



Notice is hereby given that a meeting of the Community and Strategy Committee will be held on:

Date: Tuesday, 1 February 2022
Time: 1pm
Venue: Virtual meeting via Zoom

Community and Strategy Committee Agenda OPEN

MEMBERSHIP

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

IN ATTENDANCE

Group manager governance and community	Fran Mikulicic
Committee advisor	Lagi Kuresa

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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.

Phones – Please turn your mobile devices to silent mode.

Recording - These proceedings are being recorded for the purpose of live video, both live streaming and downloading. By remaining in this meeting, you are consenting to being filmed for viewing by the public.

Covid QR code – Please remember to scan the Covid Tracer QR code.

Terms of Reference – Community and Strategy Committee

TYPE OF COMMITTEE	Council committee
RESPONSIBLE TO	Council
SUBCOMMITTEES	None
LEGISLATIVE BASIS	Committee constituted by Council as per schedule 7, clause 30 (1)(a), LGA 2002. Committee delegated powers by Council as per schedule 7, clause 32, LGA 2002.
MEMBERSHIP	The Community and Strategy Committee is a committee of the whole Council. The mayor and all councillors will be members of the Community and Strategy Committee.
FREQUENCY OF MEETINGS	Six weekly or as required
QUORUM	Seven
SCOPE OF ACTIVITIES	<p>The Community and Strategy Committee is responsible for:</p> <ul style="list-style-type: none"> • providing advice to Council on the approaches that it should take to promote the social, economic, environmental and cultural well-being of the District and its communities and in so-doing contribute to the realisation of Council's vision of one District offering endless opportunities • to provide leadership to District communities on the strategic issues and opportunities that they face • to develop relationships and communicate with stakeholders including community organisations, special interest groups and businesses that are of importance to the District as a whole. • assessing and providing advice to Council on: <ul style="list-style-type: none"> - key strategic issues affecting the District and Council - community development issues affecting the District and Council - the service needs of the District's communities and how these needs might best be met - resource allocation and prioritisation processes and decisions. • developing and recommending strategies, plans and policies to the Council that advance Council's vision and goals, and comply with the purpose of local government as specified in the Local Government Act 2002 • monitoring the implementation and effectiveness of strategies, plans and policies • developing and approving submissions to government, local authorities and other organisations • advocating Council's position on particular policy issues to other organisations, as appropriate • considering recommendations from community boards and Council committees and make decisions where it has authority

	<p>from Council to do so, or recommendations to Council where a Council decision is required.</p> <p>It is also responsible for community partnerships and engagement. This includes:</p> <ul style="list-style-type: none"> • monitoring the progress, implementation and effectiveness of the work undertaken by Great South in line with the Joint Shareholders Agreement and Constitution. • allocations of grants, loans, scholarships and bursaries in accordance with Council policy • international relations • developing and overseeing the implementation of Council's community engagement and consultation policies and processes. <p>The Community and Strategy Committee is responsible for overseeing the following Council activities:</p> <ul style="list-style-type: none"> • community services • district leadership.
DELEGATIONS	<p>Power to Act</p> <p>The Community and Strategy Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers:</p> <ol style="list-style-type: none"> a) approve submissions made by Council to other councils, central government and other bodies b) approve scholarships, bursaries, grants and loans within Council policy and annual budgets c) approve and/or assign all contracts for work, services or supplies where those contracts relate to work within approved estimates. d) monitor the performance of Great South.. <p>Power to Recommend</p> <p>The Community and Strategy Committee«name of entity» has authority to consider and make recommendations to Council regarding strategies, policies and plans.</p>
FINANCIAL DELEGATIONS	<p>Council authorises the following delegated authority of financial powers to Council committees in regard to matters within each committee's jurisdiction.</p> <p>Contract Acceptance:</p> <ul style="list-style-type: none"> • accept or decline any contract for the purchase of goods, services, capital works or other assets where the total value of the lump sum contract does not exceed the sum allocated in the Long Term Plan/Annual Plan and the contract relates to an activity that is within the scope of activities relating to the work of the Community and Strategy committee

		<ul style="list-style-type: none"> accept or decline any contract for the disposal of goods, plant or other assets other than property or land subject to the disposal being provided for in the Long Term Plan <p>Budget Reallocation.</p> <p>The committee is authorised to reallocate funds from one existing budget item to another. Reallocation of this kind must not impact on current or future levels of service and must be:</p> <ul style="list-style-type: none"> funded by way of savings on existing budget items within the jurisdiction of the committee consistent with the Revenue and Financing Policy
LIMITS DELEGATIONS	TO	<p>Matters that must be processed by way of recommendation to Council include:</p> <ul style="list-style-type: none"> amendment to fees and charges relating to all activities powers that cannot be delegated to committees as per the Local Government Act 2002 and sections 2.4 and 2.5 of this manual. <p>Delegated authority is within the financial limits in section 9 of this manual.</p>
STAKEHOLDER RELATIONSHIPS		<p>This committee will maintain and develop relationships with:</p> <ul style="list-style-type: none"> Community Boards Great South Milford Community Trust Destination Fiordland. <p>The committee will also hear and receive updates to Council from these organisations as required.</p>
CONTACT WITH MEDIA		<p>The committee chairperson is the authorised spokesperson for the committee in all matters where the committee has authority or a particular interest.</p> <p>Committee members do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the board's delegations.</p> <p>The group manager, community and futures will manage the formal communications between the committee and the people of the Southland District and for the committee in the exercise of its business. Correspondence with central government, other local government agencies or official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.</p>

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1 Apologies

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

2 Leave of absence

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

3 Conflict of interest

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

4 Public forum

Notification to speak is required by 12 noon at least one clear day before the meeting. Further information is available at 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 committee to consider any further items which do not appear on the agenda of this meeting and/or the meeting to be held with the public excluded.

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

- (i) the reason why the item was not on the agenda, and
- (ii) the reason why the discussion of this item cannot be delayed until a subsequent meeting.

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

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

- (a) that item may be discussed at that meeting if-
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further **discussion."**

6 Confirmation of minutes

There are no minutes to confirm.



Draft Stewart Island/Rakiura Visitor Levy Bylaw and Policy

Record no: R/21/12/64459

Author: Carrie Williams, Senior policy analyst

Approved by: Fran Mikulicic, Group manager democracy and community

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is for the Community and Strategy Committee (the committee) to consider the draft Stewart Island/Rakiura Visitor Levy Policy (the draft policy) and the draft Stewart Island/Rakiura Visitor Levy Bylaw (the draft bylaw). This report seeks feedback from the committee.
- 2 It is proposed that the committee recommend to Council that it endorse the draft policy and draft bylaw for public consultation.

Executive summary

- 3 When the Stewart Island/Rakiura visitor levy bylaw and policy were last reviewed in 2018, Council endorsed keeping the quantum of the levy at \$5, until a review of service delivery to Stewart Island/Rakiura had taken place. This work has been completed, noting that the further stages of work included a review of the quantum and policy upon which the visitor levy is collected and distributed, that is currently underway.
- 4 Staff undertook preliminary consultation and obtained feedback from internal and external stakeholders during September 2021. The majority of people who provided feedback supported increasing the levy quantum to \$10. A summary of feedback received is outlined in this report.
- 5 Feedback from discussions with councillors supported an increase to \$15 as it is considered to achieve a balance between the cost of projects scheduled for the island, the impact of these costs on ratepayers, without negatively affecting visitor demand for the island as a destination.
- 6 The committee is being asked to recommend to Council that the quantum of the levy be increased to \$15 and released for public consultation, as well as outline any other changes to the draft bylaw and policy that it would like Council to consider.
- 7 The focus of this review is on the quantum of the levy, but it is open to Council to propose other changes. In addition to changing the quantum, some changes are proposed in the draft policy. No changes are proposed in the draft bylaw, aside from the quantum of the levy.

