CoinSouth would have presented '<i>Idea to Reality</i>' - a two-hour workshop. Aimed at taking a business idea and using the COIN Canvas to create a one-page business plan. This free workshop was rescheduled to the 19th July and was open to all Stewart Island residents.</p> <p>8 people attended the workshop, and a further 8 attended one on one sessions with the facilitator the following day. A repeat visit to the Island is planned.</p>
Strategic Relationship Building	<p>Future Rakiura has presented to the Southland District Council, the Stewart Island Rakiura Community Board, and the Stewart Island Promotions Association about its purpose and goals and its desire to develop ongoing strategic relationships.</p>
Community Needs Assessment Strategic Relationship Building Community Engagement	<p>COVID-19 provided an opportunity for Future Rakiura to promote collaboration on the Island between key stakeholders – Stewart Island Rakiura Community Board, Stewart Island Promotions Association, the Halfmoon Bay School and the Stewart Island Health committee to seek to bring a united voice to post-covid recovery on the Island.</p> <p>Future Rakiura conducted a community survey, receiving 91 responses about how the community fared during COVID-19 Level 4, and ideas for the future of Stewart Island Rakiura. (See Appendix 5 for a summary).</p> <p>Future Rakiura have:</p> <ul style="list-style-type: none"> • Developed a summary of survey results and reported them back to the Stewart Island community via various mediums – Future Rakiura Facebook page, Stewart Island News, other Facebook pages based on the Island • Presented the survey results to the Community Board, Stewart Island Promotion Association, and other interested groups to seek commitment to work jointly on collaborative ideas • Invited the Stewart Island Rakiura Community Board and the Stewart co-host a Community Workshop/meeting to engage with the wider community on future plans
Foundational	<p>Future Rakiura has become an Incorporated Society – in order to do this, they had to write and approve the constitution, get a</p>

Development	<p>membership of 15 to become incorporated and work with Southland Community Law to check for accuracy</p> <p>An inaugural AGM will be held on 26 November 2020.</p>
Strategic Relationship Building Capacity and capability building on the Island	<p>The relationship with the Chamber of Commerce is ongoing and Future Rakiura and the Chamber have worked to put together a programme of capability and capacity building projects for 2021. Three workshops are planned on the Island, as follows: -</p> <ul style="list-style-type: none"> • Strategic relationships – the value and benefits of forming strong relationships with key strategic organisations, mapping strategic relationships, how to maintain and keep relationships alive, developing an action plan • Cultural Awareness – story telling history of Stewart Island Rakiura, expanding cultural awareness • Marketing – supporting local businesses develop their marketing strategy and providing guidance around their marketing activities <p>Funding will be sought from the Stewart Island Rakiura Community Board Community Partnership Fund to support this training to be delivered at low or no cost on the Island.</p>
Strategic Relationship building Sustainability	<p>The Department of Internal Affairs (DIA) has been aware of the development of Future Rakiura and the foundational work it has been doing.</p> <p>Discussions are progressing about Future Rakiura applying to be part of the DIA's Community Led Development Programme in 2021. This programme is a five-year commitment by DIA to support by way of advice, guidance, mentoring as well as financial support, if appropriate, provided.</p> <p>Future Rakiura is actively working with the DIA Regional Advisor, based in Invercargill to put forward an application. Acceptance into this programme would greatly benefit Future Rakiura's sustainability.</p>

COVID-19

COVID-19 has significantly changed things for Future Rakiura. As a community-led project they have re-oriented their plans to rethink its kaupapa and respond to the new challenges and opportunities for the Island.

Progress has been slower than was hoped but there is a commitment by those involved into making Future Rakiura work. This is to be commended in the current environment.

SUMMARY OF FUNDING

The summary of funding is as follows: -

- \$100,000 received from The Ministry of Business, Innovation and Employment
- \$10,000 received from Southland District Council
- \$ 6,000 was secured from Community Trust South, and the
- Southland Chamber of Commerce offered 2 free places on the Leadership Academy (\$3,000 in kind)

TOTAL NUMBER OF JOBS CREATED

Total number of jobs created 1 (possibly 1 more if the action plan is achieved)

MEDIA, MARKETING AND COMMUNICATION EFFORTS

- Stewart Island News articles on a regular basis
- Future Rakiura Facebook page
- Chamber of Commerce Facebook page and website
- Presentations from Future Rakiura to the Stewart Island Rakiura Community Board, Southland District Council and Stewart Island Promotions
- Community meetings held (and associated notices around the Island advertising them)

Appendix 1: Future Rakiura Plan

Future Rakiura

Strategic Plan

2020 – 2023

Ensuring a bright, sustainable future

Approved October 2020

1. Introduction

Future Rakiura is a community-led strategic planning group. It focuses on determining short, medium- and long-term goals that will identify opportunities for the sustainability and managed development of Stewart Island Rakiura in partnership with the community and stakeholders including government, local government and other agencies and organisations.

It builds on information gathered through community leadership planning process to engage the Stewart Island community in a discussion about its future carried out in 2018 and also on successful community planning efforts in 1994 and 2011 that had comprehensive plans and wide community buy-in.

2. Background

A community consultation carried out in 2018 (as part of an initiative that was rolled out by the Southland District Council to support communities to determine short, medium and long-term visions that identified opportunities for sustainability and development identified the following strategic opportunities for Stewart Island:

- The need to preserving the natural environment and landscape now and for future generations
- The need for fit for purpose infrastructure, that is environmentally sustainable
- The need for cheaper electricity, that fits more with the Islands environmental values
- The exploration of opportunities for Stewart Island to find its niche tourism market and work collectively towards enhancing the visitor experience
- The wish to proactively manage Stewart Island's future so that growth is managed and sustainable - develop a community plan that captures goals and objectives for the social, economic, environmental and cultural development on the Island
- The need for better connection between community groups/projects on the Island to join up efforts and prioritise activities and consolidate efforts
- The opportunity to build community leadership that encourages a more connected, cohesive community and forms more trusted and productive relationships/partnerships with external agencies and organisations to progress strategic opportunities, priorities, issues or risks
- The opportunity for better engagement and communication with the community – residents and ratepayers
- The need for more permanent accommodation for seasonal and permanent workers on the Island

In addition, the Stewart Island Rakiura Sustainability Review¹ commissioned by the Southland District Council in 2019 and carried out by Morrison Low identified the strategic challenges for the community as: -

¹ Southland District Council – Stewart Island Rakiura Sustainability Review September 2019

- No common view on what a prosperous and sustainable Stewart island looks like
- Lack of agreement on the Island about tourism
- Cost of electricity
- Water Supply
- The Ageing population
- Getting young people to stay (or come back)
- Keeping families on the Island
- Information exchange/communication with Council
- Getting young people involved in the strategic direction and decision making on the Island
- Ageing Infrastructure – roading, three waters, solid waste, power, wharves and jetties

In 2019 a successful application was made to the Provincial Growth Fund to progress the work begun and explore the establishment of a Future Opportunities project for Stewart Island Rakiura.

A Leadership Academy programme was run on the Island to develop local leadership capability in partnership with the Southland Chamber of Commerce. Funding from the Provincial Growth Fund meant that community members got to attend the training at no cost, with the commitment to co-designing the next stages of the Future Opportunities project. A group of identified local champions with significant local community experience were involved in the Academy selection process and also sharing their leadership journeys with Academy participants.

During the co-designing sessions group members/and the Community champions discussed: -

- a) If there was a need for future focused strategic thinking and planning on Stewart Island?
- b) What benefit it would bring?
- c) How it would differ from work already happening on the Island?
- d) How it would be progressed?

The Leadership Academy members formed a group called Future Rakiura to progress strategic future focused thinking, planning and action on the Island in November 2019.

3. Stewart Island Rakiura – our community

Rakiura is located approximately 30 km south of the South Island and is part of the Southland District. The island measures 64 km by 40 km at its widest points with a total of 174 600 ha and is surrounded by over 95 small islands including several that have been cleared of introduced mammalian predators (e.g. Whenua Hou, Taukihepa, Bench and Ulva Islands).

Approximately 90% of the island is public conservation land that is administered by the Department of Conservation, including 80% that sits within the Rakiura National Park. Eight per cent is Māori Land administered by the Rakiura Māori Lands Trust, and the remaining 2% is largely private land centred on the town of Oban. Rakiura National Park, the most southerly of New Zealand's 13 National Parks, was gazetted in 2002.

Tourism is the main industry on Stewart Island, although fishing is also economically important for the Island. During the tourism season, the Island is also visited by cruise ships, although they are currently not visiting due to COVID-19 restrictions. Tourist numbers on the Island are significant with around 44,000 tourists visiting in 2018, a 50% growth in tourism numbers from the year ended 30 June 2015. The Island was recently recognised as a Dark Skies Sanctuary, which is expected to result in increased tourism during the winter months.

Table 1 Growth in visitor number on Stewart Island²

Year ended	Total visitors	Change on previous year	Cruise ship visitors ³	Change on previous year
June 2015	30,648	-	2,083	-
June 2016	36,457	+18.9%	2,492	+19.6%
June 2017	36,656	+0.5%	2,187	-12.2%

² Source: key Issues and Option – Draft Stewart Island/Rakiura Visitor Levy Policy and Bylaw R/18/11/27001

³ Included in visitor numbers

June 2018	44,423	+21.2%	6,839	+212.7%
June 2019	43,991	-0.97%	4024	-41%
June 2020 * COVID impact	36,609	-16,78%	6074	+33.75

[Stewart Island Flights](#) links Oban and [Invercargill Airport](#) with several flights a day. A regular passenger ferry service runs between [Bluff](#) and Oban.

2.1 2018 Census Results

According to the 2018 census, the Island had a permanent population of 408 people, residing in and around the town of Oban. It has a small ratepayer base of 451 ratepayers (with a number of these being absentee ratepayers), which represents just over 2% of Southland District's total ratepayers (20,607)

Stewart Islands population has stayed fairly static over the past 20 years.

- There is a population approximately 400 people
- 93% of Islanders identified as European and 19.9% identified as Maori.
- 22% of the population are aged 65 years and over, compared with 13.6% of the total Southland District population
- 13% of the population are aged under 15 years in Stewart Island, compared with 22.1 percent for all of Southland District
- 25.1% of people aged 15 years and over in Stewart Island have an annual income of \$20,000 or less, compared with 28.3% of people for Southland District as a whole
- For people aged 15 years and over, the median income (half earn more, and half earn less, than this amount) in Stewart Island is \$33,500. This compares with a median of \$32,100 for all of Southland District

- Tourism numbers have been steadily increasing (with 44,000 tourists visiting in 2018), however *COVID-19 has had an impact on the July 19/June 20 year with 36,609 visitors to the Island. Autumn/Spring 2020 has been busier than previous years with many New Zealand tourists visiting.
- Stewart Island Rakiura is recognised as an International Dark Skies Sanctuary
- Like many small islands, infrastructure is limited and expensive to develop and maintain – affordability of infrastructure is a real issue for residents and for the Southland District Council, the bulk of whose ratepayers reside in rural communities off Stewart Island. Stewart Island has 1.3 percent of Southland District's population
- Electricity on the island is nearly three times the cost of the mainland
- Some of the wharfing infrastructure is run down and in need of urgent repair or replacement
- There are 97 business located on Stewart Island – a 17.1% decrease from the last census in 2013
- 73% of the population are employed full or part time.

Some of these stats are not dissimilar to other regional areas of New Zealand that show: -

- Static population
- Declining youth population
- Ageing population
- Ageing infrastructure

Stewart Islanders value the special and unique place that Stewart Island is and residents' value the relaxed lifestyle and way of life.

This is a community that has long put value into self-determination and the fact that there are 10 -15 community groups, as well as a number of informal groups shows that Stewart Islanders care about their community, and when focused on a common goal, work together to take action.

The community has the following community assets: -

Stewart Island Community Centre	Used for a variety of purposes including community events, hosting visitors (schools etc), sports, arts, plays, gym, sauna, kitchen and stage/lighting. Can accommodate up to 200 people
Rakiura Heritage Trust (Museum) and Rakiura Heritage Centre Trust (Future Museum)	New Heritage Centre nearing completion and will open in 2020

Department of Conservation – Rakiura National Park Visitor Centre	Provides up to date advice for visitors to the Island. Has two display rooms and a retail area. It has a conference room with an approximate 50-person capacity
Halfmoon Bay School	Year 1 – 8 co-educational school, has approximately 35 students
Oban Volunteer Fire Brigade	A Volunteer brigade situated in the Oban township
Library and Council Service Centre	Basic Council services with link to the Main office. Library and interloan service
Halfmoon Bay Police Station	Staffed by a single police officer
Bunkhouse Theatre	Long standing local movie ‘a local’s tale’ that runs continuously (narrated by the local dog). Movie festivals, art stall
Churches	There are two churches, the Oban Presbyterian Church and the St Andrew’s Anglican Church
RSA Pavilion	Holds events. Houses the Stewart Island Lions Club
Environment Centre	Run by SIRCET, information centre. Includes information on rat trapping, nurseries, projects and groups
Medicinal and Edible Plant Garden	Run by SIRCET
Community Garden	Run by volunteers
Rakiura Rugrats – Stewart Island Early Childhood Education Centre	Has one paid helper and a number of parent volunteers

4. Future Rakiura – who we are, what we'll do and how we'll work

Future Rakiura is a community-led group leading future-focused strategic discussion, thinking, planning and action for Stewart Island Rakiura. We see ourselves as a 'Stewardship Group' which brings together the community and stakeholders to take action on the things that are important for Rakiura's long-term sustainable future.

We will: -

- Be a connector, catalyser and advocate for Stewart Island Rakiura
- Invite all residents/ratepayers on Stewart Island Rakiura to get involved in Future Rakiura
- Form a stewardship group to lead future-focused planning on Stewart Island Rakiura – we'll consider our structure as we grow
- Partner with community groups and organisations/agencies and key local, regional and national stakeholders to take action on the things that are important for Rakiura's long-term sustainable future
- Focus on the unique assets of our community and our natural environment
- Establish project groups to progress community goals and aspirations

5. Vision

Ensuring a bright, sustainable future

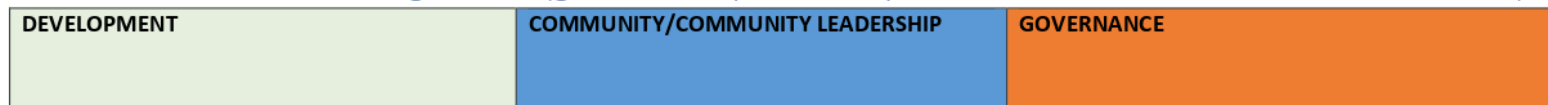
6. Purpose

To connect and support the Rakiura community to navigate towards our sustainable future

7. Values

- Kaitiakitanga – guardianship and protection
- Manaakitanga -leading with moral purpose
- Humility, Resilience, Self-determination, Integrity
- Honesty, openness, transparency, inclusiveness

8. Future Rakiura Strategic Goals (general end point that you want to reach, based on identified need)



20

Managed growth and a sustainable future for Stewart Island Rakiura incorporating economic, cultural, social and environmental aspirations	<p>A connected, cohesive community</p> <p>Excellent communication between groups and organisations on and off the Island</p> <p>Strong future-focused community leadership and capability on Stewart Island Rakiura</p>	Future Rakiura as an effective and well-run community-led organisation
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STRATEGIC GOAL 1: DEVELOPMENT – Managed growth and a sustainable future for Stewart Island Rakiura incorporating economic, social, cultural and environmental aspirations				
Short term Goals to JUNE 2021				
	GOALS	ACTIVITIES	MILESTONES BY JUNE 2021	RESOURCES NEEDED
1.1	Identify and engage strategic partners in Future Rakiura's vision and strategic priorities	<p>Identify key strategic partners/stakeholders who can support community-led development on Stewart Island Rakiura</p> <p><i>(Attend Chamber of Commerce workshop on Island)</i></p> <p>Develop a stakeholder engagement plan to inform strategic partners of Future Rakiura's plans and how they can be</p>	<p>Partner/Stakeholder mapping completed April 2021</p> <p>Stakeholder Engagement Plan in</p>	Workshop fees for Future Rakiura members if needed

		involved <i>(Attend Chamber of Commerce Workshop on Island)</i>	place by June 2021	
1.2	Excellent communication between groups and organisations on and off the Island	<p>Continue to develop a strong working relationship with the Stewart Island Rakiura Community Board to align priorities</p> <p>Continue to develop a strong working relationship with Stewart Island Promotions Association and other Island based community groups to align priorities</p> <p>A good relationship with Southland District Council continues and is further developed</p>	<p>Future Rakiura updates the Stewart Island Rakiura Community Board bi-monthly on progress (at least 4 x per annum)</p> <p>Future Rakiura actively seeks to work in partnership with Island based community groups on activities that are future-focused</p> <p>Future Rakiura updates Southland District Council at least once annually on progress</p>	<p>Future Rakiura Chair/member attend meetings</p> <p>220.00 (Airfare/Taxis Invercargill)</p>
1.3	Islanders are aware of and able to contribute to plans/consultations/decisions that affect them and the Island	Facilitate opportunities to make sure the Islanders have information about how to contribute to plans/consultations/meetings	Opportunities advertised in Stewart Island News publication/Facebook when they arise	N/A
Longer term goals 2021 – 2023 (to be considered and progressed by the Inaugural Future Rakiura Committee)				

	GOALS	ACTIVITIES	MILESTONES BY 2023	RESOURCES NEEDED
1.4	Establish a Future Rakiura Strategic Development working group that is tasked with facilitating future focused thinking, planning and action that includes community members and key stakeholders/organisations	<p>Map community and strategic membership for the Future Rakiura Development project group</p> <p>Develop a Terms of Reference for the group</p> <p>Establish the Future Rakiura Development project group comprised of community individuals and strategic partner agencies and organisations that will work together to better understand the key issues and opportunities for managed growth and a sustainable future for Stewart Island <i>Rakiura</i> and agree a collective approach to addressing these issues.</p>	<p>Group membership identified</p> <p>Terms of reference developed</p> <p>Future Rakiura Development project group established, inducted and meeting 6x per annum</p> <p>Group leader identified</p>	To be decided when detailed plans are developed
1.5	Analyse reports/reviews that have identified current and future social, economic, cultural, environmental development issues and opportunities for Stewart island <i>Rakiura</i>	Review documents that identify current and future social, economic, cultural and environmental strategic issues and opportunities for Rakiura	Rakiura current and future social, economic, cultural and environmental strategic issues and opportunities document produced	To be decided when detailed plans are developed
1.6	Research success factors for small island development and sustainability	Research social, cultural, economic and environmental management, sustainability and development of other small island communities	Document produced that captures success factors for small island development	

1.7	Share results with the community and engage the Rakiura residents and ratepayers in conversations to determine priority areas for action	<p>Engage and consult with the Rakiura community to get their input into current and future social, economic, cultural, environmental strategic issues and opportunities</p> <p>Engage with Rakiura business owners to better understand current and future social, economic, cultural, environmental strategic issues and opportunities</p> <p>Engage with key partner agencies to understand current and future social, economic, cultural, environmental regional/local strategic issues and opportunities for Rakiura</p>	Rakiura residents and ratepayers, business community and key partners are engaged in conversations to determine priority areas for action	To be decided when detailed plans are developed
1.8	Develop a 3-year Future Rakiura Development plan in conjunction with the wider community and stakeholders	<p>Future Rakiura Development project group to develop a three-year delivery plan that will identify individual and collective activity and the resources required to deliver on shared priorities</p> <p>Engage and consult with the wider community, seek input and feedback on the draft plan</p>	<p>Develop a 3-year Future Rakiura Development plan</p> <p>Rakiura community engaged and consulted on draft Future Rakiura</p>	To be decided when detailed plans are developed

		Present final plan to Future Rakiura for endorsement and support	Development plan Future Rakiura endorses and supports plan Resourcing requirements identified; funding applications made/secured if needed	
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STRATEGIC GOAL 2: COMMUNITY - Strengthen community connectedness, cohesion and communication and build future-focused community leadership and capability on Stewart Island <i>Rakiura</i>				
Short term goals to April 2021				
	GOALS	ACTIVITIES	MILESTONES BY JUNE 2021	RESOURCES NEEDED
2.1	Build future-focused community leadership and capability on Stewart Island / Rakiura	<p>Work with Southland Chamber of Commerce o develop a programme of training opportunities for the Island.</p> <p>Workshop/training topics (speakers to be confirmed)</p> <ul style="list-style-type: none"> • Strategic relationships • Cultural awareness • Business Development • Marketing 	<p>Calendar of workshop/training/events to further develop community leadership and capability confirmed by 31 October 2020</p> <p>Funding application to Stewart Island Rakiura Community Partnership Fund for \$4,000 by 31 October 2020</p>	<p>\$8,000</p> <p>(Chamber of Commerce \$3,000 Contra, Stewart Island Rakiura Community Board \$4,000, Workshop Attendance Fees/Sponsorship \$1,000)</p>
2.2	Create a community events calendar	Create a community events calendar to include community events, meetings, etc, find appropriate 'host', keep up to date	Calendar created and live by 30 June 2021	\$500.00 (for IT expertise)
2.3	Waitangi Day Hangi	Plan and host Hangi with community partners. Wide community input in	Hangi held on 7 th February 2021	\$1,500

		planning and hosting		(\$1,000 secured from Sandford Salmon Grant)
2.4	IT Education	Work with SIT/Halfmoon Bay School to develop IT Training programme to be held on the Island. Plan, advertise and deliver education sessions	3 IT education sessions held before 30 April 2021.	\$500.00 (travel/accommodation)
2.5	Island day	Plan, advertise and host a community day on the Island that brings locals together to trade goods and services (with no money changing hands) Plan, advertise and host a birdman competition in conjunction with the community day	Island Day held by 30 th April 2021	\$500.00 (Advertising, materials)
2.6	Phone tree	Work with Health Committee/School develop a phone tree of Island residents. Consider storage of date and privacy issues.	Meet with Health Committee/School by 31 st March 2021 to progress	No budget required
Longer term goals 2021 – 2023 (to be considered and progressed by the Inaugural Future Rakiura Committee)				
	GOALS	ACTIVITIES	MILESTONES BY 2023	RESOURCES NEEDED
2.7	Establish a Future Rakiura Strategic Community working group that is tasked with facilitating community connectedness, cohesion and	Map community and strategic membership for the Future Rakiura Community project group	Group membership identified	To be decided when detailed plans are developed

	communication and building community leadership on the Island that includes community members and key stakeholders/organisations	<p>Develop Terms of Reference for the Future Rakiura Community project group</p> <p>Establish a Future Rakiura Strategic Community working party to better understand the key issues and opportunities to strengthen community cohesion, connectedness and communication, and grow and build future-focused community leadership and capability for Stewart Island <i>Rakiura</i> and agree a collective approach to addressing these issues.</p>	<p>Terms of reference developed</p> <p>Future Rakiura Community working party established, inducted and meeting 6 x per annum</p> <p>Group leader identified</p>	
2.8	Engage the Rakiura residents and ratepayers in conversations to determine priorities and strategies for action	<p>Engage and consult with the Rakiura residents and ratepayers to get their input into what the community connectedness, cohesion, communication and future-focused community leadership strategic issues are and what they think are the opportunities to do things differently.</p> <p>Engage with Rakiura business owners to community to get their input into what the community connectedness, cohesion, communication and future-focused community leadership strategic</p>	<p>Community consultation carried out</p> <p>Issues and opportunities document produced</p>	To be decided when detailed plans are developed

		<p>issues are and what they think are the opportunities to do things differently.</p> <p>Engage with key partner agencies to understand best practice connectedness, cohesion, communication and community leadership strategies</p>		
2.9	Develop a 3-year Future Rakiura Community Development Strategy in conjunction with the wider community	<p>Future Rakiura Community project group to develop a three-year delivery plan that will identify strategies and activities to increase connectedness, cohesion and communication and the resources required to deliver on shared priorities</p> <p>Engage and consult with the wider community on the draft plan, seek feedback</p> <p>Present final plan to Future Rakiura for endorsement and support</p>	<p>3-year plan developed</p> <p>Rakiura community engaged and consulted on draft Future Rakiura Community Development plan</p> <p>Future Rakiura endorses and supports plan</p>	To be decided when detailed plans are developed

			Resources needed identified, funding secured to support the groups goals	
2.10	Develop a Community Leadership Strategy in conjunction with the Chamber of Commerce, Southland District Council and Department of Internal Affairs	Work with Department of Internal Affairs, Southland Chamber of Commerce and Southland District Council to develop a leadership capability plan – should include the Leadership Academy, and other opportunities for building capability of current and future leaders on the Island	<p>3-year Leadership Capability plan in place</p> <p>2 x Speaker opportunities on the island annually, open to all</p> <p>3 x events planned to bring together Rakiura residents/ratepayers to build cohesion, connection and better communication ultimately leading to a united vision and voice for Stewart Island</p>	To be decided when detailed plans are developed

STRATEGIC GOAL 3: GOVERNANCE – Future Rakiura is an effective and well-run community-led organisation				
Short Term Goals to June 2021				
	GOALS	ACTIVITIES	MILESTONES BY JUNE 2021	RESOURCES NEEDED
3.1	Ensure wide community input and participation into Future Rakiura	<p>The residents/ratepayers of Stewart Island / Rakiura are formally consulted at least once a year on the progress of Future Rakiura and have an opportunity to contribute new project ideas</p> <p>Community meetings held six monthlies to update the community on Future Rakiura's work (invite other key stakeholders to be involved)</p> <p>Bi- Monthly update in Stewart Island News publication/Facebook</p>	<p>Annual survey</p> <p>2 Workshops held annually</p> <p>6 x updates in SIN per annum, also posted to Facebook to reach a wider audience</p>	<p>\$250.00 (Survey Monkey software)</p> <p>\$600.00 (Hall hire, catering, advertising)</p> <p>No Budget needed</p>
	Ensure community is kept up to date with Future Rakiura activities			

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3.2	Future Rakiura becomes an incorporated society and holds its first AGM	A Future Rakiura Incorporated Society is formed	Future Rakiura is incorporated 30 October 2020	\$195.00 (Incorporation Fee)
		Inaugural AGM held and officers elected	Inaugural AGM held by 15 December 2020	\$200.00 (Venue Hire, Catering, Advertising)
3.3	Future Rakiura has a communication plan so that the community and stakeholders have a clear understanding of its role and the activities it plans to carry out	Future Rakiura develops a communications plan	Communication plan developed by 30 November 2020	No budget required
		Future Rakiura has clear branding and clearly articulates its vision and purpose and planned activities to the community and key stakeholders	Logo developed and agreed on	\$300
3.4	Establish effective processes and systems so that Future Rakiura is competent, capable, compliant and accountable to the community	Establish a website for Future Rakiura	Website developed and live	\$5,000 (development) \$ 900 (hosting and maintenance)
		Future Rakiura has a strategic plan, and an annual plan which is reviewed and monitored	Strategic Plan and Annual plan are in place and monitored and updated annually	

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		<p>Understand funding requirements for Future Rakiura and develop robust budgets that align with priority areas</p> <p>Future Rakiura complies with all legal and financial obligations, according to the Incorporated Society Trust Deed including holding AGM's, election of officers, annual report, audited accounts</p>	<p>Understanding of funding opportunities and successful funding applications made</p> <p>Develop and maintain relationships with key funders</p> <p>Continue to explore new funding sources</p> <p>Future Rakiura is legally and financially compliant in line with their legal constitution</p>	<p>\$250 (Auditors)</p>
3.5	Ensure Future Rakiura has sufficient skills, and is representative of the community	Identify Future Rakiura Committee skill gaps and seek assistance from agencies such as the Southland Chamber of Commerce/Department of Internal Affairs or the Southland District Council about appropriate training	At least one training held annually	\$1,500.00
Longer term goals 2021 – 2023 (to be considered and progressed by the Inaugural Future Rakiura Committee)				
	GOALS	ACTIVITIES	MILESTONES BY 2023	RESOURCES NEEDED
	Develop a community engagement plan to ensure wide community input and	Future Rakiura is 'launched' and the community has a clear understanding of	Future Rakiura has clear branding and clearly articulates its vision and	To be decided when detailed plans are

	participation into Future Rakiura	<p>its role and tasks</p> <p>Community engagement plan developed to ensure wide community participation in Future Rakiura and the priority focus areas</p> <p>The residents/ratepayers of Stewart Island <i>Rakiura</i> are formally consulted at least once a year on the priorities for Future Rakiura and have an opportunity to contribute new project ideas</p> <p>Networking with other community groups takes place regularly</p> <p>Community meetings held six monthly to update the community on Future Rakiura's work (invite other key stakeholders to be involved)</p>	<p>purpose to the community and key stakeholders</p> <p>A community engagement plan is in place. Consultation takes place by means determined by Future Rakiura each year</p> <p>2 Workshops held annually</p>	developed
	Map, identify and engage strategic partners in Future Rakiura's vision and strategic priorities	Partners/Stakeholders that can support community-led strategic development mapped	<p>Stakeholder matrix completed</p> <p>Future Rakiura identifies, with the Stewart Island Community Board a</p>	To be decided when detailed plans are developed

		<p>Develop a strong working relationship with the Stewart Island Community Board to align priorities</p> <p>Identify key strategic partners/stakeholders who can support community-led development</p> <p>A good relationship with Southland District Council continues and is further developed</p>	<p>way of working that aligns priority areas</p> <p>Future Rakiura updates the Community Board bi-monthly on progress</p> <p>Updates Southland District Council at least 1 x annually on progress</p> <p>Relationships developed and maintained</p>	
	Develop a robust funding plan that will enable Future Rakiura to carry out work in its priority areas	<p>Understand funding requirements for Future Rakiura and its working parties</p> <p>Develop robust budgets and clearly articulate priority areas</p> <p>Develop and maintain relationships with key funders</p> <p>Continue to explore new funding sources</p>	<p>Work with Southland District Council to develop a funding plan</p> <p>Understanding of funding opportunities</p> <p>Successful funding applications made</p>	To be decided when detailed plans are developed

	Establish effective processes and systems so that Future Rakiura is competent, capable and accountable to the community	<p>Review membership and plan for membership succession annually</p> <p>Future Rakiura has a strategic plan which is reviewed and monitored</p> <p>The group has a current Terms of Reference</p>	<p>Strategic Plan is in place and monitored and updated annually</p> <p>Terms of Reference in place</p>	To be decided when detailed plans are developed
	Establish monitoring mechanisms so that Future Rakiura's goals/outcomes are being measured	<p>Databases and/or other appropriate tools exist to gather, collate and analyse information relating to the performance measures in this plan</p> <p>Research is carried out to gauge the impact and perceptions of Future Rakiura</p> <p>Financial systems and processes are developed, if necessary, to comply with standard for reviewed accounts</p>	<p>Databases established and being used</p> <p>Research is carried out annually</p> <p>Financial policy systems and processes are developed</p>	To be decided when detailed plans are developed
	Explore the establishment of an overarching entity to umbrella strategic thinking, planning and action on the	Explore successful models for the establishment of an overarching entity in conjunction with the wider community and with help from the	Research on successful models completed	To be decided when detailed plans are developed

	island	Southland District Council and the Department of Internal Affairs	Legal entity established	
	Ensure Future Rakiura has sufficient skills, and is representative of the community	Work with Department of Internal Affairs/Southland District Council to enhance and strengthen our Governance capability	Review membership annually Succession planning in place At least one training held annually	To be decided when detailed plans are developed

Appendix 1

BUDGET			
Strategic Goal 1			
Goal	Activity	Total budget needed	Possible funding sources (if any)
1.3	Present to Southland District Council annually	220	
		220	
Strategic Goal 2			
	Activity	Total budget needed	Possible funding sources (if any)
2.1	Leadership and capacity building programme in conjunction with the Chamber of Commerce	8,000	\$3,000 Southland Chamber of Commerce Contra \$4,000 Stewart Island Rakiura Community Board Partnership Fund \$1,000 Workshop fees/sponsorship
2.2	Calendar of Events	500	
2.3	Hangi	1,500	\$1,000 Grant Sanford Salmon Grant (secured)
2.4	IT Education	500	
2.5	Island Day	500	

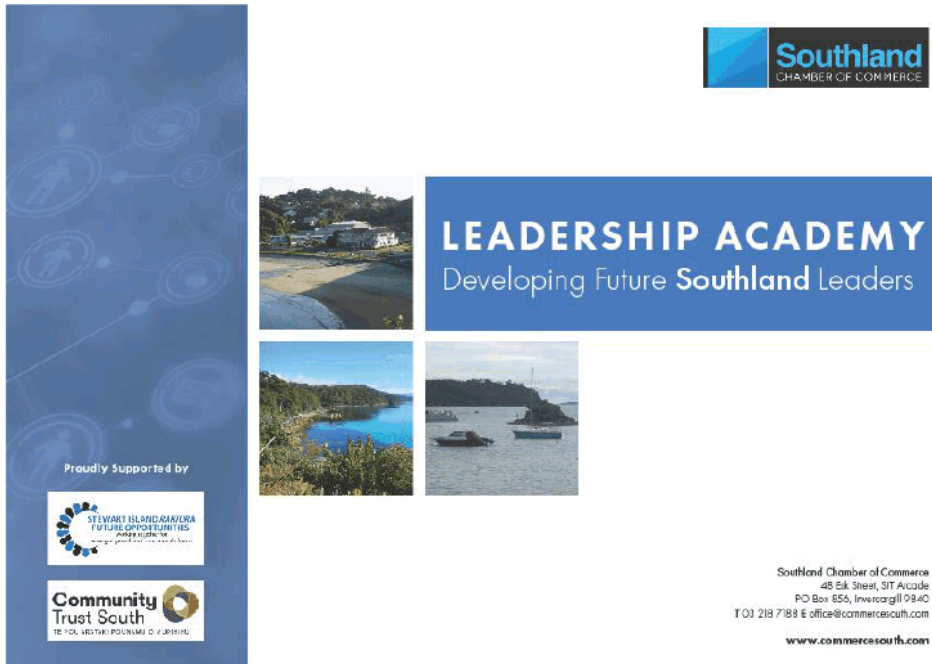
		11,000	8,000 (applied for) 1,000 (secured)
Strategic Goal 3			
	Activity	Total budget needed	Possible funding sources (if any)
3.1	Community Input & Participation	250	
	2 x community meetings	600	
3.2	Incorporated Society	195	\$195 Future Opportunities Project (secured)
	Inaugural AGM	200	\$200 Future Opportunities Project (secured)
3.3	Logo development	300	
	Website development	5,000	
	Website hosting	900	
3.4	Auditors	250	
	Future Rakiura Annual training	1,500	
		9195	395 (secured)

Total budget

Total Budget needed to complete the activities to June 2021	20,415
Funding secured	1,395

Funding applied for	7,000
Workshop Fees/sponsorship	1,000
FUNDING NEEDED TO PROGRESS ACTIVITIES to June 2021	11,020

Appendix 2: Leadership Academy Programme



The flyer is titled "LEADERSHIP ACADEMY" in large white letters on a blue background, with the subtitle "Developing Future Southland Leaders" below it. The top right corner features the "Southland CHAMBER OF COMMERCE" logo. The left side has a vertical blue bar with the text "Proudly Supported by" and logos for "STEWART ISLAND/KAIKARA FUTURE OPPORTUNITIES" and "Community Trust South". The central part of the flyer contains three small photographs: a coastal town, a bay with a boat, and a harbor with several boats. The bottom right corner provides contact information for the Southland Chamber of Commerce, including the address "48 Esk Street, SIT Arcade, PO Box 855, Invercargill 9940", phone "T 03 218 7188", email "E office@commercesouth.com", and website "www.commercesouth.com".

Southland
CHAMBER OF COMMERCE

LEADERSHIP ACADEMY
Developing Future **Southland** Leaders

Proudly Supported by

STEWART ISLAND/KAIKARA
FUTURE OPPORTUNITIES
Kaitiaki Take Kōwhiri

Community Trust South
TE Kaitiaki Take Kōwhiri o te Iwi Māori

Southland Chamber of Commerce
48 Esk Street, SIT Arcade
PO Box 855, Invercargill 9940
T 03 218 7188 E office@commercesouth.com
www.commercesouth.com



Leadership Academy

Developing future Southland leaders...

The purpose of this programme, which is completed over seven sessions, is to provide Stewart Islanders with the opportunity to build leadership capabilities through their own development and by learning from the experience of others.

The Leadership Academy is for people looking at developing leadership experience and who have the passion to get involved in future focused planning on the Island.

The participant, at the completion of the experiential and reflective learning sessions, will be better equipped and have a good understanding of what is required to be a leader in their own organisation and/or in the wider community.

Each two-hour session is led by an experienced senior leader from a variety of Southland-Otago organisations or businesses. The participant will benefit from the opportunity to interact with the presenter and build an ongoing connection with them, and other participants.

At the end of the programme, participants will graduate and be invited to become a member of the Southland Leadership Academy Alumni.

For more information call Joanne O'Connor on 03 218 7188 email joanne.oconnor@commercesouth.com | www.commercesouth.com

Guest Speakers:

Guest Speakers:**Dean Addie**

Chief Executive
EIS

What is leadership anyway?

- How to be a leader in my community
- What makes a good leader?
- Why leadership is important?