- 8 If the committee recommends Council endorses the draft policy and bylaw for consultation, they will be presented to Council on 22 February 2022 with the recommendation that they are put out for formal consultation in accordance with the Special Consultative Procedure. Proposed public consultation dates are from 8am 1 March 2022 to 5pm 31 March 2022.
- 9 Under s.4 of the Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012 (the Empowering Act), a levy is a sum of money collected from visitors arriving as freedom travellers, and revenue is money collected on behalf of Council by approved operators. For this report, to ensure clarity, both types of money collected (levy and revenue) will be referred to as “levy”.

Recommendation

That the Community and Strategy Committee:

- a) **receives the report titled “Draft Stewart Island/Rakiura Visitor Levy Bylaw and Policy” dated 24 January 2022.**
- 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 Stewart Island/Rakiura Visitor Levy Policy and the draft Stewart Island/Rakiura Visitor Levy Bylaw and provides feedback.
- e) endorses:
 - (i) the proposal to increase the Stewart Island/Rakiura visitor levy quantum to \$15.00
 - (ii) the proposed changes to the draft Stewart Island/Rakiura Visitor Levy Policy
 - (iii) the proposed changes to the draft Stewart Island/Rakiura Visitor Levy Bylaw.
- f) recommends to Council that it release the draft Stewart Island/Rakiura Visitor Levy Policy and the draft Stewart Island/Rakiura Visitor Levy Bylaw and associated Statement of Proposal for public consultation 8am 1 March 2022 to 5pm 31 March 2022.
- g) notes the need for Council to work with approved operators and levy funding recipients on an ongoing basis, to increase community and visitor understanding of the Stewart Island/Rakiura visitor levy.
- h) notes that staff will advise Council to adhere to the requirements of s.80 of the Local Government Act 2002 (which must be followed when making decisions inconsistent with policy), regarding the proposal to consult in accordance with the Special Consultative Procedure, but not via the Annual Plan process.

Background

The act

- 10 Although Stewart Island/Rakiura has a small resident population, it is a destination for a large number of short-term visitors. This creates a unique funding challenge for Council. In recognition of this, Parliament adopted the Empowering Act. The purpose of the Empowering Act is to provide a mechanism for Council to set and collect levies from passengers travelling to Stewart Island/Rakiura, in order to better provide services, facilities, and amenities for those persons while they are on the Island.

- 11 The Empowering Act establishes who is a visitor in relation to collecting the levy, it gives Council the right to make a bylaw to prescribe the rate of levies that may be imposed on or in respect of visitors, and it outlines information about infringements.
- 12 The Empowering Act also outlines that levies collected under the Empowering Act and revenue collected by an approved operator must be used for one or more of the following purposes:
 - funding, wholly or in part, activities used by visitors or any class
 - funding, wholly or in part, activities on the island for the benefit of visitors
 - mitigating the adverse effects of visitors on the environment of the island.

Council's current policy and bylaw

- 13 Following the adoption of the Empowering Act, Council adopted a Stewart Island/Rakiura Visitor Levy Policy (the current policy) and a Stewart Island/Rakiura Visitor Levy Bylaw in December 2012. The policy and bylaw became operative and levies and revenue started being collected, in October 2013.
- 14 When the Stewart Island/Rakiura bylaw and policy were last reviewed in 2018/2019, Council endorsed keeping the quantum of the levy at \$5, until a strategic review of service delivery to Stewart Island/Rakiura had taken place.
- 15 The initial Stewart Island/Rakiura Service Sustainability Review was prepared in 2019, and provided a framework within which to progress further stages of work. This work has been completed, noting that the further stages of work included a review of the quantum and policy upon which the visitor levy is collected and distributed, that is the subject of this report.
- 16 The current policy contains practical information about how the visitor levy operates (see attachment A). It outlines who has to pay levies and revenue, and how a person can prove they are exempt.
- 17 Revenue is collected from visitors on behalf of Council by approved operators (Stewart Island Flights, Stewart Island Experience and ISS McKay on behalf of cruise ships) and levies are also collected in a collection box (honesty box) from visitors arriving on the island as freedom travellers.
- 18 The approved operators are only required to collect revenue through their contractual commitments with Council. The current bylaw and Empowering Act do not place any obligations on the approved operators in this regard. Council cannot force/require the approved operators to collect the revenue from passengers.
- 19 The Stewart Island/Rakiura Visitor Levy Allocations Subcommittee (the subcommittee), is a subordinate decision-making body of the Community and Strategy Committee. The subcommittee is disestablished at the end of each triennium and needs to be re-established by the new Council at the beginning of each triennium. This subcommittee currently meets annually to allocate funding, and additionally as required. To be considered for funding, applications have to be for one of the purposes outlined in the Empowering Act.
- 20 Council administers the fund, with staff providing advice and support to the subcommittee regarding funding applications.

- 21 The current bylaw outlines the levy amount that is imposed (\$5), how it is collected, and the relevant offences and penalties. The infringement fee for each infringement offence has been set by way of a regulation made under the Act, and is \$250. The current bylaw is included with this report as attachment B.

Financial information

- 22 The table below shows information on the funds that have been collected since the bylaw and policy came into effect in October 2013.

Year ended	\$ (GST excl)	Number of visitors	Number who travelled on a cruise ship	%	Number who travelled with other approved operators	%	Number of others (aka freedom travellers)	%
June 2014 (9 months)	113,567	26,120	2,981	11%	22,946	88%	194	1%
June 2015	133,251	30,648	2,083	7%	28,335	92%	230	1%
June 2016	158,511	36,457	2,492	7%	33,872	93%	94	-
June 2017	159,372	36,656	2,187	6%	34,302	93.5%	167	0.5%
June 2018	193,144	44,423	6,839	15%	37,490	85%	94	-
June 2019	191,267	43,991	4,024	9%	39,855	91%	112	-
June 2020	159,169	36,609	6,074	17%	30,447	83%	88	-
June 2021	182,558	41,998	-	-	41,788	99%	210	1%
Total	1,290,838	296,902	26,680	9%	269,035	91%	1,189	0.4%

Note: the levy is not collected from residents or visitors under 18 years old, as well as other exclusions.

- 23 Over this period, funds allocated have amounted to \$1,090,057. Of this amount:
- 77% (\$841,603) has been allocated to Council-owned infrastructure projects, such as jetties, walking tracks and signage
 - 23% (\$248,454) has been allocated to other organisations for infrastructure, operational costs and projects, such as Stewart Island Promotions, SIRCET (Stewart Island/Rakiura Community Environment Trust), Rakiura Heritage Trust and the Department of Conservation.

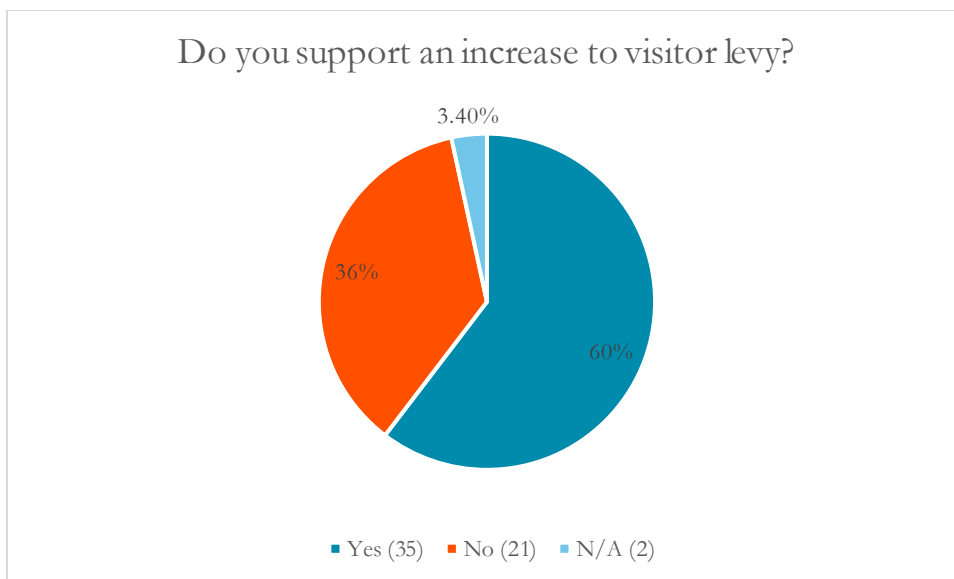
The review process to date

- 24 Whilst the impetus for this review is the quantum of the levy, when Council opens a bylaw or policy for review, it may propose other changes it considers appropriate.
- 25 The focus of this preliminary engagement was to obtain feedback regarding the levy quantum, but respondents were invited to provide their comments on all aspects of the current bylaw and policy. The responses received were presented to the Stewart Island/Rakiura Community Board at their 11 October 2021 meeting. A summary of the written and verbal feedback received is attached to that report. This information provided an early assessment on the views around this issue.