**Robyn Hickman**

Chairperson
South Alive

Asset-based community development

- Understand the power of social capital to bring about positive economic, social and environment change
- How to draw on the unique wisdom, passions, skill and interest of residents to get people involved
- Explore a range of tools and methodologies that will inspire and empower people to believe, behave and act like citizens in control of their community and their destiny

**Penny Simmonds**

Chief Executive
Southern Institute of Technology

The power of collaboration and good relationships

- The value of strategic relationships
- What good collaboration looks like?
- Funding our 'united voice'
- How to develop good working relationships - local, national and international

**Jason Tibble**

Regional Commissioner
Ministry of Social Development

Future focused thinking

- Thinking strategically – where to start
- Understanding and prioritising future needs
- Embracing reality
- Creating clarity in the grey



Clare Hadley
Chief Executive
Invercargill City Council

Understanding Government - national, regional and local

- Central, regional and local government – roles and responsibilities
- The importance of regional development
- How a community can successfully interact with big structures
- Engagement with media



Errol Millar
Chairman/Director

Governance vs Management

- Defining governance and why its important
- How it is different from leadership or management
- The essential requirements for good governance
- The risks in being a director of an organisation or business
- Preparation required for a governance meeting



Amiee Kaio
Programme Manager
Tribal Economies - Tokona te Ao of Te Rūnanga o Ngāi Tahu

Future focused planning

- Creating a vision, purpose and values
- Developing a plan for 2030 and beyond
- Embracing change
- Inspiring others
- The importance of clear communication
- Building strong working relationships in community's

Times and dates

Seven weeks, Tuesday evenings
8 October - 19 November 2019
7pm - 9.30pm

Venue

RSA Stewart Island/Rakiura

Group

Limited to a maximum of 14 participant registrations

Schedule:

Date	Time	Topic	Speaker	Role
Tuesday 8 October	7pm - 9pm	The power of collaboration and good relationships	Penny Simmonds	Chief Executive Southern Institute of Technology
Tuesday 15 October	7pm - 9pm	What is leadership anyway?	Dean Addie	Chief Executive EIS
Tuesday 22 October	7pm - 9pm	Understanding Government - Central, regional and local	Clare Hadley	Chief Executive Invercargill City Council
Tuesday 29 October	7pm - 9pm	Asset-based community development	Robyn Hickman	Chairperson South Alive
Tuesday 5 November	7pm - 9pm	Future focused thinking	Jason Tibble	Regional Commissioner Ministry of Social Development
Tuesday 12 November	7pm - 9pm	Governance vs Management	Errol Millar	Chairman/Director
Tuesday 19 November	7pm - 9pm	Future focused planning	Amiee Kaio	Programme Manager Tribal Economies - Tokona te Ao of Te Rūnanga o Ngai Tahu
		Graduation		

Note. The order of sessions may change from the above, and further leaders may be invited to present to the Leadership Academy.

Appendix 3: Inaugural Future Rakiura flyer distributed to every letterbox on the Island January 2020



Background

Stewart Island/Rakiura has a proud history of thinking about and planning for its own future. Passionate locals have over the years achieved great outcomes for the Island – the Community Centre, the Heritage Centre, SIRCET, Predator-free Rakiura and many other things started from people getting together, talking and taking action to enhance life on Stewart Island/Rakiura.

In 2018 a community consultation report identified that the community wanted to be actively involved in working together with key strategic partners for managed growth and a sustainable future. The Leadership Academy held in late 2019 brought together a group of locals who have formed Future Rakiura to progress the community's ideas and thoughts from that report.

What is Future Rakiura?

Future Rakiura is a locally led project made up of a group of passionate locals focused on leading future-focused discussions, thinking and planning for Stewart Island/Rakiura.

We will: -

- Be a connector, catalyser and advocate for Stewart Island/Rakiura
- Focus on the unique assets of our community and our natural environment
- Invite everyone on the Island to have their say on priority focus areas
- Establish project groups to build partnerships, make plans and take action to progress community goals and aspirations
- Partner with community groups and organisations/agencies and key local, regional and national stakeholders to help us meet our goals

We see ourselves as a 'Stewardship Group' which brings together the community and stakeholders to take action on the things that the community thinks are important for Rakiura's long-term sustainable future.

Who is part of Future Rakiura?

Part of what we're doing going forward is considering our governance structure. For now, the inaugural Future Rakiura group is made up of the following people.

Josephine Shepard (co-leader)	j.shepard237@gmail.com	Rakiura Herzhoff (co-leader)	r.herzhoff@hotmail.com
Mel Miller	Mel.miller@hotmail.com	Kylie Bakker	Kylie.bakker@gmail.com
Cherie Hemsley	Cherie.hemsley@hotmail.com	Charlotte Jenkinson	Samcha.jenkinson@gmail.com
Mary Chittenden	Chittenden05@xtra.co.nz	Kirsten Hicks	Kirsten.hicks@southlanddc.govt.nz
Bridget Carter	bridget.carter@southlanddc.govt.nz	Sam Jenkinson	Sam.jenkinson@yahoo.co.nz
Margaret Hopkins	Margandcolin@xtra.co.nz	Bruce Ford	Bruce.ford@southlanddc.govt.nz
Gwen Neave	gwenneavenz@gmail.com	Stuart Newton	Stuart.newton@police.govt.nz
Jill Skerrett	Jillskerrett417@hotmail.com		

How Future Rakiura differs from the Community Board

The Stewart Island/Rakiura Community Board is an entity under the Local Government Act and is bound by the same rules as Council. It is the link between Council and the community, and it has a mandate to focus on relevant and timely management of Council assets and services for the island. The community board represents and supports our community's interests and connects us with the wider Southland District.

Future Rakiura is different in that it is community-led and independent of Council. In essence it will work with a wide range of people and organisations to progress issues/opportunities for Stewart Island/Rakiura's future that have been identified by the community. Locally established project groups will decide priorities and what action to take.

We plan to work very closely with the Stewart Island/Rakiura Community Board and see them as a key partner in our work.

What we've done to date

We're at the very early stages of forming Future Rakiura and we're keen to get community input as we continue!

So far, we've developed:

- A name – Future Rakiura
- A vision – ensuring a bright, sustainable future
- A purpose – to connect and support the Rakiura community to navigate towards our sustainable future
- Values – Kaitiakitanga -guardianship and protection
 Manaakitanga – leading with moral purpose
 Humility, Resilience, Self-determination, Integrity
 Honesty, openness, transparency, inclusiveness
- Project areas (from the 2018 Consultation report)

Development	Working together for managed growth and a sustainable future
Community	Strengthening community connectedness, cohesion and communication
Environment	Preserving our pristine environment for future generations

We've elected Josephine Shepard and Rakiura Herzhoff to co-lead our group and we're meeting with key stakeholders on and off the Island.

And we're organising the hangi on Waitangi Day to bring our community together!

What we're planning to do?

We will work hard to engage/consult/involve the Stewart Island/Rakiura community in Future Rakiura.

We will establish project groups to progress thinking and planning in our project areas – made up of locals/local groups and organisations and other key organisations.

We will develop strategic partnerships with local groups/organisations and with key local, regional and national stakeholders that can help us plan for a sustainable future.

We will develop plans and take action to help us plan for a sustainable future for Stewart Island/Rakiura.

How you can you get involved?

Express interest in joining a project group – let one of the Future Rakiura group know you're keen/or signup at the Hangi!

Join the Facebook page to be kept up to date and to provide feedback/comment – sign up at the hangi!

Come to a public meeting being planned for March 26th at the recreation centre to hear more!

Appendix 4: Hangi flyer



Appendix 5: COVID-19 Survey Summary



Stewart Island Community Board Outcomes

Vision: Stewart Island *Rakiura* is a connected community, that manages growth and has a sustainable future

During 2018 a community consultation took place on Stewart Island *Rakiura*. The community told us what they loved about Stewart Island *Rakiura* and what they saw as weaknesses and challenges and what opportunities they saw for Stewart Island *Rakiura* going forward.


A workshop was also held on the island in 2019 with the Stewart Island *Rakiura* Community Board.

Five main themes emerged from the consultation:-

- 1. A cohesive and connected community, recognising that many of our ratepayers don't reside on the island full-time**
- 2. A community that has fit for purpose, sustainable infrastructure**
- 3. A community that plans for it's future – recognising it's unique challenges and opportunities**
- 4. Kaitiakitanga- guardianship and protection of Stewart Island's pristine natural environment**
- 5. A community that has a strong voice and that holds agencies and organisations accountable for doing what they say they will**

1. A COHESIVE AND CONNECTED COMMUNITY, RECOGNISING THAT MANY OF OUR RATEPAYERS DON'T RESIDE ON THE ISLAND FULL-TIME

Those who live on, or have with ties to Stewart Island *Rakiura* all have something in common – they love the special place that it is. Roughly half of all ratepayers don't live permanently on the Island making communication and engagement around community priorities a challenge.



How can we create a cohesive community and connect and communicate better with all our ratepayers and residents?

Community ideas

1. Better connection and communication from the Community Board and Council

The community see an opportunity for better communication and engagement with residents on and off the Island. The wider Stewart Island Community are interested in regular updates about key issues, work planned and priorities for Stewart Island *Rakiura* from the Community Board and the Council.

2. Community activities and events – some that include tourists

Planned community events and planned activities will bring people together – both those who live on the Island permanently and those who don't. Bringing people together will continue to build on the sense of community and the love of Stewart Island *Rakiura* by all who live or visit here. Islanders were keen to also explore ways to engage tourists especially in environmental projects on the Island.

3. Engagement with our young people

There is a desire by the community to engage more with young people and get them more involved in projects on the island to give them confidence to participate and develop their interest in their community.

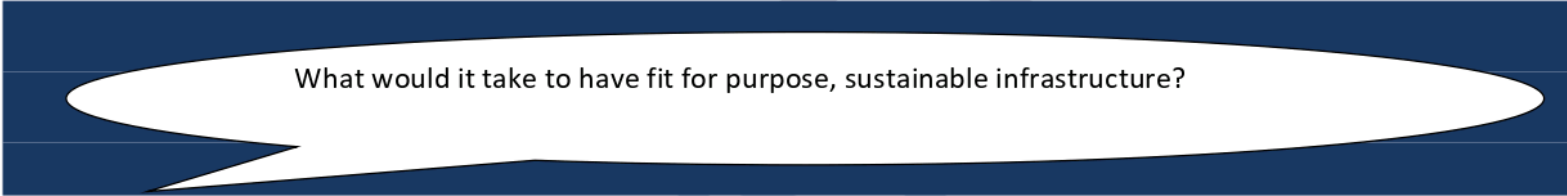
ACTION PLAN

Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Better connection and communication from the Community Board and Council	Regular Council/Community Board column in SIN from the Stewart Island <i>Rakiura</i> Councillor & Community Board Chair Quarterly update on key issues, work planned and priorities on the back of the Powerbill	Work with SDC Community Partnership Leader to progress regular communication with Stewart Island <i>Rakiura</i> residents and ratepayers	Stewart Island <i>Rakiura</i> Councillor Community Board Chair Southland District Council <ul style="list-style-type: none"> Community Partnership Leader Communications team 	
	Better relationship with Council	Stewart Island Board Chair and Stewart Island <i>Rakiura</i> Councillor to work closely together to ensure there is a joined up approach to Island issues	Stewart Island <i>Rakiura</i> Councillor Community Board Chair Southland District Council Community Partnership Leader	
Community activities and events	Support community events that focus on building and strengthening community cohesion	Provide financial support through the Community Partnerships fund for community events that bring people together	All Stewart Island <i>Rakiura</i> community groups/organisations/ Individuals Southland District Council Community Partnership	

			Leader	
	Support the development of a community events calendar	Provide financial support through the Community Partnerships fund to develop a community event calendar and keep it up to date	Seek expressions of interest from within the community to develop a community event calendar Southland District Council Community Partnership Leader	
Engagement with our young people	Guidance, training and support for leadership development especially for young people	Advocate for the Leadership Academy to be available on Stewart island <i>Rakiura</i> bi-annually at low/no cost	Future Rakiura Southland District Council Southland Chamber of Commerce	
	Identify ways to engage young people in the community	Work with Future Rakiura to develop ideas to engage with young people	Future Rakiura Southland District Council Community Development team	

2. A COMMUNITY THAT HAS FIT FOR PURPOSE, SUSTAINABLE INFRASTRUCTURE

Stewart Island *Rakiura* is a unique environment with 28 kms of roads, 280 km of walking tracks and 6 wharves. In addition 440 consumers are connected to Stewart Island's electricity supply which is owned and managed by the Stewart Island Electrical Supply Authority (SIESA). Having environmentally friendly, sustainable and fit for purpose infrastructure is seen by the community as essential and a top priority for residents and ratepayers on Stewart Island.



What would it take to have fit for purpose, sustainable infrastructure?

1. Wharves that are fit for purpose, safe and well maintained

The community knows that the wharves are critical to those who live on and visit Stewart Island *Rakiura*. They are to them what bridges and roads are to people who live on the mainland. It's essential that there is a long-term plan for the wharves maintenance and replacement to effectively manage Stewart Islands sustainability.

2. Renewable sustainable affordable energy source that fits with our environmental principles

The community rates electricity as the number one barrier to living on Stewart Island *Rakiura*. It is expensive and the current diesel generation is not seen as sustainable and does not fit with the community's environmental values. It is also seen as a barrier to attracting new businesses to the Island. Islanders would like to see alternative power sources to continue to be explored and pursued.

3. Enough affordable housing on the Island

The Stewart Island Community indicated that there are little to no rentals available on the Island for workers, both long term and seasonal. They also acknowledge that short term rentals provide visitor accommodation that brings business to the Island. The community would like a comprehensive plan that recognises these challenges and that finds sustainable solutions.

ACTION PLAN

Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Wharves that are fit for purpose, safe and well maintained	A long-term plan for wharf ownership, management, maintenance and replacement	Work with key stakeholders to develop a long term wharf management plan Advocate for a sustainable funding model for the ongoing maintenance and replacement of wharves on Stewart Island	Southland District Council Enviornment Southland Ulva Island Trust Hunter Family DOC	
	Urgently make Ulva Island/Golden Bay wharves safe and fit for purpose	Work with key stakeholders to develop an urgent plan of action	Southland District Council Enviornment Southland Ulva Island Trust Hunter Family DOC	

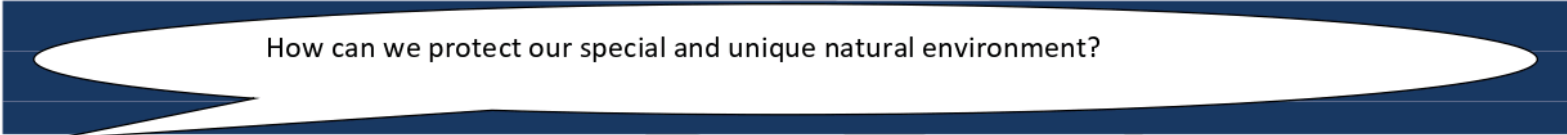
Renewable sustainable affordable energy source that fits with our environmental principles	Islanders would like to see alternative electricity sources to continue to be explored and pursued.	Continue to pursue alternative electricity sources Annual review of progress and report back to community on action/next steps	Southland District Council SIESA MBIE	
Enough affordable housing on the Island	The community would like a comprehensive plan that recognises the housing/accommodation challenges on Stewart Island	Advocate for a report that summaries factual information about Stewart Island's unique housing/accommodation situation Be aware of the work of the Southland Housing Action Forum and look for opportunities to ensure that Stewart Islands unique situation is considered	Southland District Council Southland Housing Action Forum	
	Lack of subdividable land on Stewart Island is an issue – a review of the Fiordland/Rakiura zone should be considered	Advocate for a review of the Fiordland/Rakiura zone	Southland District Council DOC	
Well maintained and effective stormwater system for the Island	Community needs to report any issues with their stormwater to Council	Working with relevant Council departments to ensure that the stormwater system is being maintained and it is fit for purpose for the future	Southland District Council	

Strategy for footpaths on the Island	Ensuring that walking around the Island is safe	Advocate and work with relevant council departments for an overall strategy with regards to footpaths on the Island	Southland District Council	
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DRAFT

3. Kaitiakitanga- guardianship and protection of Stewart Island's pristine natural environment

Stewart Island *Rakiura* has a special and unique natural environment. The community is fiercely passionate about the influence that nature has on all facets of Island life and protecting this environment for future generations. The community would like to see any development to be in harmony with the environment and for there to be responsible management of the Island's resources.



How can we protect our special and unique natural environment?

1. Stewart Island leading the way in ecotourism, conservation and sustainability

Stewart Islanders would like to have a managed approach to the Islands future development, protecting those things that make Stewart Island *Rakiura* special. They believe there is an opportunity for Stewart Island Rakiura to lead the world in ecotourism, conservation and sustainability.

ACTION PLAN

Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Stewart Island leading the way in ecotourism, conservation and sustainability	<p>Stewart Islanders would like to have a managed approach to the Islands future development, especially protecting the Island's unique environment.</p> <p>The community would like Stewart Island <i>Rakiura</i> to lead the world in ecotourism, conservation and sustainability.</p>	<p>Support conservation and sustainability initiatives on the Island through the Community Partnerships Fund</p> <p>Support and encourage further understanding of and the development of best practice eco-tourism on Stewart Island</p>	<p>SIPA</p> <p>Predator Free Rakiura</p> <p>SIRCET</p> <p>RMLT</p> <p>Rakiura Marine Guardians</p> <p>Mamakau Point</p> <p>Other environmental groups on the Island</p> <p>Local Tourism operators</p> <p>Local business owners</p> <p>Southland District Council</p> <p>Great South</p> <p>DOC</p>	

4. A community that plans for it's future – recognising it's unique challenges and opportunities

Stewart Islanders want Stewart Island to have managed growth and a sustainable future. They want to actively plan for future opportunities and realities. These realities include a declining population overall, an ageing population, a declining youth population and a 17% decrease in businesses since 2013. This community has in the past, very successfully, worked together to develop future focused plans and they want to continue to work proactively in partnership with central, regional and local government and other agencies/organisations to plan for the future they want.

1. Future focused planning

Support and encourage community led future focused planning, promoting a collective vision and a collective voice on the Island. Advocate for Stewart Island priorities with key stakeholders

2. Future challenges and solutions

Seek to understand the challenges that face Stewart Island and support collaborative conversations that find solutions

3. International Dark Sky Sanctuary

Ensure Stewart Island has a plan in place that delivers an exceptional visitor experience for the International Dark Sky Sanctuary

How can we secure Stewart Island's future so that growth is managed, and the Island has a sustainable future?

ACTION PLAN

Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Future focused thinking, discussions,	Seek to understand the challenges that face Stewart Island (economic, social, cultural and environmental) and support collaborative conversations that seek to	Work with, and support Future Rakiura to lead future focused planning on Stewart Island Actively work with Future Rakiura to develop a plan	Future Rakiura Groups/Organisations on and off the Island	

planning and action	<p>find solutions</p> <p>Support and encourage community-led future focused planning that will capture a collective vision and a collective voice on the Island.</p> <p>Advocate for Stewart Island priorities with key stakeholders.</p>	to engage the community in wide-ranging discussions about future challenges and solutions	<p>SIPA</p> <p>Ngai Tahu</p> <p>Iwi</p> <p>SDC</p> <p>Chamber of Commerce</p> <p>MBIE</p> <p>DIA</p> <p>MPI</p> <p>RMLT</p> <p>RMG</p> <p>Local Business owners</p> <p>Great South</p> <p>Environment Southland</p> <p>Police</p> <p>MOH</p> <p>MSD</p>	
Support the development of a Dark Sky Sanctuary	That the Island has a holistic plan to maximise opportunities of being awarded the International Dark Sky Sanctuary status	<p>Support the development of a wide-ranging plan for the Dark Sky Sanctuary that considers</p> <ul style="list-style-type: none"> • Visitor experience 	<p>Great South</p> <p>SIPA</p> <p>Future Rakiura</p>	

Strategic Plan		<ul style="list-style-type: none">• Expected numbers and requirements• Extension of the season and what that means	Tourism operators on the Island	
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5. A community that has a strong voice and that holds agencies and organisations accountable for doing what they say they will

This is a proud and passionate community that is resilient and capable. Sometimes they feel like their voices are not heard or that others speak on their behalf without including them. They see there is an opportunity to have constructive, productive relationships with agencies and organisations to progress Stewart Island priorities.