26 To help identify aspects of the current policy and bylaw that should be revised, staff undertook engagement during September 2021, including:

- promoting an online survey and dates for drop-in sessions (to have a discussion with Council staff about the visitor levy), through print and social media
- putting information on Council's Make it Stick platform regarding the levy, and a survey seeking feedback from anyone interested (this received 58 responses)
- speaking with approximately 30 people at three drop-in sessions on Rakiura and Invercargill or on the phone
- feedback was sought from stakeholders, including approved operators, previous applicants to the levy fund, the Department of Conservation, Te Ao Mārama, Rakiura Maori Lands Trust and Great South
- workshops with the subcommittee and the Stewart Island/Rakiura Community Board.

27 Approximately 60% (35) of respondents to the online survey were in favour of an increase of the levy quantum, 36% (21) did not support an increase and two people did not answer this question.

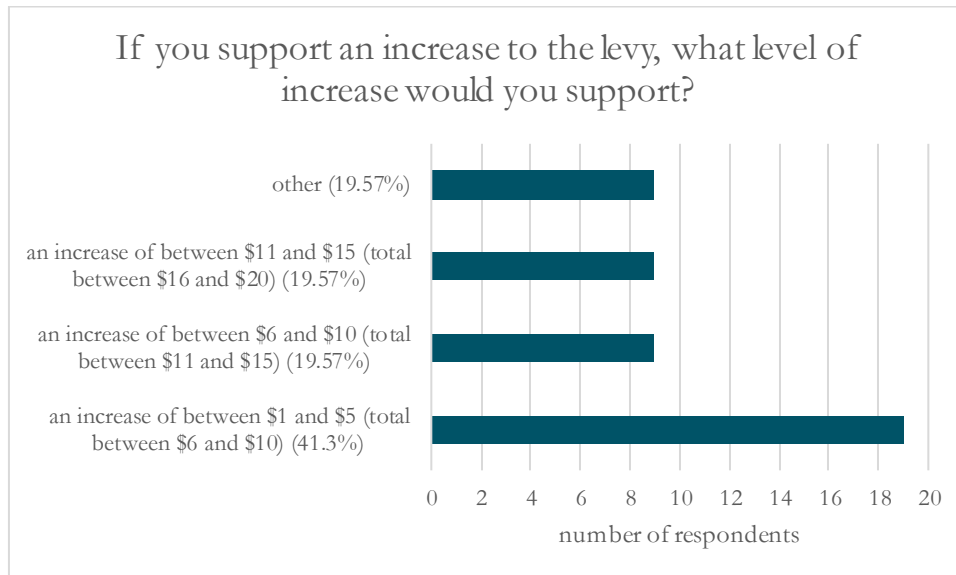


28 The 10 external stakeholder organisations who responded were supportive of increasing the levy quantum. Of the people who came to the drop-in sessions to discuss the levy with staff, the majority favoured an increase in the levy quantum to \$10. Some supported a more incremental increase, and there was a suggestion to increase the quantum in line with inflation.

29 Main reasons for supporting an increase to the levy were that the costs to provide services to the island have increased substantially, and that visitors should support these costs. Those opposed to an increase to the levy stated that it is already expensive to come to the island for visitors, and that central government should pay for community infrastructure through the International Visitor Conservation and Tourism Levy.

30 The online survey asked those that were in favour of an increase in the levy, what level of increase they supported. Only 46 people responded to this question, which may indicate 12 did not support an increase therefore did not answer this question.

- 31 Most respondents (19, 41%) favoured an increase of between \$1 and \$5, which would make the levy total between \$6 and \$10. Equal numbers of respondents (9, 20%) favoured an increase of between \$6 and \$10, an increase of between \$11 and \$15, and 'other'. The graph below shows these results.



- 32 Survey respondents were asked whether they would support a seasonal difference in the levy amount, such as a lower quantum in the winter season than the summer, in order to encourage more people to come to the island during the quieter times of year, when there are less visitors.
- 33 Fifty-five people responded to this question, with the majority signalling they would not support a seasonal difference in the levy amount. Forty-two people (76 %) answered no, and 13 (24%) said yes, they would support a seasonal difference.
- 34 Several people commented that making a seasonal variation in the levy quantum would be too complex. There were also comments that regardless of the time of year, a visitor has access to the same amenities and services, and so should be paying the same price to help fund these.

Issues

- 35 The key change proposed in the draft policy and bylaw is an increase in the quantum of the levy collected to \$15, from the current \$5. This section first discusses the funding analysis behind a proposal to increase the levy, including the various options considered. Other changes to the draft policy are then discussed, followed by things that were considered, but where no change is proposed.
- 36 Apart from the amount of the levy, no changes are proposed to the current bylaw. The current bylaw underwent a thorough review in 2018/2019, and small amendments were made as part of that process. The draft bylaw and policy are at attachments C and D of this report respectively.

The quantum of the levy

Background

- 37 The Stewart Island/Rakiura Service Sustainability Review prepared in 2019 found that there are a number of service sustainability challenges in providing and funding the delivery of services to

the Stewart Island/Rakiura community. The report identified a range of opportunities to address these funding pressures, including how to maximise existing and potential new alternative funding tools and/or sources.

- 38 Amongst the actions identified in the report was a review of the quantum of the Stewart Island/Rakiura visitor levy (as an existing funding source) and the policy upon which the visitor levy is collected and distributed. Council agreed to progress this review having regard to the findings from the sustainability review and the projected future demands for services proposed to be delivered to the Stewart Island/Rakiura community by either Council and/or other agencies that are eligible to make an application to the visitor levy fund.
- 39 Levy funds are allocated to groups or organisations by way of application to the subcommittee. Whilst a project may be eligible for funding by meeting the requirements in the Empowering Act, the subcommittee has complete discretion whether or not to grant funding to a project. Additionally, it is not a given that a project will apply for funding. However, having increased funds available would increase the pool of funds to assist with getting work and activities completed.

Forecasted funding needs

- 40 The visitor levy quantum methodology at attachment E explains the forecasted spending for the island by Council and other groups, and shows that the current visitor levy at \$5 is likely to be insufficient to fund the projected future cost of visitor-related activities. It models four scenarios that allocate the costs of activities on the island to visitors in different ways. Depending on the share of activity costs estimated to be related to visitors use, the levy would need to increase to between \$11 and \$30.
- 41 A levy quantum of \$15 is recommended as it best achieves a balance between the cost of projects scheduled for the island, and visitors contributing a reasonable amount towards visitor related costs on the island, the impact of these costs on ratepayers, without negatively affecting visitor demand for the island as a destination.
- 42 To reach this recommendation, the benefit to visitors of the activities listed at attachment E has been considered. These activities have then been used as a guide to assess what the levy quantum needs to be to ensure it is at a level to correspond with the assessed visitor benefit over the Long Term Plan period. An additional consideration is that if the visitor contribution to these activities is kept too low, the flow on impact on the rates for residents/ratepayers to fund any deficit needed would create additional pressure on rates affordability.
- 43 The table below outlines four different scenarios of the percentage share of the projects/costs that might relate to visitors and therefore be eligible for levy funding. The remaining percentage is then assumed to be funded from other sources (like grants, fees/charges or rates). The purpose of this information is to show projected visitor costs for the island in order to evaluate an appropriate levy quantum. It is not intended to show how levy funds would actually be allocated. No changes are proposed to the allocations guidelines and categories in the current policy, that are at the discretion of the subcommittee to follow. The four scenarios are as follows:
- fixed share - a consistent estimate that 30% of each project/activity costs relate to visitors irrespective of variations in visitor use/benefit between projects

- low estimate - a low/conservative estimate of each project/activity costs attributable to visitors. A range of between 5% to 75% has been assigned to each project as being related to visitors
- high estimate - a high/optimistic estimate of each project/activity costs attributable to visitors. A range of between 50% to 100% has been assigned to each project as being related to visitors
- mixed estimate - a mixed “best” estimate of project costs attributable to visitors based on varying degrees of visitor-related use/benefit/mitigation. A range of between 25% to 90% has been assigned to each project as being related to visitors.

Visitor related activity	Budgeted project costs 2023-2031 (excluding GST)	\$ eligible for levy funding based on estimated share of projects (excluding GST)			
		(a) Fixed Share 30%	(b) Low Estimate (recommended)	(c) High Estimate	(d) Mixed Estimate
Council activity costs (LTP 21-31)	\$7.3 million	\$2.2 million	\$2.2 million	\$5.3 million	\$3.4 million
Other agency costs (community)	\$2.4 million	\$0.7 million	\$1.5 million	\$2.4 million	\$1.9 million
Total costs	\$9.7 million	\$2.9 million	\$3.7 million	\$7.7 million	\$5.3 million
Average visitor related activity costs per annum (over 8 years)		\$360,689	\$500,211	\$1,022,261	\$699,577
Projected visitor levy required (excluding GST)		\$9.32	\$12.93	\$26.42	\$18.08
Projected visitor levy required (including GST) ¹		\$11	\$15	\$30	\$21
Current visitor levy (including GST)		\$5	\$5	\$5	\$5
Increase		\$6	\$10	\$25	\$16

(1) The number of visitors is estimated to be 38,700 per annum average over seven years since levy introduction.

- 44 The full detail of the methodology behind these scenarios is explained at attachment E.
- 45 There has been no feedback from visitors, or information to show that increasing the levy would deter travellers to the island. At its 23 November 2021 meeting, Great South presented the results of its survey representing 10,000 visitors to the island during the 2020/21 season to the committee. 93% of visitors stated that they would return to Rakiura. Whilst the subject matter of the general comments received varied widely, only one respondent mentioned the visitor levy, stating that they felt it should be increased. This report and the survey results are available on the hub. Visitor numbers for the 2020/21 of 41,998 reflect the high demand for the island as a destination. In addition, media and operators on the island report that the current holiday season continues to be very busy.

Changes proposed to the draft policy

Annual/Long Term Plan consultation requirement

- 46 The current policy states that public consultation will occur via an Annual Plan/LTP process and a bylaw amendment process, in the event an increase in the levy is considered (part 5.0 of the current policy). It is proposed that this be removed.

- 47 The Empowering Act requires that the levy be set by a bylaw, which means a consultation process to amend the bylaw must be used, regardless of the wording in the policy. Due to the high interest in this issue, consultation for the current review process will occur in line with the Special Consultative Procedure, which is the highest level of prescribed consultation in the Local Government Act 2002 (LGA). It is likely any future reviews will also follow the Special Consultative Procedure, due to the high level of public interest.
- 48 The inclusion of the policy requirement to consult via the Annual Plan/LTP adds the requirement that Council consult on its Annual Plan when it may not otherwise have done so. It does not change the nature of the public engagement process that is followed to review the bylaw and policy.
- 49 In years when Council is not required to consult on its Annual Plan, this policy requirement hinders Council's ability to review the levy quantum in a timely way, due to the additional resourcing required to also run a consultation process on the Annual Plan. Due to anticipated funding requirements for the island, delaying the review of the levy quantum is not a pragmatic approach.
- 50 There is little risk in not consulting on the levy as part of the Annual Plan process because as discussed above, Council will be consulting using the Special Consultative Procedure, which is the highest level of prescribed consultation in the LGA.
- 51 The requirement in the current policy and contracts for 15 months' notice to approved operators prior to any change and that any change would come in on 1 October is proposed to remain the same. This means that any future changes to the levy quantum would need to be adopted by Council in June the year previous. The reason for this requirement is to enable approved operators to efficiently change their pricing in advance of the summer season.
- 52 The implications of not following this requirement in the current policy for the current review are discussed in the Legal and Statutory Requirements section of this report.

Increase to multi-year funding for infrastructure projects

- 53 When the current policy was last reviewed, Council endorsed multi-year funding, enabling the subcommittee to commit to give funds in an application round, to an applicant in future allocation rounds. This could be done by the subcommittee to commit to service loans drawn, such as to cover capital works projects. The objectives of this change were to allow levy funding to be used more efficiently and enable organisations to operate and plan more effectively.
- 54 The current policy allows the subcommittee to commit to giving funds to an applicant in future applicant rounds for:
- up to 10 years for Council and community owned infrastructure (the current allocation round, and the next nine allocation rounds)
 - up to three years for operational costs (the current allocation round, and the next two allocation rounds)
 - one year for community projects (just the current allocation round).
- 55 The wording in the draft policy proposes to allow multi-year funding of up to 30 years for Council and community owned infrastructure in exceptional circumstances. This is because for larger capital infrastructure projects, a limit of 10 years of funding may be insufficient.

- 56 Loan funding is one way to ensure intergenerational equity by sharing the costs of a capital projects across the generations who are likely to use it. Many capital projects will create infrastructure that have a life of longer than 10 years. Accordingly, to try and best match the “use” of the expenditure with the “life” of the expenditure entails spreading the levy contributions over a period closest to the “life” of the expenditure. A 30 year loan period is likely to better match long-life capital expenditure on works such as footpaths, buildings and wastewater. If this approach was used, it would mean that a proportion of the levy funds would be applied to a capital project each year over the 30 year life of the capital expenditure funding. Since most of the capital expenditure projects provide benefit for longer than 10 years, the subcommittee may wish to spread the funding of the visitors share over a longer time, as Council does with other infrastructure, through spreading costs on rates over 30 years through loans.

Other minor changes

- 57 Minor changes proposed to the draft policy include:
- clarifying that the subcommittee may only allocate funding once a year, at its annual allocation meeting
 - adding examples to the descriptions of the three allocation categories (Council/community infrastructure, operational costs, community projects)
 - adding that for applications made by Council (including the Stewart Island/Rakiura community board), the inclusion of a project in Council’s Long Term Plan indicates that it has gone through a community engagement process, and Council has endorsed the project as supporting the community’s long term objectives
 - updates to improve legal accuracy and clarity of the policy, including titles and delegations.

- 58 These changes are tracked in the draft policy at attachment D.

Items where no change to the policy is proposed or required

Increased communication with the community about the levy

- 59 Staff received feedback from the community that it would like to receive more information about the allocation of levy funding. Currently, the subcommittee’s agendas and meeting minutes are publicly available on Council’s website or on request. In addition, the Community and Strategy Committee is informed of annual funding decisions, and Council’s annual report contains an itemised statement of the Stewart Island/Rakiura visitor levy fund each year.
- 60 Additional measures to publicise this information more widely without a change to the current policy could include:
- posting annual levy funding allocation decisions on Council’s social media platforms and on its website
 - having information available at the Stewart Island/Rakiura library
 - publishing information about levy allocations in the Stewart Island News.
- 61 The concept of a public meeting/workshop prior to allocations each year has been considered but not included in the draft policy. It is considered appropriate to first increase the circulation

and availability of information as discussed in the paragraph above, and then assess whether a public meeting is indicated. Such a meeting could be held at the discretion of the subcommittee and would not require inclusion in the policy wording.