1. Seek to collaborate more with people on and off the island.

Stewart Islanders are passionate about their community and want to be informed and involved in decisions that affect them. They are keen to see more collaboration and opportunities to develop trusted and beneficial relationships and partnerships with key stakeholders off the Island.

How can we develop good working relationships and strengthen our 'voice' with Council and other agencies/organisations?

ACTION PLAN

Objective	Community ideas for action	Stewart Island <i>Rakiura</i> Community Board actions	Partners	Timeline/Measures
Seek to collaborate more with people on and off the island	The community would like their community board to strengthen it's relationship with Council and Central Government so issues are understood, discussed and debated.	Identify key agencies that the Community Board could have collaborative relationships with that would benefit the Island	Stewart Island Councillor SDC – Community Partnership Leader MBIE Department of Internal	

	They'd also like to be kept up to date with key issues being discussed, how decisions are made and progress on decisions	Community Board Chair and Stewart Island Councillor to work together closely on Stewart island priorities Regular communication in SIN and on the back of the power bill	Affairs Future Rakiura Great South Stewart Island Councillor Stewart Island Community Board Chair SDC – Community Partnership Leader Stewart Island Councillor Stewart Island Community Board Chair SDC – Community Partnership Leader	
	The community are keen to see more collaboration and opportunities to develop trusted and beneficial relationships and partnerships with key stakeholders off the Island.	Annual report back to the community on relationships made and work in partnership with agencies off the Island	Stewart Island Councillor Stewart Island Community Board Chair SDC – Community Partnership Leader	

What are the strengths of Stewart Island? Our unique and special environment, our caring people and sense of community and our ability to adapt to changing circumstances

Our people value:

Community spirit	Our beautiful and unique environment	The resilience of the community	
Why? Caring big family WE really do know our neighbours Great place to grow up Community values	Why? Unique natural environment Wildlife, flora and fauna Ulva Island Beautiful beaches The peacefulness Not being overrun by tourists	Why? Ability to adapt to changing economic base We look out for each other Self-sufficient and strong community	

Things people mentioned:

Our school
The community centre
The Library and Service Centre
The Heritage Centre
Our emergency services - Police, Fire, Ambulance
The many volunteers on the Island who make a difference

What are the weaknesses and challenges of Stewart Island?

Our people would like to: have more control over the future of Stewart Island, encourage young people to become more involved in the community, having living standards that are attainable for all

Things people mentioned:

Housing/Accommodation shortage/availability
Maintenance/replacement of wharves
Fuel Prices
Cost and delivery of diesel generated power
Future economic sustainability
Business establishment and retention
Retaining families on the Island
Too many volunteer committees – amalgamate some perhaps
Gettign young people involved in decision-making
Better relationship with Council
The way decisions are made
Communion and involvement with all residents/rate payers

Appendix F



Southland Regional Development Agency

143 Spey Street, PO Box 1306, Invercargill 9840, Southland, New Zealand
Phone +64 3 211 1400 Email info@greatsouth.nz

greatsouth.nz



30 April 2021

To Whom It May Concern,

**Re: Regional Tourism Organisation Support for Rakiura Stewart Island TIF Applications
(Ulva Island Wharf Upgrade and Observation Rock Viewing Platform)**

Great South is writing to support the TIF applications being submitted in April 2021.

Great South is the regional development agency responsible for business, events, tourism and community development in Southland. Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland and encourage the region's overall wellbeing and success.

As an agency that is supported by the Southland District, Invercargill City and Gore District Councils, the region's two Regional Tourism Organisations (RTOs) operate out of Great South – Visit Fiordland and Visit Southland. These two RTOs promote and market Southland and Fiordland and more recently have supported businesses navigate through the impacts of COVID-19.

Rakiura Stewart Island is a jewel in our crown and on many people's bucket lists. It is the third largest island in New Zealand, with approximately 85% of the island forming Rakiura National Park. The island has an unspoiled natural environment and is home to an array of unique and endangered wildlife. It has a deep cultural history and was recently awarded International Dark Sky Sanctuary accreditation.

The Island has a resident population of around 400, yet hosts 43,000 visitors each year, making tourism one of its largest industries. Considering COVID, the Island has remained extremely busy with approximately 5,000 visitors per month (which will result in visitation around 35,000 people for the year if this continues and accepting a quieter time in shoulder and off-peak times).

Infrastructure has been struggling to cope with increased visitor numbers pre and post COVID and this has been impacting the overall visitor experience. The challenge of course is the very low rate payer base which is responsible for the costs of a significant number of visitors.

Altogether, Southland Murihiku has 2 national parks and soon to be 4 of the 10 Great Walks. There is increasing connectivity between these as people seek to experience all of these places. It is important to acknowledge that what happens in Rakiura Stewart Island has a flow on affect for the rest of Southland and the wider Otago region. It is a draw card attracting many visitors at the moment and will continue to be so with forward bookings looking very strong. It is an important part of the overall regional recovery of tourism in Murihiku.



Southland Regional Development Agency

143 Spey Street, PO Box 1306, Invercargill 9840, Southland, New Zealand
Phone +64 3 211 1400 Email info@greatsouth.nz

greatsouth.nz

In recent times, Great South has been promoting the southern gateway of Invercargill in order to access Fiordland, Rakiura and the rest of southern New Zealand. Some of our visitor insights indicate that a quarter of all people who visit Rakiura Stewart Island actually also visit Fiordland. This is a key focus for us to continue to promote in order to encourage regional dispersal of visitors as the New Zealand Aotearoa Government Tourism Strategy.

Improved Visitor Infrastructure is Essential

Alongside DOC, central government and a number of tourism stakeholders, Great South facilitated the development of the Southland Murihiku Destination Strategy in late 2019. This important framework which is a destination management plan, sets out the priorities for developing tourism in our region in a sustainable manner and alongside our people and our place. One of the five key pillars was associated with infrastructure and the need for it to be fit for purpose in order to protect and enhance the natural environment (flora, fauna and wildlife) as well as enhance the visitor experience. Rakiura Stewart Island was an area identified as requiring improved visitor infrastructure alongside the significant product development opportunities possible.

Great South is aware of the need to upgrade infrastructure in Rakiura Stewart Island as reflected in these TIF applications. This will address previous impacts caused by significant volumes of visitors (international and domestic) as well as assist with the future proofing the resilience of tourism.

With this in mind, Great South fully endorses these applications.

Please do not hesitate to contact me for further information.

Yours faithfully,



Great South
GM Tourism & Events



28 April 2021

Tourism Infrastructure Fund
Ministry of Business, Innovation & Employment
15 Stout Street
Wellington 6011

Letter of Support – Ulva Island Wharf - Stewart Island/Rakiura Community Board

I am writing in support of Southland District Council's application to the Tourism Infrastructure Fund for the Ulva Island Wharf project.


The Stewart Island/Rakiura Community Board is comprised on six elected members from Stewart Island Rakiura as well as our local district councillor. We are the formal voice of our island community to Southland District Council.

Ulva Island is a highly valued asset to Stewart Island for the unique experience it provides to visitors. Its pristine predator-free forest is home native flora and fauna including kiwi and other rare and endangered birds. Ulva Island is serviced by a number of operators who provide transport to and from the island, guided tours, and other visitor experiences.

The Stewart Island/Rakiura Community Board has been aware of its declining state for a number of years. However, its condition is now at the point where it is in urgent need of replacement to ensure visitor safety and to continue visitor access to Ulva Island.

We as a community board see the replacement of Ulva Island wharf as a priority for our community to ensure the Ulva Island experience continues to be available to visitors to our island.

Yours faithfully



Jon Spraggon

Chair – Stewart Island/Rakiura Community Board

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
sdc@southlanddc.govt.nz
southlanddc.govt.nz



28 April 2021

Southland District Council
PO Box 903
Invercargill 9840

TO WHOM IT MAY CONCERN

Stewart Island Promotions (SIPA) full supports the ongoing development and rebuild of the Ulva Jetty.

Most visitors to Stewart Island at some stage visit Ulva Island to experience seeing kiwi, the abundant birdlife, and walking the tracks around a predator free island.

The rebuild of the Ulva Jetty would enhance the visitor experience.

Yours Sincerely

Aaron Joy
CHAIRMAN
Stewart Island Promotions

Stewart Island Promotion Association

PO Box 90, Stewart Island 9846 | Email: promotion@stewartisland.co.nz | Web: www.stewartisland.co.nz



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



TOURISM INFRASTRUCTURE FUND

Application Form

April 2021

Tourism Infrastructure Fund

Completing this form

This form is designed to be completed in association with the 'Guidance for Applicants' document. If you need any assistance with completing this form, please contact the TIF secretariat on tif@mbie.govt.nz.

Please complete the form in full, and submit it electronically to tif@mbie.govt.nz. Completed proposals must be received by the TIF secretariat no later than 5pm on the deadline date. All deadlines are available on the TIF website and are subject to change.

MBIE reserves the right to accept late proposals in the following situations:

- if it is MBIE's fault that the proposal was received late
- in exceptional circumstances, where MBIE considers that there is no material prejudice to other applicants. MBIE will not accept a late proposal if it considers that there is risk of collusion on the part of an applicant, or the applicant may have knowledge of the content of any other proposal.

There is no scope within the TIF process to assess out-of-round applications (including for feasibility studies). Applications submitted to the TIF Secretariat between funding rounds will be returned to the applicant for resubmission at the next funding round.

Proposal checklist

Before you apply be sure to complete the following:

- ☐ Check the TIF website to ensure you have downloaded the most recent version of each document.
- ☐ Read the 'Guidance for Applicants' document available on the website.
- ☐ Read the supporting information on the TIF website

When filling out this form please ensure:

- ☐ All answers are typed into the space provided for each section in font no smaller than size 10 point.
- ☐ You provide the information required for each question. This is outlined clearly within the TIF 'Guidance for Applicants' document.
- ☐ You have read and understood the declaration details outlined in Section 4 and have signed the declaration.

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Once you have completed this form, email a copy to the TIF secretariat at tif@mbie.govt.nz and ensure that you attach any supporting information you wish to provide.

Note: There is a 20MB size limit for emails. For larger applications, please separate them into different emails.

Evidence

When MBIE assesses proposals against the eligibility and/or the assessment criteria, we will consider whether the evidence provided supports the claims, as well as the quality of that evidence. Where questions ask for evidence to support claims, it is highly recommended that you provide reference sources that attest the accuracy and quality of the evidence.

MBIE will assess the application using the information provided by the applicant.

Section 1: Eligibility and project overview

1.1 Eligibility checklist

Do you meet AT LEAST one of the eligibility criteria below:	
Annual tourism revenue in your territorial authority less than \$1 billion	<input checked="" type="checkbox"/> Yes
Visitor to rating unit ratio of 5 or more	<input checked="" type="checkbox"/> Yes
Local Government Finance Agency lending limits have been reached	<input type="checkbox"/> Yes
Project eligibility:	
Is your project for publicly-available infrastructure used significantly by visitors?	<input checked="" type="checkbox"/> Yes
Is your project for new facilities or enhancements?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not for the development of new attractions, accommodation or commercial activities?	<input checked="" type="checkbox"/> Yes
Have you ensured your project will not compete with local private commercial activities?	<input checked="" type="checkbox"/> Yes
Are you seeking co-funding of \$25,000 or more?	<input checked="" type="checkbox"/> Yes
Is your project financially sustainable?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not receiving NZTA funding?	<input checked="" type="checkbox"/> Yes
NOTE: If you do not answer 'Yes' to the project eligibility questions above, your project is unlikely to be eligible for TIF co-funding.	

1.2 Project overview

a. Is your project addressing a need that is current or anticipated?	<input checked="" type="checkbox"/> Current <input type="checkbox"/> Anticipated
b. Will your project deliver visitor benefits and also benefits to your local community?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
c. Is TIF co-funding critical to the project starting, happening sooner, or being of better quality [Tick all relevant boxes]	<input checked="" type="checkbox"/> Starting <input type="checkbox"/> Happen sooner <input type="checkbox"/> Better quality
d. Is your proposed co-funding the maximum you can commit to the project, and in monetary form only?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
e. Do you have certainty of land access over the expected life of the proposed infrastructure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f. Does your organisation have systems in place to ensure the proposed project complies with health and safety regulations? (You will need to demonstrate this prior to contracting)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
g. Do your procurement processes require all external contractors involved in construction projects to have valid health and safety processes/plans in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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Section 2: Proposal and applicant key details

Please enter answers in the right-hand column.

2.1 Proposal key details	
Name of project [A short title that describes your proposed project.]	Observation Rock – Viewing Platform Upgrade
Short description of proposed project to be co-funded	<p>Stewart Island/ Rakiura is the third largest island in New Zealand, with approximately 85% of the island forming Rakiura National Park. The island has an unspoiled natural environment and is home to a vast array of unique and endangered wildlife. It has a deep cultural history and was recently awarded International Dark Sky Sanctuary accreditation.</p> <p>The Island has a resident population of around 400, yet hosts 43,000 visitors each year, making tourism one of its largest industries (see Appendix A).</p> <p>Observation Rock is the most visited viewing platform on the island, receiving up to 20,000 visitors per year with further growth expected. However, the platform is not well suited to this level of visitation and is no longer fit for purpose. It has significant safety issues related to congestion at the site and its steep drop-off provides a fall risk to users.</p> <p>Observation Rock is also an ideal location for night sky viewing as it offers panoramic views and a view south over water, which is best for spotting the sought-after Aurora Australis. However, current safety issues at the platform mean it is not fit for use at night, meaning the island lacks a viewing location for astro-tourists visiting to experience the southern-most dark sky place in the world.</p> <p>The proposed upgrade to Observation Rock outlined in this application seeks to ensure that fit for purpose infrastructure is provided to meet current and future demand at the site, enhancing the experience for both visitors and the local community.</p> <p>Stewart Island/ Rakiura is a key destination for the Southland region and is strongly linked to Fiordland. Supporting dual visitation and developing both these iconic</p>

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	locations offers the ability to encourage a longer length of stay in the region.
Estimated total cost of project	\$198,250
Amount of TIF co-funding sought – this must exceed \$25,000 (excl. GST)	\$99,125
Is this a discrete project or a bundle of projects?	<input checked="" type="checkbox"/> Discrete project <input type="checkbox"/> Bundle of projects

2.2 Applicants' key details	
Applicant Organisation name	Southland District Council (SDC)
Applicant address, including postcode	P O Box 903, 15 Forth Street Invercargill 9840 www.southlanddc.govt.nz
Contact person	Cameron McIntosh
Job title or Role	Chief Executive Officer
Contact phone	0800 732 732
Contact email address	cameron.mcintosh@southlanddc.govt.nz
Contact postal address (including postcode)(if different to applicant address)	

Section 3: Project Description

3.1 Problem definition and need for additional infrastructure

3.1.1 Briefly describe the challenge(s) you are facing as a result of current or anticipated visitor growth that underpin this application. Where possible, please provide qualitative and/or quantitative evidence to indicate the scale of challenge(s).

Background – Stewart Island/ Rakiura

Stewart Island/ Rakiura lies at the southern tip of New Zealand and is our third largest island by land area. Approximately 85% of the island's 2000 square kilometres are included within the boundaries of Rakiura National Park, which was designated as such in 2002 making it New Zealand's newest National Park.

Stewart Island/ Rakiura boasts an unspoilt natural environment which includes lush rainforests, pristine beaches and waterways, and an abundance of native plants including the world's southernmost podocarps and hardwoods such as rata and kamahi. These can all be encountered on the island's 280km of walking tracks, which most notably includes the Rakiura Track, one of New Zealand's Great Walks.

The Island is also home to a rich array of native wildlife not readily found in other parts of New Zealand, particularly on the nearby predator free Ulva Island Te Wharawhara. A haven for birdlife, Stewart Island/ Rakiura boasts South Island Kaka, Weka, Kakariki, South Island Saddlebacks, little Blue Penguins, Yellow-Eyed Penguins and many other native species. The Island's kiwi population is also special, known as southern tokoeka, the Stewart Island / Rakiura kiwi sometimes feed during daylight hours and the island provides the best opportunity to see kiwi in the wild than anywhere else in the country.

Te Runanga o Ngai Tahu have a deep cultural, spiritual, historic, and traditional association with Stewart Island/ Rakiura. Te Punga o Te Waka a Maui, the original Maori name for the island, positions Stewart Island/ Rakiura firmly in the heart of Maori mythology. Translated as the Anchor Stone of Maui's Canoe, it refers to the part played by this island in the legend of Maui and his crew, who from their canoe (the South Island) caught and raised the great fish (the North Island). The more commonly known and used name however is Rakiura. Translated as 'the great and deep blushing of Te Rakitamaui' an early Maori chief, seen today as the glowing sunrises and sunsets of the Aurora Australia or Southern Lights.

The night sky above Stewart Island/ Rakiura is also one of the island's key features, with International Dark Sky Sanctuary status being awarded in early 2019. This makes the island the southernmost international dark sky place in the world, offering spectacular views of the Milky Way and one of the best chances to view the Aurora Australis on offer.

Visitor Growth

Tourism has become one of the dominant industries on Stewart Island/ Rakiura making it key to the island's economy, with the island's 400 residents receiving around 43,000 visitors per year (refer to Appendix A for full data on Stewart Island/ Rakiura visitation).

The Island has high biodiversity value and is a haven for people looking for nature, tranquillity and adventure. It is an increasingly popular destination for smaller expedition cruise ships focussed on nature tourism and attracts a high number of free independent travellers.

The inability of ratepayers to fund the infrastructure required for growing tourism was the basis of the Stewart Island Visitor Levy which was introduced in late 2013. This levy collects a fee of \$5 from each visitor to the Island and is used to support infrastructure projects. However, the levy falls short of the level required to fund the cost of major projects, which continue to require significant Council funding. This is particularly relevant as visitor numbers to the island continue to grow, with an increase of 47% from 2014 when the levy began, until 2019 (see Appendix A).

Observation Rock Viewing Platform

Observation Rock Viewing Platform is a must-do-stop for those visiting Stewart Island/ Rakiura. Only a 30-minute return walk from the centre of the Oban township, the platform offers a 270-degree view taking in Ulva Island/Te Wharawhara Marine Reserve, Paterson Inlet and Mt Hananui (deed of recognition site). Its view south and over water also provides one of the best outlooks possible for viewing the Aurora Australis and the southern night sky, a fact noted on the Lonely Planet website. A recent visitor survey conducted by Great South found that a high proportion of visitors head to Observation Rock at some point during their visit, equating to approximately 20,000 visitors per year (see Appendix A).