Increased communication with visitors about the levy

- 62 In addition to providing more information to the community about the levy, input was received that Council could improve communications with visitors about the purpose of the levy, and what it has accomplished since its inception. There were discussions with stakeholders that visitors have a genuine interest in understanding ‘the story’ behind the levy and appreciating their role in helping to protect and enhance a place that they visit.
- 63 Increasing visitor understanding of the levy could take different forms. Working with approved operators to provide further information about the levy or a link on their ticketing site about the levy is one avenue. In addition, Council could partner with funding recipients on the island to create or improve signage that shows when a project has been funded by the levy. These initiatives do not require a change to the current policy or bylaw, but staff suggest the committee recommend that Council endorse these actions, if supported.

Factors to consider

Legal and statutory requirements

The Empowering Act

- 64 The Empowering Act provides that Council may make bylaws in accordance with the LGA to prescribe:
- the rates of levies that may be imposed on or in respect of ‘visitors’, and
 - the means by which those levies are to be collected.
- 65 The Empowering Act defines revenue as being collected “by an approved operator in accordance with a contract entered into for the purpose with the Council”. Under the Empowering Act, arrangements with approved operators fall outside of the scope of the bylaw.

Consultation

- 66 It is proposed that Council undertake consultation on the draft policy and bylaw in accordance with the Special Consultative Procedure outlined in sections 83 and 87 of the LGA. This will involve staff preparing and Council adopting a formal statement of proposal, having a consultation period of not less than one month, and allowing people to present their views to Council in a manner that enables spoken interaction, such as by having a hearing.

LGA s.80 requirements

- 67 As discussed above in the ‘Annual/Long Term Plan consultation requirement’ section of this report, the current policy states that public consultation will occur via an Annual/Long Term Plan process and a bylaw amendment process, in the event an increase in the levy or revenue is considered (5.0 of the current policy). It is proposed to consult using the Special Consultative Procedure, but not via that Annual Plan process, for the current review.

- 68 Under s.80 of the LGA, Council is legally required to identify any decisions that are significantly inconsistent with a policy. The current policy refers to two forms of public consultation to increase the levy, that of the Annual Plan/LTP process, and a bylaw review process. It is therefore considered that a decision not to consult via the Annual Plan when the other consultation will occur, is not a decision that is ‘significantly inconsistent with’ the current policy. Accordingly, adherence to s.80 is taking a cautious approach.
- 69 Section 80 requires Council to clearly identify the inconsistency, the reasons for the inconsistency and any intention of the local authority to amend the current policy to accommodate the decision. Identification of these factors is as follows:
- the inconsistency is that the current policy requires consultation via the Annual Plan/LTP process. Council intends to consult via that Special Consultative Procedure bylaw review process, but not via the Annual Plan/LTP process
 - the reason for the inconsistency is that it is not considered practical to delay the review of the levy quantum, should Council not be required to consult on its 2022/23 Annual Plan
 - the intention is to amend the current policy to remove this requirement, so that future review processes are not inconsistent with the policy.
- 70 A recommendation in line with fulfilling the requirements of s.80 will be proposed to Council at its 22 February 2022 meeting.

LGA financial requirements

- 71 Under the LGA, Council is required to manage its finances prudently and in accordance with sound business practice. It is also required to make adequate provision for meeting its forecasted expenditure requirements. Collectively, these provisions indicate that Council should have a clear analysis supporting any projected increase in funding required. In the case of the Stewart Island/Rakiura visitor levy, such an assessment should have regard to the range of services that need to be provided, whether by Council or other service providers, to meet the needs of visitors. The analysis included with this report shows the island’s visitor related funding requirements and the role that the levy may play in helping to alleviate the rates burden to residents.
- 72 Through the review process, staff have become aware that Council’s Revenue and Financing Policy may not separately refer to Empowering Act levies/revenue collected as a source of funding, as required by the LGA. The Empowering Act levies/revenue are currently included in the grants and subsidies heading of the Revenue and Financing Policy which forms part of the policies’ “other sources” of funding.
- 73 Section 6 of the Empowering Act provides that levy and revenue “are a source of funding for the purposes of section 103(2) [of the LGA]”, and s.103(1) of the LGA requires that Council “must state” its policies in respect of funding operating expenditure and capital expenditure from the sources listed. For clarity, the Revenue and Financing Policy should reference Council’s policies in relation to this funding source.
- 74 It is considered appropriate that this clarification to the Revenue and Financing Policy be addressed when this policy is next reviewed.

Contractual obligations

- 75 If Council adopts an increase to the levy quantum, an important legal consideration is that Council would have to negotiate a variation to its contract with the three approved operators. It is considered premature for Council to enter into any contract negotiations with approved operators prior to receiving community views and determining whether or not to change the levy quantum.
- 76 Council is also required to provide 15 months' notice of the increase to the approved operators. Approved operators have the option to terminate the contract by giving six months' notice of termination. Termination cannot take place during the peak months of October to April (inclusive).
- 77 It is intended that Council would adopt any changes to the levy quantum in June 2022. Any change to the quantum of the levy would not take effect until October 2023, consistent with the agreements between the approved operators and Council.

Legal review

- 78 Legal advisors will review the draft policy, the draft bylaw and the draft statement of proposal after feedback is received from this committee. Through this review, some additional amendments may be suggested, when the draft bylaw and policy are presented to Council for consultation at its 22 February 2022 meeting.

Community views

- 79 As outlined above, preliminary consultation has been undertaken with external stakeholders, to help guide the direction for changes in the draft policy and bylaw. A number of those suggestions have been incorporated in the drafts presented to the committee.
- 80 Council will be able to further ascertain community views on the draft policy and bylaw when it undertakes formal consultation in accordance with the Special Consultative Procedure.
- 81 There is a large amount of community interest (particularly on Stewart Island/Rakiura) in how the visitor levy operates and how funding is allocated. Staff anticipate that a reasonable amount of feedback will be received through the consultation process, and that the media may also be interested in this issue.

Costs and funding

- 82 There will be costs associated with progressing the draft policy and bylaw through to the consultation process, including the costs associated with seeking legal advice, staff time and advertising. These costs would be met within current budgets.
- 83 As discussed in attachment E, there is likely to be a shortfall in funding if the levy remains at \$5 and no change is made to the projects planned for the island. The impact on rates to fund this shortfall would vary, depending on the quantum of the levy.
- 84 If Council is unable to secure other funding for these projects, it is likely that they will need to be fully funded from rates or the projects delayed.

Policy implications

- 85 The draft bylaw and policy propose an increase to the amount of levy/revenue collected. Freedom travellers and people who travel with an approved operator would pay a levy/revenue of \$15.00 rather than the \$5.00 that is currently paid.
- 86 Increasing the quantum of the levy to \$15 will enable proposed work that is visitor related to proceed, and lessen the need to increase rates. This will help to alleviate the burden to ratepayers from the high number of short-term visitors to Stewart Island/Rakiura.

Analysis

Options considered

- 87 There are two options for consideration in this report:
- option 1 – that the committee recommend Council endorses the draft policy and draft bylaw (with any desired amendments) for consultation in accordance with the Special Consultative Procedure, that includes the proposal to increase the levy quantum to \$15.
 - option 2 - that the committee recommend Council retain the current policy and current bylaw, and keep the levy quantum at \$5. This option would also require a consultation process to be undertaken.