Impact of COVID-19

In contrast to many other parts of New Zealand, Stewart Island/ Rakiura experienced good growth in the months after the COVID-19 lockdown period. The Island has been a 'bucket list' destination for many New Zealanders who have taken the opportunity to visit and experience all the island has to offer, while they are unable to travel internationally. During the winter months visitor numbers to the island traditionally drop off, yet in the period from June to November 2020, in each month they were at the highest they have been since 2014 when recording began as a result of the Visitor Levy. In recent media The Department of Conservation noted a 26% increase in bookings on the Rakiura Track and Real Journeys noted a 40% increase in visitors to Ulva Island, observing that those who visit the island have stayed longer and undertaken more activities. Operators have anecdotally noted that the 'busy season' started around three months earlier and shows no signs of slowing down. Data from AirBnB supports this picture, with accommodation on the island operating at 94% capacity in recent months (Appendix A).

Anticipated Future Growth- Post COVID-19

Visitor growth on Stewart Island/ Rakiura is expected to continue once international borders open post COVID-19. New Zealanders have gained a newfound appreciation of their own country and the high number of domestic visitors heading to the island is expected to stimulate further demand from friends and family of those returning home as well as repeat visitation. Internationally, interest in New Zealand is also at a high level, the pandemic has been well managed and New Zealand is seen as a relatively 'safe' destination, with our freedoms continuing relatively normally beyond a short lockdown period.

Several key developments are also expected to bring increased growth to Stewart Island/ Rakiura. International Dark Sky Sanctuary accreditation was only achieved one year prior to the COVID-19 pandemic. In the first winter period post accreditation visitor numbers to the island increased by 17%, this is expected to continue exponentially as has been experienced on other dark sky

locations such as Aoraki Mackenzie. Guided tourism experiences have also launched since this time, meaning the night sky can be more easily promoted through trade channels.

Nearby Bluff, the port that is used to access Stewart Island is also going through a significant shift towards tourism with the development of the Bluff Motupōhue Tourism Master Plan. This Plan, developed by Invercargill City Council, Great South (Southland) Regional Development Agency), Te Runanga o Awarua and the wider community notes the significant future tourism potential of Bluff and outlines key projects planned. Stewart Island/ Rakiura will benefit from this development in Bluff as many visitors will also choose to experience the island.

Great South is also actively working on a collaborative project between the eight RTOs of the lower South Island which seeks to develop a network of touring routes throughout Otago and Southland. The project, which includes wayfinding strategy, analysis of existing product on offer and identification of gaps and opportunities to encourage greater visitor dispersal around the region, will give Southland more product and opportunities for self-driving tourists. Stewart Island/ Rakiura will be included within this network of touring routes.

Link to Fiordland

Stewart Island and Fiordland are strongly linked destinations within the Southland region. The two sub-regions are our most significant icons: both home to National Parks, Great Walks and havens for unique and endangered wildlife. Stewart Island/ Rakiura and Fiordland are both located on the Southern Scenic Route which has been named as one of the top self-drive routes in the world (Australian Traveller Magazine). They both have appeal to cruise markets, nature enthusiasts, trampers and dark sky enthusiasts. Stewart Island/ Rakiura is already an international Dark Sky Sanctuary and Great South is working with the Fiordland community to have Fiordland National Park accredited as the second largest Dark Sky Park in the world.

The key goals of the Southland Murihiku Destination Strategy 2019 -2029 are to increase visitor spend and length of stay in our region. Utilising touring routes and building linkages between our core destinations will be key to achieving these goals. This will be important going forward as borders remain closed and domestic visitors to the island can be encouraged to also experience Fiordland, and as borders reopen as the significant number of international travellers visiting Fiordland might also visit Stewart Island/ Rakiura. Linking these two destinations will also encourage further regional dispersal and less reliance on Queenstown for Fiordland, where many visitors travel through without staying overnight. The development of experiences and improved tourism infrastructure on Stewart Island/ Rakiura will help support this and build the Islands visitor capacity. Data showing the existing dual visitation of Fiordland and Stewart Island/ Rakiura can be seen in Appendix A.

Resulting Challenges

The significant visitor growth experienced on Stewart Island/ Rakiura, both pre COVID-19 and in the period after, has put increased and sustained pressure on key visitor infrastructure.

This has been the case for the Observation Rock Viewing Platform, which is the most visited of all viewing locations on the island, attracting around 20,000 visits per year.

Safety

The current platform is a patch of bare land at the end of a short walking track. It has no safety barriers with a steep drop off and the space available is insufficient to cater to the demand placed on its use by visitors and the local community. The issues of congestion and fall height are also key concerns of the Department of Conservation, who have identified these as issues under their risk management framework. As well as this, the platforms uneven surface can create a trip hazard.



Visitor Experience

Observation Rock is promoted as one of the key visitor attractions within Oban, the main township of Stewart Island/ Rakiura. However, the site is currently very basic, provides no information to support the visitor experience and, as noted above, offers insufficient safety for users. In the last two years the platform has further grown in significance, as the island has been awarded International Dark Sky Sanctuary status from the International Dark Sky Association. Significant media interest from all over the world has followed this accreditation, with the island becoming the southern-most dark sky place in the world and one of only 13 dark sky places in the southern

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hemisphere (there are 158 worldwide). This clearly positions Stewart Island/ Rakiura as a location of importance for global astro-tourism.

In order to share this story with visitors, Stewart Island/ Rakiura needs to provide key locations where the best views can be experienced. Observation Rock is an ideal location for night sky viewing as it offers panoramic views and a view south over water, which is best for spotting the sought-after Aurora Australis. However, the current safety issues at the platform mean it is not fit for use at night, meaning the island lacks a night-time viewing location.



Community Support

Stewart island/ Rakiura has a population of 400 residents, meaning the ratepayer base to support tourism infrastructure developments is low. The Stewart Island Visitor Levy goes some way to address this issue but is still significantly under the funding required for major projects on the island. The community is reliant on tourism, with it now being one of their major industries, yet many on the island still want to enjoy a slower pace of life and congested sites affect enjoyment of their place. If the congestion at Observation Rock is unable to be addressed this will likely have an impact on the local communities' perception of tourism, especially if continued growth forces the platform to be closed due to safety risks posed. The Observation Rock platform needs to be upgraded to make it fit for the visitation levels and usage it experiences both now and into the future.

3.2 Proposed Infrastructure

3.2.1 Briefly describe the infrastructure you propose to construct, and how it addresses the challenge(s) you have identified above. Please also list the other options considered and explain why the proposed project is fit-for-purpose and offers value for money.

The infrastructure this project proposes to construct is a complete upgrade of Observation Rock viewing platform on Stewart Island/ Rakiura (full plans in Appendix C). As noted above, Observation Rock is the most visited viewing platform on the island, largely due to its proximity to

the township of Oban. The current platform has significant safety issues which need to be addressed, is experiencing congestion and is now becoming a destination for night-time viewing with the island gaining accreditation as an International Dark Sky Sanctuary.

The upgraded viewing platform is to be 8m wide by 3m deep, and it will include a glass safety barrier with three interpretation panels. The plans for this proposed design can be found in the appendices attached. The platform upgrade addresses the key issues of congestion and fall height that have been identified at the site after a risk assessment was undertaken. The increased size means the platform can cater to 20 people at a time, more than twice the current capacity, and the fact that it will be level eliminates the trip hazard identified. The glass panels provide a barrier that protects against potential falls, all while continuing to provide 270-degree views of Ulva Island/ Te Wharawhara Marine Reserve, Paterson Inlet and Mt Hananui. With its new design, the platform also allows for safe viewing during the day and night, therefore allowing it to be a key location to view Rakiura's dark skies. Solar powered discs along the path to the platform are also being considered as these provide light on the path to support walking along it at night.

The interpretation panels included will further enhance the visitor experience, with themes based on the rich history of Stewart Island/Rakiura, highlighting its cultural background and explaining the significance of its highly acclaimed night sky.

Completing this project will enable Observation Rock to continue to be one of the key activities undertaken by visitors to Stewart Island/ Rakiura.

Other Options

Other approaches considered included the construction of a platform of a similar size to the existing footprint. This would have had a reduced cost but not been fit for purpose to cater to the large number of visitors using the site. Catering to the number of users is key to maintaining social license at the site due to the fact it is also well used by the local community.

Not installing a glass barrier was also an option considered but it was felt this was essential due to the safety risk that exists, and also due to the fact that the platform would be increasingly used at night. Utilising Observation Rock for night sky enthusiasts is significant as these visitors are expected to grow substantially, and the platform gives a night sky viewing option close to both the town centre and local accommodation providers. It also provides a potential location for future tourism operators sharing this story of the island.

The solution which offers the best value has been considered and cost has been reduced using a design that enables components of the work to be constructed off-site before final assembly. Local builders will be used and the construction is expected to take 1-2 months at the end of the peak summer period.

Future Management

The Department of Conservation and Council are partnering together in regard to this project. A key first step will be formalisation of the agreed process forward through a partnership agreement or MOU (Milestone 1). (Appendix D indicates DOC's intent to assume responsibility for the management of this asset)

The Department of Conservation will register the new asset under its (AMIS) asset management integrated system framework. This sets up ongoing plans for the asset which includes inspections and maintenance. The Stewart Island/Rakiura Conservation Strategy will ensure the asset will also be managed under the Department of Conservation outcomes for the place. This will allow for public use/access and managed concession activities at the site.

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3.2.2 Please demonstrate that the proposed project has the support of the local community (e.g. has gone through some type of consultative process), and has support from the local economic development agency or regional tourism organisation.

Please Note: During the project recipients will be asked to keep the Ministry aware of any subsequent consultation process which could result in the project either not proceeding or requiring significant change from the original proposal.

The proposed upgrade of Stewart Island's Observation Rock platform aligns with a range of regional plans:

Southland Regional Development Strategy 2015 - 2025

The Southland Regional Development Strategy aims to significantly increase tourism revenue by 2025 and use 'natural and cultural assets' to help attract people and grow the population. Upgrading Observation Rock so it can continue to be used safely and at night will ensure it continues to be a key visitor asset on Stewart Island. It is also a location well used by families, schools, community groups to explore the area and be active in a natural setting.

Southland Murihiku Destination Strategy 2019-2029

The Southland Murihiku Destination Strategy was developed through a process of extensive consultation, including many interviews, workshops and discussions, surveys completed by more than 390 people with an interest in Southlands future, as well as detailed research and analysis. The resulting document is a blueprint for the future, which will enable Southlands visitor economy to grow with alignment to a variety of social, cultural, infrastructural, and environmental considerations.

The key goals within the Strategy are to increase visitor length of stay and to increase visitor spend to \$1b by 2025 and \$1.45b by 2029. This has been reassessed considering COVID-19. Several priority projects were identified to support achieving these goals, including the development of night sky experiences on Stewart island/ Rakiura. Dark sky tourism is growing rapidly worldwide as the ability to view the night sky in many countries is now diminished. This is a key opportunity for tourism in Southland due to our low population and light pollution levels. The ability to utilise Observation Rock for night sky viewing by having it made safer and fit for purpose is central to this

Conservation Management Strategy and Rakiura National Park Plan 2011 – 2021

The Oban/Paterson Inlet area is central to achieving the integrated management of conservation lands readily accessible to the community and visitors. The area provides the opportunity for recreational and tourism activities that showcase and explore the island's unique historical, cultural and natural values. A relatively high number of visitors can be catered to and concessionaire use is encouraged, provided it complements the intrinsic values and visitor experience of the place. Observation Rocks location within this area makes it a central asset to both the community, visitors and operators.

Stewart Island Community Board Plan 2020-2023

During 2018 extensive community consultation, involving workshops and focus groups, took place on Stewart Island/ Rakiura. Throughout this process the community shared what they loved about

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the island, what they saw as weaknesses and challenges, and the opportunities they saw for Stewart Island/ Rakiura going forward.

In 2019 the Stewart Island/ Rakiura Community Board used this feedback from the community to conduct their own workshop to develop a vision for Stewart Island/ Rakiura's future (see Appendix E). This included key outcomes and an action plan. The overarching vision was that 'Stewart Island Rakiura is a connected community, that manages growth and has a sustainable future'.

Several of the key themes that underpin this vision are relevant to the upgrade of Observation Rock. Those most applicable are:

- *'A community that has fit for purpose, sustainable infrastructure'*
- *'A community that plans for it's future – recognising it's unique challenges and opportunities'*

Within the second key theme a specific action is to 'Ensure Stewart Island/ Rakiura has a plan in place that delivers an exceptional visitor experience for the International Dark Sky Sanctuary'. The upgrading of the Observation Rock platform is central to achieving this outcome.

Other key stakeholders have also indicated their support for the project and drafted letters of support for its completion (see Appendix F).

- Stewart Island Promotion Association (SIPA)
- Stewart Island/ Rakiura Community Board
- Great South – Southlands Regional Development Agency and Regional Tourism Organisation (RTO)

3.2.3 List all the benefits that you expect will flow from your proposed project (focusing particularly at the visitor benefits).

There are many benefits expected to flow from the upgrade to Observation Rock viewing platform.

Safety Benefits

- Fall risk mitigated – addressing this risk is one of the major benefits of this project. The current viewing area is flattened ground at a high vantage point which has no protective barrier. Adding glass safety barriers will make the site safe for visitors.
- Day and night use – By installing glass barriers, Observation Rock viewing platform can safely be used by visitors and locals during the day and night. Currently no platforms or viewing locations on the island can be promoted for use after dark as they have not been created with this intention in mind. The upgrades to the platform in terms of safety will mean this becomes a viable use, allowing the site to become a key location for night sky viewing. This is key attraction for the Island since it became an International Dark Sky Sanctuary in 2019.

Improved Visitor Experience

- Site capacity – the upgrade of the Observation Rock viewing platform will make the site larger, allowing it to cater to an increased number of visitors at any given time. This means the current issues with congestion that can be experienced are mitigated and the overall visitor experience is improved.
- Interpretation panels – including these at the site are a significant benefit of the upgrade, as there is currently no information on display and the majority of visitors are unguided. The three panels planned will give visitors an overview of what they can see from the site,

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information on the Dark Sky Sanctuary and share the cultural story of Rakiura. The focus on the night sky story will make it the only place on the island where interpretation covering this story is shared.

- Many visitors may be interested in viewing the night sky from a safe location with a good viewpoint, which the proposed upgrade to Observation Rock would make a reality. By being able to cater to larger groups it also means visitors may be able to visit as part of a guided group tour should an operator utilise this opportunity once the upgrade is complete.
- Improved visitor appeal –by upgrading Observation Rock and adding interpretation the overall standard of the site will improve. Developing key visitor locations like this site builds the reputation of Stewart Island/ Rakiura as a high-quality visitor destination, increasing its appeal to both domestic and international markets.

Local Experience

- Shared use of site – tourism has, and continues to provide, significant growth for Stewart Island/ Rakiura. For this to continue in a sustainable way and maintain social license of the island's visitor industry, locals need to have their experience of the island preserved. By increasing the site size and improving its overall appeal, it can continue to be a positive location for locals and community groups to use, as well as visitors.
- The interpretation added at the site allows new stories in relation to Stewart island/ Rakiura to be told. These may not be so familiar with all locals and can be a key tool in educating local children. The Dark Sky Sanctuary is an excellent example of this.
- Operator opportunities – making Observation Rock fit for purpose, safe, and of a larger size means it can become a key site for potential guided experiences on the island. Dark sky tourism operators can safely take groups there at night, providing an ideal location for viewing. This gives further support to those who are looking to diversify their products and experiences to meet new markets.

3.3 Funding the project

3.3.1 Briefly describe the current financial situation of your organisation and why TIF co-funding is required for the proposed project.

To support your application, please provide the following information:

- How the proposed project will be funded if TIF co-funding is not received (from debt, cash flow, or some other source)
- If funded from rates, what will be the impact be on ratepayers? Will the impact be on a specific group or general ratepayers? If this will impact on a specific group, please identify the financial impact and which group this will be.
- Brief analysis of the Council's unallocated reserves (what are these, forecast levels, and proposed use over the period of the LTP)

Southland District Council Position

On paper Southland District Council has a strong financial position with \$1.58 billion in net assets on its balance sheet as at 30 June 2020. However, the majority of this value is associated with infrastructure assets that are not easily realisable on the open market (roads, water, wastewater and stormwater) totaling \$1.57 billion. Council's actual cash position is in the order of \$11 million but that is needed to maintain cash flow between rates installments.

Southland District Council has \$41.8 million of reserves at 30 June 2020. A significant portion of these reserves are held for a community or specific asset class. These funds have predominately

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been loaned to our communities by way of internal loans to assist with asset development across the district.

Council has three general reserves with a balance of \$11.3 million at 30 June 2020. The interest income from one of these general reserves (\$8.5 million) has traditionally been used to offset the roading rate, this is due to the reserve being created when the roading operation was sold. However, as part of the draft long-term plan 2021-2031 it is proposed that part of these funds will be used to fund some of the increased roading capital programme in the first four years. The expected balance at the end of 2030-31 is \$4.2 million.

The other two reserves have a total balance at 30 June 2020 of \$2.8 million and are intended to provide coverage in the event of unexpected costs (including a natural disaster). These two reserves are forecast to be \$2.7 million at the end of 2030-31.

(refer to Appendix G for 2019/ 2020 Southland District Household Rates Affordability Table)

Observation Rock Platform Upgrade

Observation Rock is situated at the end of a short track within Scenic Reserve land which is managed by the Department of Conservation. The supports for the proposed platform structure are to be located on a Road Reserve area which is managed by Southland District Council. This application is being made by Southland District Council, who are working closely with the Department of Conservation to facilitate this project.

The Territorial Authority of Southland District Council is identified as having a low ratepayer base, large geographic area and it is disproportionately affected by visitor growth. This is particularly evident on Stewart Island/ Rakiura where the resident population sits at 400, yet the island receives approximately 42,000 visitors per year. This equates to around 105 visitors per resident each year, reflective of significant growth that has been experienced and that which is expected to continue. The infrastructure created for the resident population on Stewart Island/ Rakiura is not fit for purpose with consideration to the number of visitors the island receives, and the cost is unable to be covered by its small permanent population. As a result, the Stewart Island Visitor Levy was introduced in 2013. Council has worked with the local Community Board to secure the co-funding required for this project from the Visitor Levy, totalling \$80,000.

Great South will contribute towards the interpretation materials including lighting as this is a significant site for development of Dark Skies as a regional offering in Southland Murihiku. Their contribution will be \$9,000.

TIF co-funding for the project is required as other parties are unable to contribute further. The Visitor Levy is also focussed on supporting the urgent upgrade of Ulva Island and Golden Bay Wharves and the Department of Conservation has been unable to offer financial support due to the limited level of funding they currently have available for capital investment. However, the Department will provide significant support on an 'in kind' basis, with staff time focussed on project management and other tasks in relation to the project.

If TIF funding for this project is unable to be provided it is unlikely the project will be able to continue and other options may need to be considered such as closing the platform for the foreseeable future due to the risk it poses to visitor safety. This would mean the Island loses a significant attraction well used by visitors and locals and a focal point of night sky viewing, one of the islands significant visitor pillars as a result of International Dark Sky Sanctuary status being awarded.

3.3.2 Describe what alternative sources of funding were explored before this co-funding request was made.

Funding for the Observation Rock platform upgrade was sought from a variety of other sources prior to this application being made. The Department of Conservation were unable to find the extra funding from their budget after applying unsuccessfully and being advised that there is currently a limited amount of funding available for capital investment at a national level. Despite this they have provided significant 'in kind' support in terms of staff hours related to engineering, project management, procurement, administration and management input.