Analysis of Options

Option 1 – that the committee recommend Council endorses the draft policy and draft bylaw (with any desired amendments) for consultation in accordance with the Special Consultative Procedure, that includes the proposal to increase the levy quantum to \$15

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • an increase in available funds would support visitor related projects on the island and may relieve the rates burden on this community • provides updates and clarifications to the current policy, including an increase to multi-year funding in exceptional circumstances for infrastructure projects and removing the requirement to consult via the Annual Plan/LTP • the analysis shows a link between levy quantum and funding needs • takes into account that certain projects on the island have more visitor connection than others. 	<ul style="list-style-type: none"> • is not consistent with the feedback from preliminary consultation, that supported an increase to \$10, not \$15 • approved operators may not agree to collecting the levy funds on behalf of Council, if it is raised to \$15 (which would create a challenge around collecting the levy)

Option 2 – that the committee recommend Council retain the current policy and current bylaw, and keep the levy quantum at \$5

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• this is in line with some community views obtained through the pre-consultation process• the community and stakeholders are familiar with the current bylaw policy provisions.	<ul style="list-style-type: none">• keeping the levy at \$5 will not increase available funds for visitor related projects on the island and may increase the rates burden on this community• projects may not proceed if levy funding is not sufficient• this option is not in line with the majority of stakeholder and community views that the quantum of the levy should be increased• would not address the proposed changes to clarify the policy.

Assessment of significance

- 88 It has been identified that the recommendations in this report are not significant in relation to Council's Significance and Engagement Policy and the LGA. This is because this report outlines recommendations to Council, as opposed to making a decision on the issue. However, as has been identified above, there is a reasonable amount of interest in the visitor levy on Stewart Island/Rakiura and in the community.

Recommended option

- 89 Staff recommend that the committee proceed with Option 1 and recommend to Council that it endorse the draft policy and the draft bylaw for public consultation, in accordance with the Special Consultative Procedure.

Next steps

- 90 If the Committee endorses Option 1, staff will make any recommended changes and undertake any other necessary steps, and present a statement of proposal and the draft policy and bylaw to Council at its meeting 22 February 2022. Staff would recommend to Council that the draft documents be adopted for consultation in accordance with the special consultative procedure. It is proposed that formal public consultation will take place from 8am on 1 March 2022 to 5pm on 31 March 2022.
- 91 If, after undertaking the Special Consultative Procedure, and consideration of community views, Council endorses increasing the levy/revenue collected, Council would then:
- adopt the bylaw with it to come into effect 1 October 2023 (with the new \$15.00 amount being collected from 1 October 2023)
 - adopt the policy with it to come into effect from 1 July 2022 (with the new \$15.00 amount being collected from 1 October 2023).

- 92 If the committee proceed with Option 2 and retain the current policy and current bylaw, staff will make any recommended changes and undertake any other necessary steps, and (if appropriate) present the draft policy and bylaw to Council at its meeting on 22 February 2022 for consultation.

Attachments

- A Current Stewart Island/Rakiura visitor levy policy [↓](#)
- B Current Stewart Island/Rakiura visitor levy bylaw (revision 1, 2019) [↓](#)
- C DRAFT Stewart Island/Rakiura visitor levy bylaw for Community and Strategy Committee 1 February 2022 [↓](#)
- D DRAFT Stewart Island/Rakiura visitor levy policy for Community and Strategy Committee 1 February 2022 [↓](#)
- E Visitor levy quantum methodology for Community and Strategy Committee meeting 1 February 2022 [↓](#)



Stewart Island/Rakiura Visitor Levy Policy

Role responsible:	Activity Manager Community Assistance
Date approved:	12 December 2012
Date amended:	7 February 2019 (to come into effect on 1 July 2019)
File number:	r/18/2/4407

1.0 Purpose

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

2.0 Background

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

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

3.0 Definitions

Accountability Form	This is a form that must be completed by applicants after they have received funding, so Council is informed how the applicant has spent the funds and so Council is aware of any benefits that have been achieved with the funds
Activity	Has the meaning given in section 5(1) of the Local Government Act 2002: A good or service provided by, or on behalf of, a local authority or a council-controlled organisation; and includes— (a) the provision of facilities and amenities; and (b) the making of grants; and (c) the performance of regulatory and other governmental functions
Agent	A business entity that enters into a contractual arrangement with Council to collect the levy from its passengers on behalf of



	Council
Approved Operator	<p>A person who owns or operates or is otherwise in control of a transport vessel and who enters into a contract with the Council—</p> <ul style="list-style-type: none"> (a) relating to the provision of a service to carry to or from the island passengers who, but for the contract, would be visitors to the island; and (b) providing for revenue to be collected from the passengers; and (c) that has the effect of bringing passengers carried by the operator within the definition of an excluded visitor; and (d) including any other terms and conditions that may be agreed from time to time by the approved operator and the Council <p>The Approved Operators are Real Journeys Limited (currently trading as Stewart Island Experience), Stewart Island Flights Limited and ISS McKay Limited on behalf of the cruise ships</p>
A staff member	A staff member from Council
Contractor	A contractor approved by Council
Council	Southland District Council
Dependent	A person primarily under the care and responsibility of another person, living with that person as a member of their family and substantially reliant on that person for financial support
Excluded visitor	<p>A person who is not to be treated as a visitor because the person—</p> <ul style="list-style-type: none"> (a) travels to the island under a contract of carriage with an Approved Operator; or (b) is the owner or is otherwise in control of a transport vessel or is employed, or under contract, to work on a transport vessel; or (c) is one whose visit is entirely within the boundaries of the Rakiura National Park; or (d) is visiting the island for a continuous period of 21 days or more; or (e) is a person under the age of 18 years on the date of arrival on the island
Freedom traveller	A visitor who travels to the island by means other than as a passenger of an Approved Operator. This includes chartered vessels and independent travel. It does not include people who travel via the ferry (with Real Journeys Limited), scheduled flights (Stewart Island Flights) or cruise ships
GST	Goods and services tax chargeable under the Goods and Services Act 1985



Island	Stewart Island/Rakiura
Levy	The sum of money (inclusive of GST) collected under the Stewart Island/Rakiura Visitor Levy Bylaw 2019 from persons who are visitors to the island
Maori Land	Has the meaning given in section 4 of the Te Ture Whenua Maori Act 1993: Maori customary land and Maori freehold land
Rakiura Maori Lands Trust	The Rakiura Maori Lands Trust is governed by seven Trustees appointed by the Maori Land Court upon recommendation from the beneficial owners. The Rakiura Maori Lands Trust holds lands and funds in trust for many Rakiura Maori descendants
Ratepayer	A person who is named on a current rates notice of a rating unit on the island. Only persons who are named on current rates notices are considered to be ratepayers, regardless of who funds rates payments
Resident	A person recognised as living on the island for electoral residency purposes under section 23 of the Local Electoral Act 2001
Revenue	Revenue (inclusive of GST) collected from excluded visitors, in place of any levy imposed by the Stewart Island/Rakiura Visitor Levy Bylaw 2019, by an Approved Operator in accordance with a contract entered into for the purpose with Council
Subcommittee	The Stewart Island/Rakiura Visitor Allocation Levy Subcommittee
Tenant	A person who has a tenancy agreement for a rating unit on the island under the provisions of the Residential Tenancies Act 1986
The Act	The Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012
Transport vessel	(a) means a ship, aircraft, or other vessel carrying passengers to or from the island, whether or not— (i) there is a charge for any or all of those passengers; or (ii) any charge is part of a tourist package; or (iii) the vessel is operated commercially; or (iv) the vessel is used for freight as well as passengers; and (b) includes— (i) a regular ferry or air service to the island; and (ii) a cruise ship whose passengers disembark to land on the island
Visitor	Any person who— (a) travels to or from the island, whether for a single day or for any continuous period of less than 21 days, by any transport vessel; but (b) is not a person who,—



	<ul style="list-style-type: none"> (i) for the purposes of the Local Government (Rating) Act 2002, is a ratepayer in respect of a rating unit on the island; or (ii) is a resident of the island by virtue of being a resident for electoral residency purposes under section 23 of the Local Electoral Act 2001; or (iii) is a tenant of a rating unit for the purposes of the Residential Tenancies Act 1986; or (iv) is the spouse, civil union partner, de facto partner, or dependant of a ratepayer or tenant; or (v) is a beneficiary of the Rakiura Māori Land Trust or who has an ownership interest in a Māori land block on the island; or (vi) is an excluded visitor.
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4.0 Collection

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

1. **Revenue;** and
2. **Levy.**

The definitions of revenue and levy are found in section '3.0 Definitions' above.

Through contractual arrangements, Council will collect revenue from passengers who travel with Approved Operators. Approved Operators include Real Journeys Limited (currently trading as Stewart Island Experience), Stewart Island Flights Limited and ISS McKay Limited on behalf of the cruise ships. Passengers will pay the Approved Operator in accordance with the terms of carriage (i.e. the revenue will form part of their ticket price). If the passenger travels via an Approved Operator and pays a local or child fare, the Approved Operator will not charge the revenue.

Under the Stewart Island/Rakiura Visitor Levy Bylaw 2019, Council will collect the levy. The levy will be collected from freedom travellers (i.e. those who are visitors under the act, so it does not include people who travel with an Approved Operator). Where a person is a freedom traveller the categories of exemption outlined in Clause 4.1 below apply. This means that if a freedom traveller is not exempt, he or she will have to pay the levy.

4.1 Who Pays

All individuals travelling to Stewart Island/Rakiura, including freedom travellers, must pay the levy or pay revenue to an Approved Operator unless they are exempt under the following:

- residents, ratepayers and tenants of Stewart Island/Rakiura and their spouses, civil union partners, de facto partners, or dependents;
- beneficiaries of the Rakiura Māori Land Trust or individuals who have an ownership interest in a Māori land block on the island;
- visitors who remain on the island for any continuous period of 21 days or more;



- owners of a transport vessel or individuals employed under contract to work on a transport vessel;
- individuals whose visit is entirely within the boundaries of the Rakiura National Park; or
- persons under the age of 18 years on the date of arrival on the island.

Where the resident or ratepayer exemption applies to a person, the exemption does not automatically apply to the whole family or group. The exemption applies to the ratepayer(s) set out on the rates notice and their spouse, civil union partner, de facto partner and dependents. This does not include visiting adult children or grandchildren (unless they are dependents).

Holiday home owners are exempt if they are a ratepayer on the Council's rates notice. However, beneficiaries of family trusts will not be exempt unless they are designated by name as ratepayers on Council rates notice, or they meet one of the other reasons for exemption outlined above.

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

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

5.0 Calculation

The amount of the levy is set out in the Stewart Island/Rakiura Visitor Levy Bylaw and is \$5.

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

5.1 Arrangements with Approved Operators

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

Apart from ISS McKay Limited, Approved Operators will collect revenue from passengers on both inbound and outbound journeys (\$2.50 each way). This allows for passengers who use different modes of transport to travel to and from the island and allows the revenue to be apportioned across the modes of transport on an equitable basis.

ISS McKay Limited will collect revenue (\$5) from each passenger (carried to or from Stewart Island/Rakiura (or its internal waters) on behalf of Southland District Council. This applies regardless of whether or not that passenger disembarks and regardless of the number of times the passenger disembarks and embarks.



5.2 Collection of the Levy from Freedom Travellers

The Stewart Island/Rakiura Visitor Levy Bylaw outlines levy collection from visitors who travel to the island via private or chartered transportation (i.e. freedom travellers). A \$5 levy is payable when the visitor arrives on the island. Council has provided a collection box to receive payments or payment can be made at any Council office. The collection box is placed on the Main Wharf in Oban. Freedom travellers can deposit levy payments at this location at any time. Council may also enter into agreements with agents operating chartered vessels, to collect the levy from passengers on behalf of Council.

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

6.0 Proof of Exemption

Persons who are not required to pay the visitor levy or revenue can apply for a Southland District Council photo identification card. Southland District Council photo identification cards will be accepted as proof of exemption by Approved Operators and agents. They will also be accepted by enforcement officers monitoring compliance with the Stewart Island/Rakiura Visitor Levy Bylaw.

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

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

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

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

6.1 Application for Exemption

An application to receive a Southland District Council photo identification card can be made by attending the Southland District Council office located at 15 Forth Street, Invercargill or by sending a completed application form to Council (PO Box 903, Invercargill 9840 or contactcs@southlanddc.govt.nz) with a colour passport photo of each applicant.



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

7.0 Refunds

People who have been charged the levy but believe that they are exempt under the act can apply to Council to receive a refund.

Refund applications should state the reason for the claim, along with a copy of supporting documentation as set out in Appendix A.

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

8.0 Audit

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

9.0 Enforcement

Part 2 of the act outlines infringement offences. Any person who evades the payment of a levy payable by that person or falsely claims that he or she is not a visitor commits an infringement offence.

An infringement fee has been set by way of regulation and will be displayed on signs erected on the island. The amount of the infringement fee is \$250. Infringement notices can be issued by Southland District Council Enforcement Officers if they observe a person committing an infringement offence or if they have reasonable cause to believe that a person has committed an infringement offence.

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

10.0 Administration

The subcommittee has the delegated authority and will make decisions to approve applications from the Stewart Island/Rakiura Visitor Levy fund. The subcommittee will meet annually to review applications and allocate funding.

The subcommittee is the subordinate decision making body of the Community and Policy Committee. The subcommittee is subject to standard audit procedures. The Community and Policy Committee will be informed of funding decisions via memoranda. Council's Annual Report will contain an itemised statement of the Stewart Island/Rakiura Visitor Levy fund each year.



10.1 Subcommittee Membership

The subcommittee will consist of the following members appointed by Council:

- the chair of the Community and Policy Committee
- the chair of the Finance and Audit Committee
- the councillor for Stewart Island/Rakiura
- a representative from the Stewart Island/Rakiura Community Board
- a representative recommended by each of the Approved Operators (three in total)
- a member to represent iwi
- a member from Stewart Island/Rakiura

The chair of the Community and Policy Committee will act as chair of the subcommittee.

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

If the councillor for Stewart Island/Rakiura is also the chair of the Community and Policy or the Finance and Audit Committee, then an additional councillor will be appointed to the subcommittee, by Council.

Elected members on the subcommittee must act in accordance with Council's Code of Conduct. Council's Standing Orders also apply to the subcommittee. If a subcommittee member has any connection to an application greater than that of the general public, that member should declare an interest in the relevant application, prior to it being considered. In such circumstances, the member affected shall still be entitled to speaking and voting rights, unless the member has a pecuniary interest in the application.

Further information on the appointment of the representatives from the Approved Operators, the iwi representative and the representative from Stewart Island/Rakiura, is provided in Appendix B.

10.2 Applications

The application process will be administered by Council. Advertisements will be placed at the beginning of March seeking applications and outlining the deadline for receipt of applications. The application period will close at the end of March.

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

- an outline of the project or work requiring funding, including a timeline;
- if the project involves physical works, scale conceptual plans including site plans;
- any requirement for resource or building consent;
- a business plan for the project including costs and on-going funding requirements, if any;
- evidence of legal status of the applicant (eg, charitable trust or body corporate);
- an assessment of how the project is for the benefit of visitors; and
- declarations of interest.

An application can be made for funding in relation to salary and wages and it can relate to a range of things such as the development or maintenance of existing facilities, services and projects.

Applicants can indicate on their application form if they would like to be heard by the subcommittee.



Late applications will not be considered.

10.3 Allocation Process

A three step process will be undertaken to allocate funds. The three steps are:

Step 1 - Assessing if the application is eligible for funding

Step 2 - Assessing which category the application falls under

Step 3 - Allocating funds to applications from each category (using the funding allocation percentages as a guide and based on the strength of the application).

Step 1: Assessing if the application is eligible for funding

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

- fund, wholly or in part, activities used by visitors or any class of excluded visitor;
- fund, wholly or in part, activities on the island for the benefit of visitors or any class of excluded visitor; and/or
- mitigate the adverse effects of visitors or excluded visitors on the environment of the island.

If an application is not consistent with section 6(b) of the act, this will be identified by a staff member or contractor.