Additional funding from the Stewart Island Visitor Levy was also explored unsuccessfully as the priority for funding from this source is now focussed on the urgently needed rebuild of Ulva Island and Golden Bay wharves. Great South investigated several other funds, all of which this project was unable to meet the eligibility criteria.

3.3.3 Please list any other active TIF funded projects and provide an update on progress.

Please Note: strong preference will be given to applications from councils that have completed previously approved projects.

Southland District Council currently has two active TIF applications, the Southern Scenic Route and Te Anau Wastewater applications.

The Southern Scenic Route application consisted of four separate projects:

- Waikawa Toilet Upgrade (complete)
- Te Anau Town Centre Toilet (complete)
- Monkey Island Camping Area Development (incomplete)
There is some interpretation work to complete and the shelter to be replaced
- Clifden Bridge Camping Area Development (incomplete)
There is some outstanding interpretation work to complete.

Due to unforeseen issues with both of these pieces of the project Southland District Council have included the funding for the outstanding work in the first year of the Long-Term Plan.

Te Anau Wastewater

Construction of this project is currently 80% complete. Delays have occurred due to COVID-19 with two key items required still remaining on back order. There has been confirmation these items are now in transit and due into New Zealand in the month of May 2021, with no other foreseeable delays to the project completion.

Past TIF Projects

Council has had two other TIF applications approved historically that are also complete:

- Lumsden Upgrade - 2017
- Real Journey's Manapouri Carpark – 2019

Knobs Flat Wastewater Disposal Upgrade

The TIF allocated funding towards an upgrade of wastewater disposal system at Knobs Flat in collaboration with Milford Sound Tourism. Milford Sound Tourism has since advised that they are not continuing with the project at this stage so have not picked up the funding.

3.3.3 Financials for proposed project Provide a breakdown of the tasks and associated costs required to complete the project. All costs should exclude GST. Use the 'insert row' function if you wish to add more milestones/tasks.

Marginal operating and maintenance costs for the first 2 years may be taken into consideration by the TIF Panel when assessing an appropriate level of funding. i.e. the additional operational and maintenance costs when the proposed project is completed.

Note: In most circumstances TIF co-funding will not be available of obtaining land access, resource consents, building consents, staff resourcing or on-going servicing of existing infrastructure.

Note: The TIF decision-making process could take up to 2-3 months from the closing date of applications. Please take this into account when planning your project timeline, especially if the project start date is contingent on TIF funding being secured.

Milestones and Project Tasks	Estimated Start Date	Estimated Completion Date	Total cost	TIF funding sought	Applicant co-funding	Key assumptions made in estimating costs
'Milestone one'						
• Submit TIF Application	19 April 2021	30 April 2021				
• Finalise TIF Funding	2 August 2021	5 August 2021				
• Finalise and Sign Contract	16 August 2021	20 August 2021				
• Finalise and Sign Agreement Between SDC and DOC	7 September 2021	24 September 2021	\$5,000	\$2,500	\$2,500	
Sub-Totals (do not include Annual operating / maintenance):			\$5,000	\$2,500	\$2,500	
Annual operating / maintenance cost only:						
'Milestone two'						
• Finalise Scope of Project	27 September	30 September				

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• Final Design and Methodology	4 October 2021	22 October 2021	\$5,000	\$2,500	\$2,500	
• Building Consent Application	26 October 2021	20 November 2021	\$3,000	\$1,500	\$1,500	
Sub-Totals (do not include Annual operating / maintenance):			\$8,000	\$4,000	\$4,000	
Annual operating / maintenance cost only:						
'Milestone three'						
• Procurement	10 January 2022	28 January 2022				
Sub-Totals (do not include Annual operating / maintenance):						
Annual operating / maintenance cost only:						
'Milestone four'						
• Construction	18 April 2022	27 May 2022	\$155,250	\$77,625	\$77,625	<i>Includes 15% contingency</i>
• Interpretation Panels & Path Lighting	18 April 2022	27 May 2022	\$30,000	\$15,000	\$15,000	
Sub-Totals (do not include Annual operating / maintenance):			\$185,250	\$92,625	\$92,625	
Annual operating / maintenance cost only:						
			Total Cost	TIF funding sought	Applicant co-funding	
Totals (do not include Annual operating / maintenance): (Must equate to the project cost detailed in Section 1.1)			\$198,250	\$99,125	\$99,125	
Total Annual operating / maintenance costs only:						

3.4 Risks and Mitigations

Describe any risks associated with this project that you have identified and list the mitigations for each risk.

	Risk	Mitigation
	Market is unable to respond to the need, then the deliverable will not be provided	Contractor has checked on availability of materials and contacted suppliers
	Contractor's price is not accurate, then additional funding may be required	Contractor has priced construction of the platform and interpretation panels based on similar projects of this type
	If access to stakeholders is not achieved, then full consultation may not occur	Consultation with stake holders and partners has already taken place to ascertain level of commitment and support
	Access to the site is restricted due to weather or visitor's usage.	Site will be closed during construction and undertaken in a lower use period

Section 4: Declaration by lead applicant

I declare on behalf of the applicant(s), that:

- I have read this form, and the Guidance for Applicants, and fully understand the procedures, terms, conditions and criteria for TIF co-funding;
- this application form outlines the basis on which this application is made;
- I have read, understand and accept MBIE's standard form contract, including the terms and conditions, a copy of which is attached as Schedule 1 in the Guidance for Applicants;
- the statements in this application are true and the information provided is complete and correct and there have been no misleading statements or omission of any relevant facts nor any misrepresentation made;
- I understand MBIE and its advisers may disclose to or obtain from any government department or agency, private person or organisation, any information about the applicant(s) or project for the purposes of gaining or providing information related to the processing and assessment of this application;
- the applicant(s) will, if requested by MBIE or its advisers in connection with this funding process, provide any additional information sought and provide access to its records and suitable personnel;
- I understand MBIE may undertake due diligence checks as needed to meet government requirements, and I consent to checks required being carried for those purposes;
- I consent to the public release, including publishing on the Internet, of the name of the applicant(s), the amount of grant sought, contact details of the applicant(s) and a general statement of the nature of the activity/project, and undertake to cooperate with MBIE on communications relating to this application;
- I understand MBIE's obligations under the Official Information Act 1982 and that, notwithstanding any relationship of confidence created as a result of this application, the provisions of this Act apply to all of the information provided in this application;
- the application involves an activity/project that is a lawful activity that will be carried out lawfully;
- the applicant(s) is not in receivership or liquidation nor will the project be managed by an undischarged bankrupt or someone prohibited from managing a business;
- where external providers are being employed as part of the project/activity, the relevant providers will not be employees or directors of the applicant, and nor do they have any other direct or indirect interest in the applicant, whether financial or personal unless specifically stated in the application;
- I am authorised to make this application on behalf of the applicants identified in section 1;
- I understand that MBIE may withdraw its offer of funding should the proposed project fail to be completed within the agreed timeline (detailed in Section 3.2.4).


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Signature of lead applicant

This acknowledgment must be signed by a person with the legal authority to commit your organisation to a transaction (e.g. Chief Executive or Mayor)

Name	Cameron McIntosh
Title	Chief Executive Officer
Organisation	Southland District Council
Signature	
Date	30 April 2021

Section 5: Attachments

[Attach here, as a PDF, any additional information you consider necessary to support your application. Note that there is a 20MB size limit]

Appendix A



Southland Regional Development Agency

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greatsouth.nz



APPENDIX A:

VISITOR INSIGHTS FOR RAKIURA STEWART ISLAND

PREPARED 30 APRIL 2021

Regional Context

Prior to the impacts of the COVID-19 pandemic and the subsequent closure of international borders, Southland was experiencing high levels of visitor growth across the entire region. This was particularly evident through key touring routes, including the Milford Road corridor (i.e., travel from Queenstown to Milford Sound) and through the Southern Scenic Route. For the calendar year of 2019, the total Southland region achieved 3% growth in visitor spend, equating to \$692 million, with the Southland and Fiordland Regional Tourism Organisations (RTO) up 2% and 5% respectively. This result being driven by buoyant international and domestic markets.

Similar levels of growth can be observed across all visitor indicators monitored by Great South, with strong increases observed in the accommodation sector, in key destinations such as Stewart Island/ Rakiura, Milford and Doubtful Sounds, and in vehicle movements. The COVID-19 pandemic has severely impacted visitor spend within the region. Following the national lockdown and when domestic travel was becoming available again, a strong rebound was observed in Southland RTO (which excludes Fiordland), with high numbers of domestic travellers.



Domestic Visitor Flows - 2020



International Visitor Flow - 2020

Note:

Where the travel route between two towns is unknown, a straight line is drawn between the towns. (e.g., between Te Anau and Invercargill). Data derived from UberMedia of 647 international travellers, and 1,371 domestic travellers

Southland Regional Development Agency

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greatsouth.nz

Data provided by MBIE's Tourism Electronic Card Transactions (TECT) shows visitor spend through electronic transactions by RTO area. This provides an overall context of the impact of COVID-19, and the associated closure of borders, on the region.

The overall spend figure below shows Fiordland RTO as the worst affected Regional Tourism Organisation nationwide, down by 55% when 12-month spend is compared to the previous year. During the same period Great South (Southland RTO), which represents the remainder of the region, had a reduction in spend of 9%. This relative performance, given the significant disruption to global travel, has been driven by Fiordland's traditional reliance on international markets but also by a strong domestic visitor market in the rest of Southland, particularly in key destinations such as Rakiura Stewart Island.

Regional Tourism Organisation	Year End February 2021	Change in Spend
Great South	\$ 204m	-9%
Destination Fiordland	\$ 36m	-55%
Destination Queenstown	\$ 514m	-39%

Stewart Island/ Rakiura Insights and Indicators

The below provides a summary of key visitor data and insights in relation to Stewart Island/ Rakiura. These include:

- Number of visitors (from the Stewart Island Visitor Levy)
- Accommodation occupancy (AirBnB)
- Key visitor counts across Department of Conservation track network
- Visitor surveying undertaken by Great South

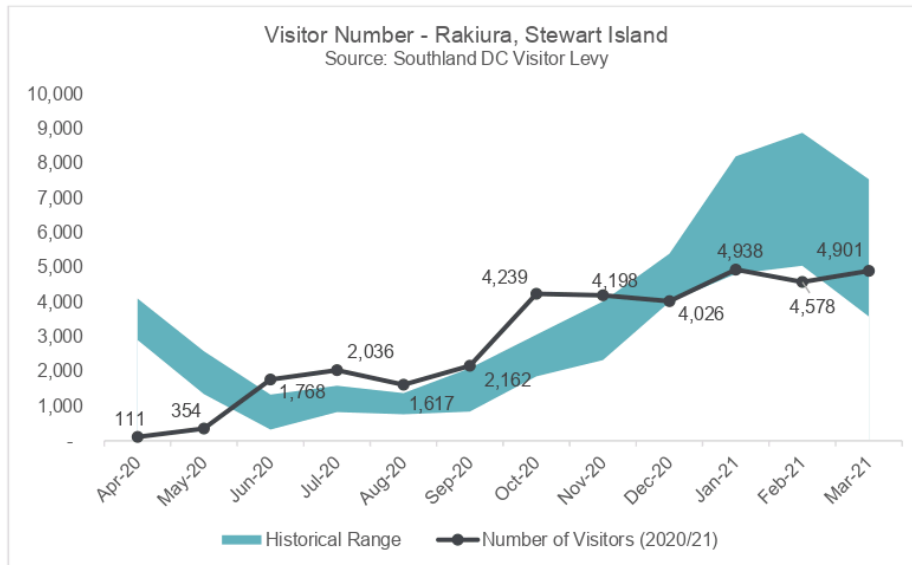
Visitor Levy Data

Data collected by Southland District Council, shows that Rakiura Stewart Island has gone through a period of sustained growth, with visitor numbers reaching 46,000 in 2018. This number dropped slightly in 2019 (by 4%). With the impacts of a shortened cruise season, closure of international borders, and COVID lockdowns on domestic tourism, 2020 visitors to the Island fell by 12% on the previous year.



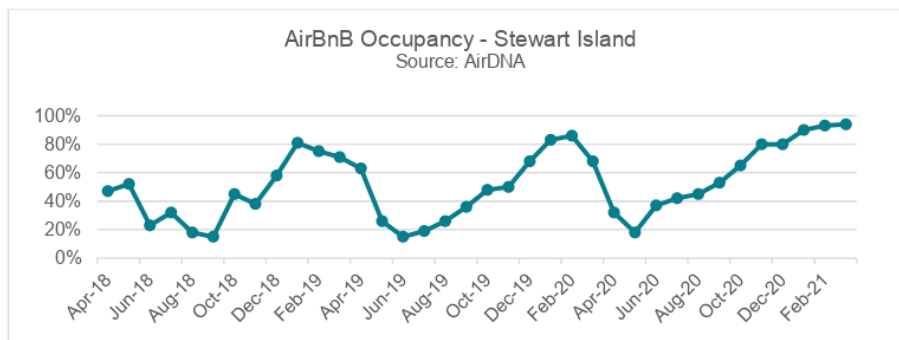
However, the Island has a strong domestic tourism product, and since the national lockdown in April/May 2020, performed strongly through the winter and spring period of 2020, with high levels particularly around public and school holidays. In the months from June to November 2020 visitor numbers within each month were higher than they have

been since recording began in 2014. Where numbers have reduced (relative to previous years) is over this summer (2021) with the absence of peak season cruise visitors and international travellers, despite the island continuing to have high domestic visitation¹.



AirBnB Insights

The Island has a mixture of commercial and peer-to-peer accommodation options. Data sourced from peer-to-peer provider, AirBnB, shows that, in recent months particularly, accommodation on the island has been operating at 94% occupancy. Commercial operators on the island report similar occupancy rates, particularly over this summer. Arguably the Island is "fully booked", with limited opportunity for 'day trips' due to current transport scheduling.



¹ Accounting for 8,000 additional visitors in the summer of 2020.

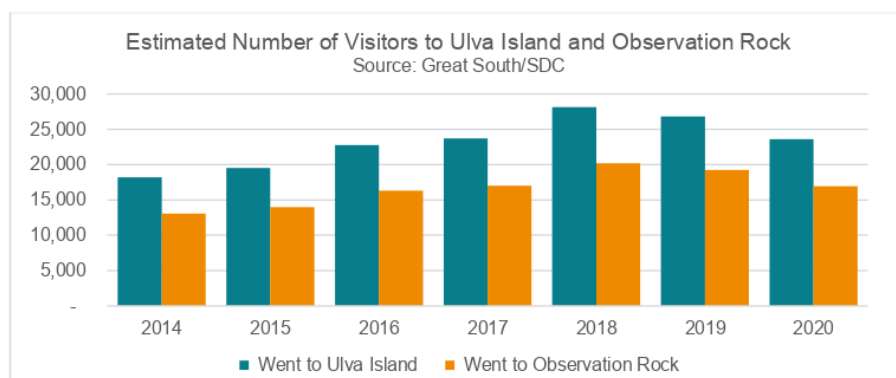
Great South Visitor Survey

During the period from December 2020 until March 2021, Great South undertook a survey of visitors departing Stewart Island/ Rakiura. Approximately 50% of departing visitors completed the survey, which provided insights into the number of visitors to both Ulva Island and Observation Rock.

	Surveys Returned ¹	Percentage of Visitors
Visitors to Ulva Island	1,295	61.3%
Visitors to Observation Rock	929	43.9%

¹ Respondents were asked to complete one survey per group departing, the average group size was 3.3 people.

Assuming this trend is similar for previous years, the total number of visitors to each of these sites can be estimated by relating this percentage to total visitation to the Island. As shown below, visitation to Ulva Island likely exceeded 25,000 visitors in 2018 and 2019 calendar years. While visitation to Observation Rock reached approximately 20,000 visitors in 2018.

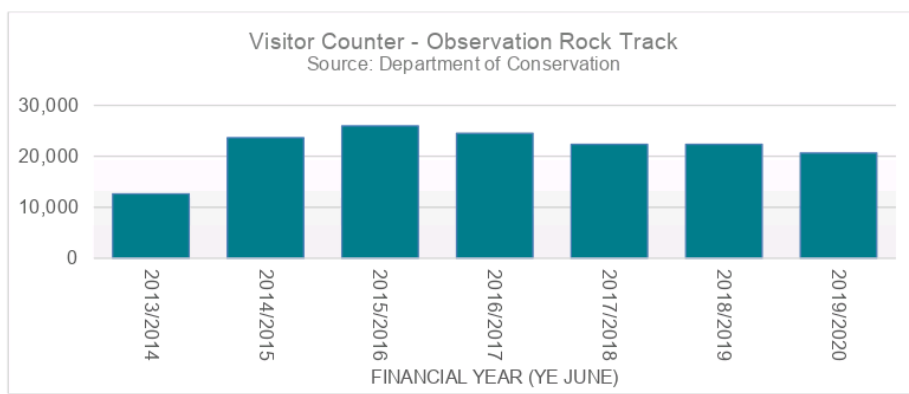
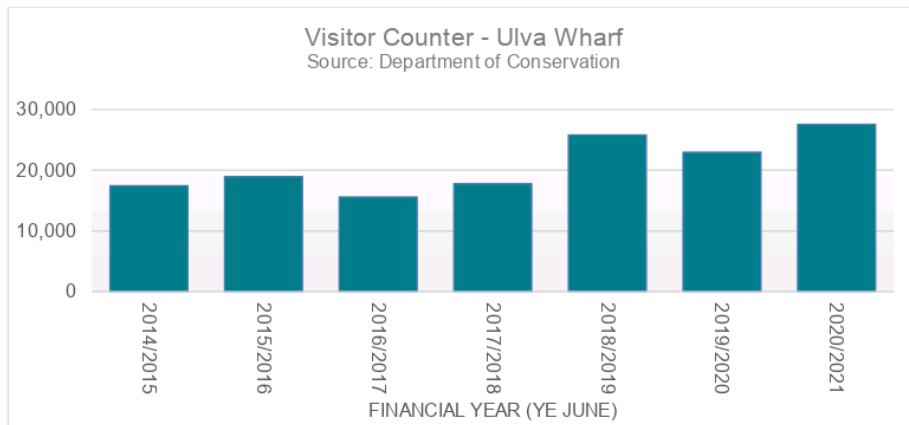


Department of Conservation Track Counters

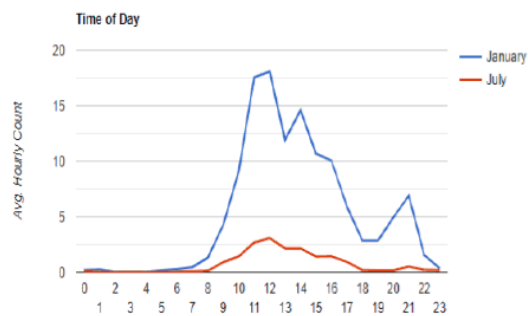
The Department of Conservation operates a network of track counters. Presented below are uncalibrated numbers of visitors past these track counters. Note these numbers can be affected by wildlife, double passes, or visitors not walking past the counter, so they provide an indicative but not conclusive insight. The Department also reports visitor numbers over a 'financial year' (period ending 30 June).

However, these numbers support the inference made above, with approximately 25,000 visitors to Ulva Island during 2018 and 2019. This number has grown from 17,500 visitors in 2014.

Again, visitation to the Observation Rock Track shown on these track counters shows a similar pattern to what we present above. With growth shown from 12,500 visitors in 2013 to 20,000 visitors in 2019.



The Department of Conservation also provides information on the time of day visitors are at Observation Rock. Currently, the majority of the visitors are at the site during the middle of the day. However, with the dark sky offering, a second spike in visitation tends to occur around sunset/dusk. Late night visitation is expected to significantly increase as visitors head to the island to experience the night sky, with the island having achieved International Dark Sky Sanctuary accreditation.



Summary

In considering the data outlined above, there are several key insights we can observe in relation to Stewart Island/ Rakiura.

- Stewart Island/ Rakiura is a key part of the Southland/Fiordland regional tourism offering, with one in four visitors to the Island also visiting Fiordland.
- Stewart Island/ Rakiura has performed strongly, despite the closure of international borders and national COVID-19 lockdowns, with high monthly visitor numbers since June 2020.
- The growth experienced post COVID-19 has slowed recently, with no cruise vessels visiting the Island this season, and without international visitors during the island's traditionally peak summer period.
- The Island has experienced high accommodation occupancy rates over the summer, exceeding 90% for the past three months.
- Over 60% of visitors to Stewart Island visit Ulva Island, which equates to around 25,000 visitors per year. This number has been confirmed by a visitor counter managed by Department of Conservation on the wharf.
- Over 40% of visitors visit Observation Rock, which equates to around 20,000 visitors per year. This number has been confirmed by a visitor counter managed by Department of Conservation on the track.
- With Stewart Island/ Rakiura achieving International Dark Sky Sanctuary accreditation, we are seeing visitors to Observation Rock both during the day and later in the evening, with night visitation expected to grow significantly in the year to come.

Should you require any further context to this, please contact the undersigned.

Mat Darling
Great South Data Insights Analyst

Appendix B



Southland Regional Development Agency

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greatsouth.nz

Appendix B: Observation Rock Images



Appendix C



Southland Regional Development Agency

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DEPARTMENT OF CONSERVATION STEWART ISLAND - OBSERVATION ROCK NEW VIEWING PLATFORM

DRAWINGS INDEX

DWG No.	DRAWING TITLE
0911	DRAWING INDEX, SITE & LOCALITY PLANS
0912	EXISTING SITE PHOTOGRAPHS
0913	EXISTING SITE PLAN AND LEVELS
0914	PROPOSED NEW VIEWING PLATFORMS
0915	PROPOSED NEW VIEWING PLATFORMS
0916	PROPOSED NEW VIEWING PLATFORMS
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SITE PLAN



LOCALITY PLAN



FOR TENDER
09.10.19

310103069-02-001-G001

Design with community in mind

ORIGINAL SCALE = 100 MM




PHOTO 001




PHOTO 002




PHOTO 003




PHOTO 004




PHOTO 005




PHOTO 006




PHOTO 007




PHOTO 008




PHOTO 009




PHOTO 010




PHOTO 011




PHOTO 012




PHOTO 013




PHOTO 014




PHOTO 015




PHOTO 016




PHOTO 017




PHOTO 018




PHOTO 019




PHOTO 020

DO NOT SCALE

NOTE:
PHOTO NUMBERING RELATES TO THE VIEW POINT
INDICATED ON DRAWING S002

Department of Conservation
Te Papa Atahua

Region: SOUTHERN STH ISLAND
District: RAKIURA, STEWART IS.
Project Name: OBSERVATION ROCK
NEW VIEWING STRUCTURE
Drawing Name: SITE PHOTOGRAPHS

User Group: Day Visitor

0	09.10.19	FILE TENDER	DC
A	26.02.19	FILE APPROVAL	DC
Issn. Date: Revision: For Issue: App.			

Map: G002	Grid Reference: N.T.S.	drawn: RM
Designed: DC	Checked: MS	Approved: MS

STRUCTURE NUMBER		
site no: 01	asset no: -	drawing: G002
		issue: 0



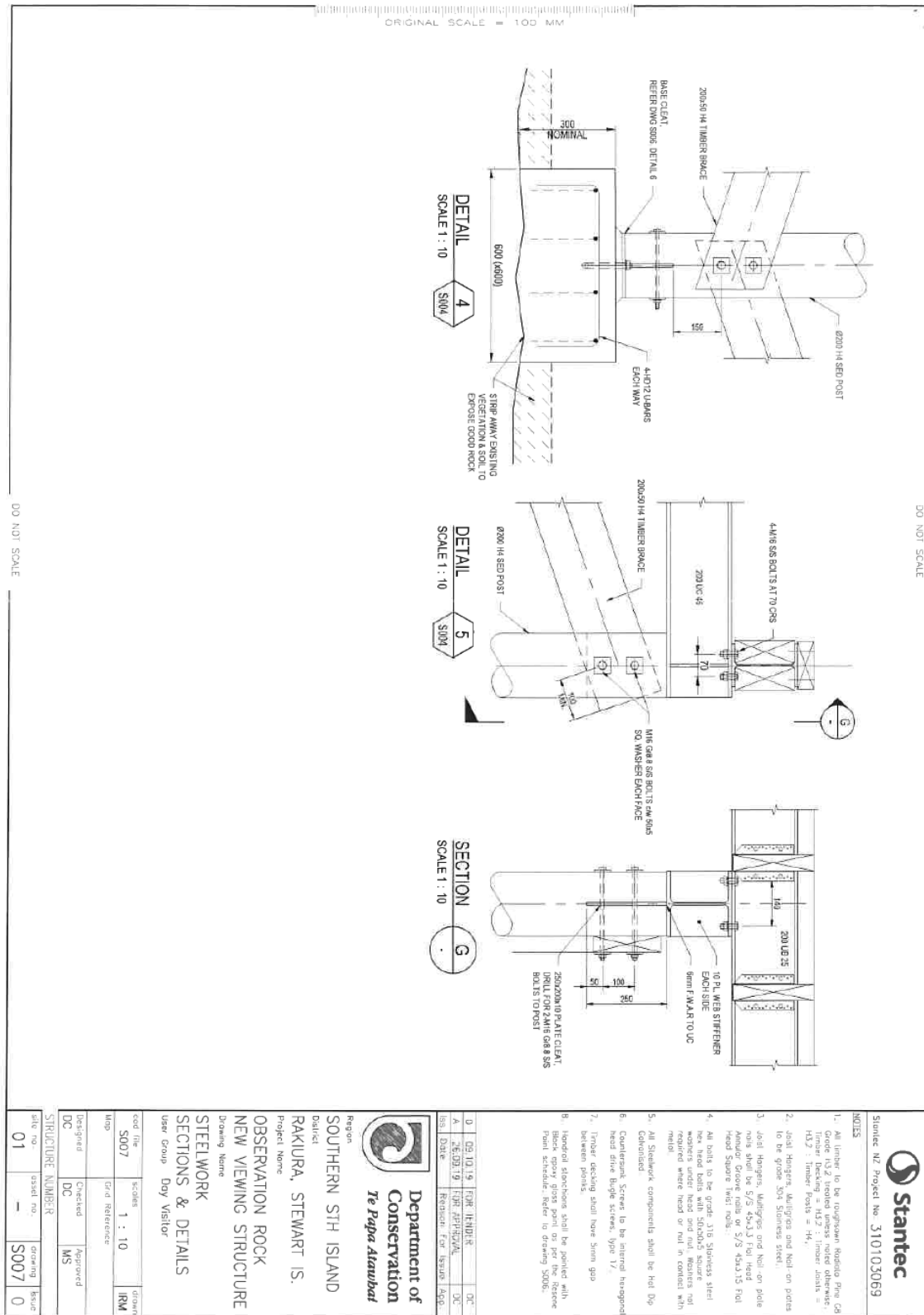












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Appendix D



Southland Regional Development Agency

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greatsouth.nz

Appendix D: Department of Conservation Partnership

From: Ren Leppens <rleppens@doc.govt.nz>

Sent: Friday, 30 April 2021 12:20 pm

To: Bobbi Brown <bobbi@greatsouth.nz>

Subject: Observation Rock Platform

Kia ora Bobbi,

With regards to Observation Rock, I can confirm that the Department of Conservation will take management responsibility for the Observation Rock Viewing Platform once it has been constructed and has all the necessary permitting in place, this will include all costs etc for any ongoing maintenance from that point onwards for the life of the asset.

Please contact me if you require any further detail.

Nga mihi

Ren Leppens

Operations Manager – Stewart Island /Rakiura

Pou Matarautaki

Department of Conservation - Te Papa Atawhai

Ph. 03 219 0002 | VPN: 5851 | Mob. 027 536 6742

Conservation leadership for our nature Tākina te hī, Tiakina, te hā o te Āo Tūroa

www.doc.govt.nz

Appendix E



Southland Regional Development Agency

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Stewart Island Community Board Outcomes

Vision: Stewart Island *Rakiura* is a connected community, that manages growth and has a sustainable future

During 2018 a community consultation took place on Stewart Island *Rakiura*. The community told us what they loved about Stewart Island *Rakiura* and what they saw as weaknesses and challenges and what opportunities they saw for Stewart Island *Rakiura* going forward.


A workshop was also held on the island in 2019 with the Stewart Island *Rakiura* Community Board.

Five main themes emerged from the consultation:-

- | |
|---|
| 1. A cohesive and connected community, recognising that many of our ratepayers don't reside on the island full-time |
| 2. A community that has fit for purpose, sustainable infrastructure |
| 3. A community that plans for it's future – recognising it's unique challenges and opportunities |
| 4. Kaitiakitanga- guardianship and protection of Stewart Island's pristine natural environment |
| 5. A community that has a strong voice and that holds agencies and organisations accountable for doing what they say they will |

1. A COHESIVE AND CONNECTED COMMUNITY, RECOGNISING THAT MANY OF OUR RATEPAYERS DON'T RESIDE ON THE ISLAND FULL-TIME

Those who live on, or have with ties to Stewart Island *Rakiura* all have something in common – they love the special place that it is. Roughly half of all ratepayers don't live permanently on the Island making communication and engagement around community priorities a challenge.



How can we create a cohesive community and connect and communicate better with all our ratepayers and residents?

Community ideas

1. Better connection and communication from the Community Board and Council

The community see an opportunity for better communication and engagement with residents on and off the Island. The wider Stewart Island Community are interested in regular updates about key issues, work planned and priorities for Stewart Island *Rakiura* from the Community Board and the Council.

2. Community activities and events – some that include tourists

Planned community events and planned activities will bring people together – both those who live on the Island permanently and those who don't. Bringing people together will continue to build on the sense of community and the love of Stewart Island *Rakiura* by all who live or visit here. Islanders were keen to also explore ways to engage tourists especially in environmental projects on the Island.

3. Engagement with our young people

There is a desire by the community to engage more with young people and get them more involved in projects on the island to give them confidence to participate and develop their interest in their community.

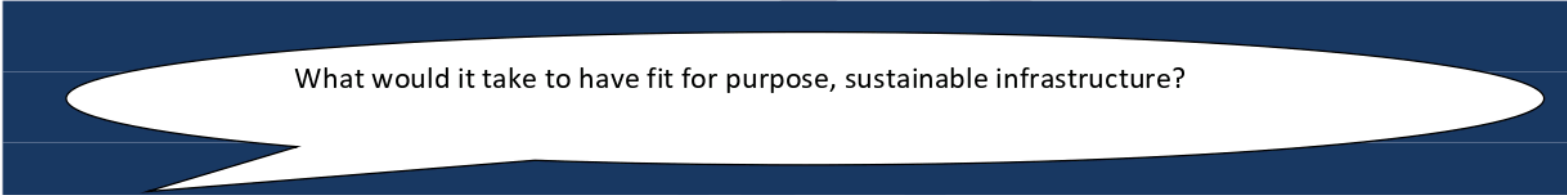
ACTION PLAN

Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Better connection and communication from the Community Board and Council	Regular Council/Community Board column in SIN from the Stewart Island <i>Rakiura</i> Councillor & Community Board Chair Quarterly update on key issues, work planned and priorities on the back of the Powerbill	Work with SDC Community Partnership Leader to progress regular communication with Stewart Island <i>Rakiura</i> residents and ratepayers	Stewart Island <i>Rakiura</i> Councillor Community Board Chair Southland District Council <ul style="list-style-type: none"> Community Partnership Leader Communications team 	
	Better relationship with Council	Stewart Island Board Chair and Stewart Island <i>Rakiura</i> Councillor to work closely together to ensure there is a joined up approach to Island issues	Stewart Island <i>Rakiura</i> Councillor Community Board Chair Southland District Council Community Partnership Leader	
Community activities and events	Support community events that focus on building and strengthening community cohesion	Provide financial support through the Community Partnerships fund for community events that bring people together	All Stewart Island <i>Rakiura</i> community groups/organisations/ Individuals Southland District Council Community Partnership	

			Leader	
	Support the development of a community events calendar	Provide financial support through the Community Partnerships fund to develop a community event calendar and keep it up to date	Seek expressions of interest from within the community to develop a community event calendar Southland District Council Community Partnership Leader	
Engagement with our young people	Guidance, training and support for leadership development especially for young people	Advocate for the Leadership Academy to be available on Stewart island <i>Rakiura</i> bi-annually at low/no cost	Future Rakiura Southland District Council Southland Chamber of Commerce	
	Identify ways to engage young people in the community	Work with Future Rakiura to develop ideas to engage with young people	Future Rakiura Southland District Council Community Development team	

2. A COMMUNITY THAT HAS FIT FOR PURPOSE, SUSTAINABLE INFRASTRUCTURE

Stewart Island *Rakiura* is a unique environment with 28 kms of roads, 280 km of walking tracks and 6 wharves. In addition 440 consumers are connected to Stewart Island's electricity supply which is owned and managed by the Stewart Island Electrical Supply Authority (SIESA). Having environmentally friendly, sustainable and fit for purpose infrastructure is seen by the community as essential and a top priority for residents and ratepayers on Stewart Island.



What would it take to have fit for purpose, sustainable infrastructure?

1. Wharves that are fit for purpose, safe and well maintained

The community knows that the wharves are critical to those who live on and visit Stewart Island *Rakiura*. They are to them what bridges and roads are to people who live on the mainland. It's essential that there is a long-term plan for the wharves maintenance and replacement to effectively manage Stewart Islands sustainability.

2. Renewable sustainable affordable energy source that fits with our environmental principles

The community rates electricity as the number one barrier to living on Stewart Island *Rakiura*. It is expensive and the current diesel generation is not seen as sustainable and does not fit with the community's environmental values. It is also seen as a barrier to attracting new businesses to the Island. Islanders would like to see alternative power sources to continue to be explored and pursued.

3. Enough affordable housing on the Island

The Stewart Island Community indicated that there are little to no rentals available on the Island for workers, both long term and seasonal. They also acknowledge that short term rentals provide visitor accommodation that brings business to the Island. The community would like a comprehensive plan that recognises these challenges and that finds sustainable solutions.

ACTION PLAN

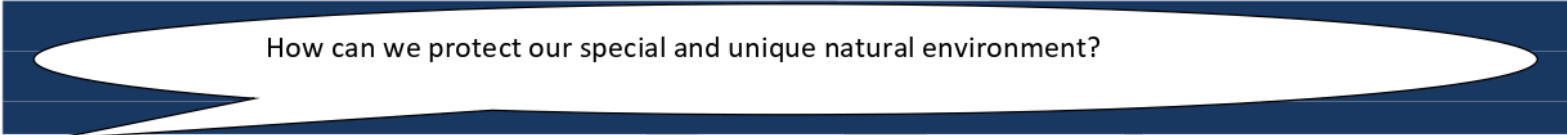
Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Wharves that are fit for purpose, safe and well maintained	A long-term plan for wharf ownership, management, maintenance and replacement	Work with key stakeholders to develop a long term wharf management plan Advocate for a sustainable funding model for the ongoing maintenance and replacement of wharves on Stewart Island	Southland District Council Enviornment Southland Ulva Island Trust Hunter Family DOC	
	Urgently make Ulva Island/Golden Bay wharves safe and fit for purpose	Work with key stakeholders to develop an urgent plan of action	Southland District Council Enviornment Southland Ulva Island Trust Hunter Family DOC	

Renewable sustainable affordable energy source that fits with our environmental principles	Islanders would like to see alternative electricity sources to continue to be explored and pursued.	Continue to pursue alternative electricity sources Annual review of progress and report back to community on action/next steps	Southland District Council SIESA MBIE	
Enough affordable housing on the Island	The community would like a comprehensive plan that recognises the housing/accommodation challenges on Stewart Island	Advocate for a report that summaries factual information about Stewart Island's unique housing/accommodation situation Be aware of the work of the Southland Housing Action Forum and look for opportunities to ensure that Stewart Islands unique situation is considered	Southland District Council Southland Housing Action Forum	
	Lack of subdividable land on Stewart Island is an issue – a review of the Fiordland/Rakiura zone should be considered	Advocate for a review of the Fiordland/Rakiura zone	Southland District Council DOC	
Well maintained and effective stormwater system for the Island	Community needs to report any issues with their stormwater to Council	Working with relevant Council departments to ensure that the stormwater system is being maintained and it is fit for purpose for the future	Southland District Council	

Strategy for footpaths on the Island	Ensuring that walking around the Island is safe	Advocate and work with relevant council departments for an overall strategy with regards to footpaths on the Island	Southland District Council	
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3. Kaitiakitanga- guardianship and protection of Stewart Island's pristine natural environment

Stewart Island *Rakiura* has a special and unique natural environment. The community is fiercely passionate about the influence that nature has on all facets of Island life and protecting this environment for future generations. The community would like to see any development to be in harmony with the environment and for there to be responsible management of the Island's resources.



How can we protect our special and unique natural environment?

1. Stewart Island leading the way in ecotourism, conservation and sustainability

Stewart Islanders would like to have a managed approach to the Islands future development, protecting those things that make Stewart Island *Rakiura* special. They believe there is an opportunity for Stewart Island Rakiura to lead the world in ecotourism, conservation and sustainability.

ACTION PLAN

Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Stewart Island leading the way in ecotourism, conservation and sustainability	<p>Stewart Islanders would like to have a managed approach to the Islands future development, especially protecting the Island's unique environment.</p> <p>The community would like Stewart Island <i>Rakiura</i> to lead the world in ecotourism, conservation and sustainability.</p>	<p>Support conservation and sustainability initiatives on the Island through the Community Partnerships Fund</p> <p>Support and encourage further understanding of and the development of best practice eco-tourism on Stewart Island</p>	<p>SIPA</p> <p>Predator Free Rakiura</p> <p>SIRCET</p> <p>RMLT</p> <p>Rakiura Marine Guardians</p> <p>Mamakau Point</p> <p>Other environmental groups on the Island</p> <p>Local Tourism operators</p> <p>Local business owners</p> <p>Southland District Council</p> <p>Great South</p> <p>DOC</p>	

4. A community that plans for it's future – recognising it's unique challenges and opportunities

Stewart Islanders want Stewart Island to have managed growth and a sustainable future. They want to actively plan for future opportunities and realities. These realities include a declining population overall, an ageing population, a declining youth population and a 17% decrease in businesses since 2013. This community has in the past, very successfully, worked together to develop future focused plans and they want to continue to work proactively in partnership with central, regional and local government and other agencies/organisations to plan for the future they want.

1. Future focused planning

Support and encourage community led future focused planning, promoting a collective vision and a collective voice on the Island. Advocate for Stewart Island priorities with key stakeholders

2. Future challenges and solutions

Seek to understand the challenges that face Stewart Island and support collaborative conversations that find solutions

3. International Dark Sky Sanctuary

Ensure Stewart Island has a plan in place that delivers an exceptional visitor experience for the International Dark Sky Sanctuary

How can we secure Stewart Island's future so that growth is managed, and the Island has a sustainable future?

ACTION PLAN

Objective	Community ideas for action	Stewart island <i>Rakiura</i> Community Board actions	Partners	Timeline/ Measures
Future focused thinking, discussions,	Seek to understand the challenges that face Stewart Island (economic, social, cultural and environmental) and support collaborative conversations that seek to	Work with, and support Future Rakiura to lead future focused planning on Stewart Island Actively work with Future Rakiura to develop a plan	Future Rakiura Groups/Organisations on and off the Island	

planning and action	<p>find solutions</p> <p>Support and encourage community-led future focused planning that will capture a collective vision and a collective voice on the Island.</p> <p>Advocate for Stewart Island priorities with key stakeholders.</p>	to engage the community in wide-ranging discussions about future challenges and solutions	<p>SIPA</p> <p>Ngai Tahu</p> <p>Iwi</p> <p>SDC</p> <p>Chamber of Commerce</p> <p>MBIE</p> <p>DIA</p> <p>MPI</p> <p>RMLT</p> <p>RMG</p> <p>Local Business owners</p> <p>Great South</p> <p>Environment Southland</p> <p>Police</p> <p>MOH</p> <p>MSD</p>	
Support the development of a Dark Sky Sanctuary	That the Island has a holistic plan to maximise opportunities of being awarded the International Dark Sky Sanctuary status	<p>Support the development of a wide-ranging plan for the Dark Sky Sanctuary that considers</p> <ul style="list-style-type: none"> • Visitor experience 	<p>Great South</p> <p>SIPA</p> <p>Future Rakiura</p>	

Strategic Plan		<ul style="list-style-type: none">• Expected numbers and requirements• Extension of the season and what that means	Tourism operators on the Island	
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5. A community that has a strong voice and that holds agencies and organisations accountable for doing what they say they will

This is a proud and passionate community that is resilient and capable. Sometimes they feel like their voices are not heard or that others speak on their behalf without including them. They see there is an opportunity to have constructive, productive relationships with agencies and organisations to progress Stewart Island priorities.

1. Seek to collaborate more with people on and off the island.

Stewart Islanders are passionate about their community and want to be informed and involved in decisions that affect them. They are keen to see more collaboration and opportunities to develop trusted and beneficial relationships and partnerships with key stakeholders off the Island.

How can we develop good working relationships and strengthen our 'voice' with Council and other agencies/organisations?

ACTION PLAN

Objective	Community ideas for action	Stewart Island <i>Rakiura</i> Community Board actions	Partners	Timeline/Measures
Seek to collaborate more with people on and off the island	The community would like their community board to strengthen it's relationship with Council and Central Government so issues are understood, discussed and debated.	Identify key agencies that the Community Board could have collaborative relationships with that would benefit the Island	Stewart Island Councillor SDC – Community Partnership Leader MBIE Department of Internal	

	They'd also like to be kept up to date with key issues being discussed, how decisions are made and progress on decisions	Community Board Chair and Stewart Island Councillor to work together closely on Stewart island priorities Regular communication in SIN and on the back of the power bill	Affairs Future Rakiura Great South Stewart Island Councillor Stewart Island Community Board Chair SDC – Community Partnership Leader Stewart Island Councillor Stewart Island Community Board Chair SDC – Community Partnership Leader	
	The community are keen to see more collaboration and opportunities to develop trusted and beneficial relationships and partnerships with key stakeholders off the Island.	Annual report back to the community on relationships made and work in partnership with agencies off the Island	Stewart Island Councillor Stewart Island Community Board Chair SDC – Community Partnership Leader	

What are the strengths of Stewart Island? Our unique and special environment, our caring people and sense of community and our ability to adapt to changing circumstances

Our people value:

Community spirit	Our beautiful and unique environment	The resilience of the community	
Why? Caring big family WE really do know our neighbours Great place to grow up Community values	Why? Unique natural environment Wildlife, flora and fauna Ulva Island Beautiful beaches The peacefulness Not being overrun by tourists	Why? Ability to adapt to changing economic base We look out for each other Self-sufficient and strong community	

Things people mentioned:

Our school
The community centre
The Library and Service Centre
The Heritage Centre
Our emergency services - Police, Fire, Ambulance
The many volunteers on the Island who make a difference

What are the weaknesses and challenges of Stewart Island?

Our people would like to: have more control over the future of Stewart Island, encourage young people to become more involved in the community, having living standards that are attainable for all

Things people mentioned:

Housing/Accommodation shortage/availability
Maintenance/replacement of wharves
Fuel Prices
Cost and delivery of diesel generated power
Future economic sustainability
Business establishment and retention
Retaining families on the Island
Too many volunteer committees – amalgamate some perhaps
Gettign young people involved in decision-making
Better relationship with Council
The way decisions are made
Communion and involvement with all residents/rate payers

Appendix F



Southland Regional Development Agency

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greatsouth.nz



30 April 2021

To Whom It May Concern,

**Re: Regional Tourism Organisation Support for Rakiura Stewart Island TIF Applications
(Ulva Island Wharf Upgrade and Observation Rock Viewing Platform)**

Great South is writing to support the TIF applications being submitted in April 2021.

Great South is the regional development agency responsible for business, events, tourism and community development in Southland. Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland and encourage the region's overall wellbeing and success.

As an agency that is supported by the Southland District, Invercargill City and Gore District Councils, the region's two Regional Tourism Organisations (RTOs) operate out of Great South – Visit Fiordland and Visit Southland. These two RTOs promote and market Southland and Fiordland and more recently have supported businesses navigate through the impacts of COVID-19.

Rakiura Stewart Island is a jewel in our crown and on many people's bucket lists. It is the third largest island in New Zealand, with approximately 85% of the island forming Rakiura National Park. The island has an unspoiled natural environment and is home to an array of unique and endangered wildlife. It has a deep cultural history and was recently awarded International Dark Sky Sanctuary accreditation.

The Island has a resident population of around 400, yet hosts 43,000 visitors each year, making tourism one of its largest industries. Considering COVID, the Island has remained extremely busy with approximately 5,000 visitors per month (which will result in visitation around 35,000 people for the year if this continues and accepting a quieter time in shoulder and off-peak times).

Infrastructure has been struggling to cope with increased visitor numbers pre and post COVID and this has been impacting the overall visitor experience. The challenge of course is the very low rate payer base which is responsible for the costs of a significant number of visitors.

Altogether, Southland Murihiku has 2 national parks and soon to be 4 of the 10 Great Walks. There is increasing connectivity between these as people seek to experience all of these places. It is important to acknowledge that what happens in Rakiura Stewart Island has a flow on affect for the rest of Southland and the wider Otago region. It is a draw card attracting many visitors at the moment and will continue to be so with forward bookings looking very strong. It is an important part of the overall regional recovery of tourism in Murihiku.



Southland Regional Development Agency

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In recent times, Great South has been promoting the southern gateway of Invercargill in order to access Fiordland, Rakiura and the rest of southern New Zealand. Some of our visitor insights indicate that a quarter of all people who visit Rakiura Stewart Island actually also visit Fiordland. This is a key focus for us to continue to promote in order to encourage regional dispersal of visitors as the New Zealand Aotearoa Government Tourism Strategy.

Improved Visitor Infrastructure is Essential

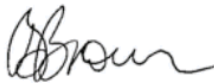
Alongside DOC, central government and a number of tourism stakeholders, Great South facilitated the development of the Southland Murihiku Destination Strategy in late 2019. This important framework which is a destination management plan, sets out the priorities for developing tourism in our region in a sustainable manner and alongside our people and our place. One of the five key pillars was associated with infrastructure and the need for it to be fit for purpose in order to protect and enhance the natural environment (flora, fauna and wildlife) as well as enhance the visitor experience. Rakiura Stewart Island was an area identified as requiring improved visitor infrastructure alongside the significant product development opportunities possible.

Great South is aware of the need to upgrade infrastructure in Rakiura Stewart Island as reflected in these TIF applications. This will address previous impacts caused by significant volumes of visitors (international and domestic) as well as assist with the future proofing the resilience of tourism.

With this in mind, Great South fully endorses these applications.

Please do not hesitate to contact me for further information.

Yours faithfully,



Great South
GM Tourism & Events



28 April 2021

Southland District Council
PO Box 903
Invercargill 9840

TO WHOM IT MAY CONCERN

Stewart Island Promotions (SIPA) fully supports the proposed development of facilities for Night Sky Viewing at Observation Rock.

With Stewart Island having been granted International Dark Sky Sanctuary status, upgrading current facilities to meet demands of visitors is especially important.

The development of the Observation Rock would greatly enhance the visitor experience.

Yours Sincerely

Aaron Joy
CHAIRMAN
Stewart Island Promotions

Stewart Island Promotion Association

PO Box 90, Stewart Island 9846 | Email: promotion@stewartisland.co.nz | Web: www.stewartisland.co.nz



27 March 2018

Stewart Island/Rakiura Visitor Levy Fund

Application for funds to develop public viewing platform at Observation Rock

The Stewart Island/Rakiura Community Board strongly supports moves to create an appropriate and safe viewing platform at Observation Rock, Stewart Island.

The current viewing site is in constant use. Consisting as it does of rock and earth, with no barriers and a steep drop-off, the Board are concerned with the safety aspect of the site. However, the site is ideally located for panoramic views of Paterson Inlet, including the popular Ulva Island Bird Sanctuary. It is envisaged that use of this site would increase in the hours of darkness, when the proposed Dark Sky Sanctuary accreditation is awarded, as the site would be excellent for viewing the Aurora Australis.

It is therefore considered imperative that this site be redeveloped to meet Health and Safety demands, as well as an increasingly popular tourist destination.

The Stewart Island/Rakiura Community Board requests that you look favourably upon this application, which it supports unanimously

Yours faithfully


Jon Spraggon
Chairperson

Southland District Council
Te Rauhi Potaka Murihika

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Appendix G



Southland Regional Development Agency

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greatsouth.nz

Table 1: Southland Residential Household Rates Affordability Summary by Area Unit

Area Unit	Rates % Household Income	Median Household Income	Rates 2019 (SDC + ES)			Usually Resident Population (2013)	Number of Households (2013)	Number of Rating Units (selected)	Median Property Value (selected)		2018 NZ Deprivation Index ¹ 1 (least)-10 (most)	Low Income Households (HH)		Rate Arrears		Rate Rebates		Accommodation Supplement	
			Median	Average	Total (\$m)				Capital Value	Land Value		% HH over AU share	% AU HH income under \$33k	% rating units over AU share	% AU rating units in arrears	% rating units over AU share	% AU rating units with rebate	% pop. over AU share	% AU pop. with supplement
Wairio ^(R)	10.19%	\$71,364	\$7,275	\$9,480	\$2.3	942	354	243	\$3.52m	\$2.88m	6		10-20%		5-10%		<5%		<3%
Ohai ^(U)	8.31%	\$30,427	\$2,527	\$2,533	\$0.4	303	126	151	\$57k	\$15k	9	1-2%	30+	2-3%	15%+	3-6%	10-15%	2-3%	7%+
Kaweku ^(R)	7.11%	\$88,072	\$6,262	\$8,364	\$1.4	567	204	166	\$2.92m	\$2.39m	5		<10%		<5%		<5%		
Riverton East ^(U)	7.01%	\$38,946	\$2,731	\$2,765	\$0.6	435	192	204	\$213k	\$57k	8	2-3%	30+	0<1%	5-10%	<3%	5-10%	2-3%	5-7%
Nightcaps ^(U)	6.81%	\$36,844	\$2,509	\$2,525	\$0.4	294	135	153	\$80k	\$22k	10	1-2%	30+	1-2%	10-15%	3-6%	10-15%	2-3%	7%+
Riverton West ^(U)	5.74%	\$51,559	\$2,959	\$3,015	\$2.5	999	459	823	\$360k	\$173k	6	2-3%	20-30%	1-2%	5-10%	3-6%	5-10%	2-3%	3-5%
Tuatapere ^(U)	5.65%	\$46,470	\$2,624	\$2,655	\$0.7	558	246	261	\$141k	\$32k	8	1-2%	20-30%	2-3%	15%+	6-10%	10-15%	2-3%	5-7%
Manapouri ^(M)	5.40%	\$55,764	\$3,010	\$3,206	\$0.8	228	105	244	\$315k	\$121k	4	<1%	20-30%		5-10%		<5%	<1%	3-5%
Wyndham ^(U)	5.35%	\$58,087	\$3,108	\$2,984	\$0.7	534	222	232	\$120k	\$17k	8	1-2%	20-30%	3%+	15%+	3-6%	5-10%	3-4%	7%+
Fairfax ^(R)	5.30%	\$84,863	\$4,499	\$7,340	\$3.7	1,908	693	510	\$1.97m	\$1.58m	5		10-20%		<5%		<5%		<3%
Otautau ^(U)	5.09%	\$52,887	\$2,694	\$2,707	\$0.9	669	291	320	\$185k	\$20k	8	1-2%	20-30%	2-3%	10-15%	3-6%	5-10%	5-6%	7%+
Lumsden ^(U)	5.06%	\$53,108	\$2,686	\$2,703	\$0.6	405	177	220	\$180k	\$29k	8	1-2%	20-30%	2-3%	10-15%	<3%	<5%	1-2%	5-7%
Te Anau ^(U)	4.96%	\$62,513	\$3,100	\$3,195	\$4.7	1,911	813	1,469	\$390k	\$155k	4	1-2%	10-20%		<5%		<5%		<3%
Winton ^(U)	4.66%	\$58,530	\$2,729	\$2,784	\$3.0	2,211	957	1,074	\$260k	\$99k	6	4%+	20-30%		5-10%	10%+	5-10%	6-7%	3-5%
Balfour ^(U)	4.51%	\$55,985	\$2,526	\$2,453	\$0.2	126	54	64	\$158k	\$20k	2	<1%	20-30%		5-10%	<3%	<5%		
Mararoa River ^(R)	4.08%	\$83,314	\$3,397	\$6,981	\$3.9	1,587	594	552	\$965k	\$390k	3		<10%		<5%		<5%		<3%
Stewart Island ^(U)	3.95%	\$59,526	\$2,353	\$2,479	\$0.8	381	171	334	\$310k	\$126k	5	1-2%	20-30%		<5%		<5%		<3%
Milford ^(U)	3.91%	\$52,555	\$2,054	\$2,283	\$0.05	117	30	20	\$673k	\$570k	3				<5%				
Toetoes ^(R)	3.86%	\$71,033	\$2,742	\$4,551	\$2.8	1,647	582	624	\$945k	\$640k	5		10-20%		5-10%		<5%		<3%
Mossburn ^(M)	3.84%	\$58,973	\$2,262	\$2,755	\$0.3	210	87	97	\$165k	\$20k	5		10-20%	<1%	5-10%	<3%	<5%	<1%	<3%
Edendale ^(U)	3.63%	\$74,241	\$2,697	\$2,884	\$0.7	555	231	253	\$220k	\$67k	5	<1%	10-20%		5-10%	<3%	<5%	<1%	3-5%
Riversdale ^(U)	3.40%	\$63,619	\$2,165	\$2,175	\$0.4	372	159	185	\$200k	\$29k	5		10-20%	<1%	5-10%		<5%		<3%
Waituna ^(R)	3.29%	\$85,416	\$2,808	\$6,595	\$3.1	1,683	612	466	\$1.05m	\$785k	4		<10%		5-10%		<5%		<3%
Waikaia ^(R)	3.15%	\$74,352	\$2,340	\$6,823	\$4.5	1,656	642	663	\$560k	\$220k	5		10-20%		5-10%		<5%		<3%
Te Waewae ^(R)	3.13%	\$65,168	\$2,043	\$4,396	\$2.7	1,380	534	604	\$465k	\$185k	6	1-2%	20-30%	<1%	5-10%		<5%		<3%
Hokonui ^(R)	2.98%	\$87,850	\$2,615	\$5,665	\$5.3	3,087	1,089	939	\$840k	\$275k	4		<10%		5-10%		<5%		<3%
Wallacetown ^(U)	2.89%	\$78,999	\$2,281	\$2,353	\$0.6	663	243	263	\$255k	\$56k	4		10-20%	1-2%	10-15%	<3%	<5%		<3%
Dacre ^(R)	2.53%	\$93,161	\$2,356	\$5,309	\$2.7	1,617	579	504	\$933k	\$535k	4		<10%		5-10%		<5%		<3%
Woodlands ^(U)	2.46%	\$71,918	\$1,769	\$2,789	\$0.3	264	111	111	\$340k	\$80k	4		10-20%		5-10%	<3%	<5%		<3%
Waianiwa ^(R)	2.29%	\$85,748	\$1,966	\$4,617	\$2.9	1,968	711	620	\$603k	\$228k	4		<10%		5-10%		<5%		<3%
Makarewa North ^(R)	1.74%	\$90,727	\$1,579	\$1,780	\$0.2	327	120	129	\$475k	\$170k	2		10-20%		<5% ¹		<5%		
Southland	3.95%	\$70,590	\$2,789	\$4,317	\$54.0	29,613	11,523	12,498	\$365k	\$143k									

¹ – These figures have been obtained by calculating the weighted average deprivation score for Statistical Area 1 areas contained within the specified area unit. Note – the [NZDep2018](#) figures are from the December 2019 Interim Research Report. (U) denotes a mainly urban area; (R) denotes a mainly rural area; (M) denotes a mix of urban and rural areas



30 April 2021

Ministry of Business, Innovation and Employment

To Whom it May Concern

Tourism Infrastructure Fund applications

Southland District Council appreciates the opportunity to access additional funding support through the Tourism Infrastructure fund.

This comes at a time when Council has been working hard to resolve infrastructure deficits without placing significant additional strain on our ratepayers, particularly in areas least able to deal with escalating costs and reducing revenue from the impacts of COVID.

Our small communities are being hit hard and any funding assistance is much appreciated.

Please find attached five funding applications to the Tourism Infrastructure Fund in the following priority order:

- Te Anau waste water
- Manapouri visitor infrastructure and facilities upgrade
- Te Anau visitor boat ramp replacement and new toilet facility
- Demolition and replacement of wharf at Ulva Island, Rakiura/Stewart Island
- Observation Rock platform, Rakiura/Stewart Island.

We look forward to receiving your favourable response.

Please do not hesitate to contact us if you require any additional information.

Yours faithfully

A handwritten signature in black ink, appearing to read "Cameron", written over a light blue horizontal line.

Cameron McIntosh
Chief Executive

Southland District Council
Te Rohe Pōtae o Murihiku

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