Where appropriate, a staff member or contractor may liaise with an applicant to discuss their application (e.g. whether further information is needed, or whether there is a minor issue with the application etc). The applicant will be permitted to make minor amendments to their application in this circumstance.

If, after engaging with the applicant, the staff member or contractor thinks the application is still not eligible for funding, the staff member or contractor will communicate this to the subcommittee at the allocation meeting.

Step 2: Assessing which category the application falls under

Applications that are consistent with section 6(b) of the act will be assessed by a staff member or contractor as being in one of the following categories.

ALLOCATION CATEGORY	DESCRIPTION
Council/community owned infrastructure	Applications relating to Council's/the community's physical and organisational structures and facilities (e.g. buildings, roads, power supply etc).
Operational costs	Applications by non-profit organisations to meet their operational needs/requirements.
Community projects	Applications that do not relate to infrastructure. These applications must be made by Stewart Island/Rakiura resident/s, ratepayer/s or tenant/s.



A staff member or contractor will communicate to the subcommittee, which category they believe the application falls under. It is possible that an application will fit into more than one category.

Step 3 - Allocating funds in accordance with the funding allocation percentages and based on the strength of the application

Funding allocation categories and percentages

The subcommittee will consider the allocation categories when it allocates funding. Although it has complete discretion, as a guide, the subcommittee may allocate the funding received on an annual basis, to applications in each category in accordance with the funding allocation percentages outlined below.

ALLOCATION CATEGORY	FUNDING ALLOCATIONS
Council/community owned infrastructure	60-70% (% of the funds available annually that will be allocated to Council/community owned infrastructure)
Operational costs	20-25% (% of the funds available annually that will be allocated to operational costs)
Community projects	5-10% (% of the funds available annually that will be allocated to community projects)

The strength of the application

The subcommittee will allocate funds to applications in the allocation categories based on the strength of the application. The strength of an application will be determined by the extent it will:

- fund, wholly or in part, activities used by visitors or any class of excluded visitor; or
- fund, wholly or in part, activities on the island for the benefit of visitors or any class of excluded visitor; or
- mitigate the adverse effects of visitors or excluded visitors on the environment of the island.

The subcommittee will have regard to the extent that the proposed project will also benefit the local community.

A staff member or contractor will provide guidance to the subcommittee, on the strength of an application.

Committing to allocating funds in the future

The subcommittee can commit to multi-year funding (committing to give funds in an application round, to an applicant in future allocation rounds). This could be done by the subcommittee to commit to service loans drawn, such as to cover capital works projects. When this can occur, and for how many years, relates to the allocation category of the application, and is outlined in the table below.



ALLOCATION CATEGORIES	THE NUMBER OF YEARS THE COMMITTEE CAN COMMIT TO GIVING FUNDS TO AN APPLICANT, IN FUTURE ALLOCATION ROUNDS
Council/community owned infrastructure	Up to 10 years (the current allocation round, and the next 9 allocation rounds)
Operational costs	Up to three years (the current allocation round, and the next two allocation rounds)
Community projects	One year (just the current allocation round)

Allocations in each funding year will include those funds committed from prior years.

The subcommittee will work with staff to develop a 10 Year Funding Plan as part of each three year Long Term Plan cycle. This plan would then be approved by Council through the Long Term Plan. The plan could be used to provide forecasting around future revenue streams and also to enable the subcommittee to have a view on what proportions it might want to allocate towards multi-year commitments.

General points about allocation

Local and central government can make applications for funding.

Funding can be allocated to an applicant when he/she has received funding for the same or a similar thing, on a previous occasion.

Applicants are not required to have spent the funding that has been allocated to them previously, in order to be eligible for further funding.

The subcommittee can elect to allocate a lower level of funding to an applicant, but it cannot allocate more than what the applicant has requested.

When an application is considered by the subcommittee, the applicant will be notified within two weeks of the subcommittee meeting whether or not their application was successful, and if it was successful, the amount of funding allocated.

The subcommittee will not give further funding to applicants if they have not returned their accountability form to Council (when they have been required by this policy, to do so).

11.0 Accountability

Applicants will be required to complete and provide Council with Accountability Forms. Accountability Forms must be returned to Council before 31 March, the year after the subcommittee grants the applicant funds. If an applicant hasn't used all (or any) of the funds by that time, the Accountability Form must still be completed. An applicant also must complete the Accountability Form by 31 March each subsequent year (even if the applicant outlines that no funding has been spent), until all of the funding allocated has been accounted for by way of an Accountability Form and/or returned to Council and the fund.

Any funds that are not spent by applicants (completing what was outlined in their application), within five years of the decision to allocate the applicant funding, must be returned to Council and the fund.



If any funding is returned, information on the amount and why the funding was returned, will be communicated to the subcommittee at the annual allocation meeting.

12.0 Review

Council will review the Stewart Island/Rakiura Visitor Levy Bylaw and this policy within six years of adoption.



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

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

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

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

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

AT LEAST ONE PHOTO ID MUST BE PRODUCED FROM CATEGORY A (THE NAME ON THE DOCUMENT MUST BE EXACTLY THE SAME AS THE APPLICANTS NAME)	
Passport (Passports can be accepted up to two years past the expiry date)	
Proof of Age card with photo	
Drivers Licence	
Public Service Employee ID card bearing photo	
Education ID card bearing photo	
Firearms Licence	
AT LEAST ONE FORM OF IDENTIFICATION FROM CATEGORY B	
REASON FOR EXEMPTION	EXAMPLE OF ACCEPTED PROOF OF EXEMPTION
<ul style="list-style-type: none"> • ratepayers • tenants • residents 	<p>One or more of the following documents showing name and address on Stewart Island/Rakiura:</p> <ul style="list-style-type: none"> • notice of rates or VG number verified by Rates Department. Rates Notices must state that the applicant is the owner of the property to which the Rates Notice was sent and the document must be current at the time of the application. • tenancy Agreement. • utilities bill. • insurance renewal advice. • motor vehicle registration. • electoral roll number. • mortgage documents. • current land titles office records.
<ul style="list-style-type: none"> • spouses of a ratepayer or tenant. • civil union or de facto partner of a ratepayer or 	<ul style="list-style-type: none"> • application to be made in conjunction with the respective person.



<ul style="list-style-type: none"> tenant. dependents of a ratepayer or tenant. 	
<ul style="list-style-type: none"> Rakiura Maori Land Trust beneficiaries. 	<ul style="list-style-type: none"> Council may be able to check property rights via the www.maorilandonline.govt.nz website or work with the Rakiura Māori Land Trust to access its database of beneficiaries.
<ul style="list-style-type: none"> people under the age of 18. 	<ul style="list-style-type: none"> passport. school student concession card. birth certificate.
<ul style="list-style-type: none"> owners or those working on transport vessels. 	<ul style="list-style-type: none"> employment documentation (eg, payslips, letter from employer).
<ul style="list-style-type: none"> visitors whose visit is for 21 days or more. 	<ul style="list-style-type: none"> tickets or invoices showing names and dates of arrival and departure. receipts for accommodation covering the relevant time period.



Appendix B: Appointing representatives to the subcommittee

Representative recommended by each of the Approved Operators

Council will request the Approved Operators to nominate a person to be a voluntary member on the subcommittee.

Representative for iwi

Council will, in accordance with its Charter of Understanding with Te Ao Marama Incorporated, seek an iwi representative to be a voluntary member on the subcommittee. If a willing iwi representative is not identified through liaising with Te Ao Marama Incorporated, Council will then approach other people who may be suitable for the role.

The appointment of a member to represent iwi will be reviewed every three years, after Council elections.

Representative from Stewart Island/Rakiura

Council will request expressions of interest from Stewart Island/Rakiura residents and ratepayers, to be a voluntary member on the subcommittee. A person will be selected by Council, following consideration of:

- the skills and experience of those interested
- the extent that conflicts of interest would be likely if the individual became a member (there is a preference for minimal/no conflicts being likely)
- the extent that the individual knows tourist/visitor requirements and impacts on the island.

If no-one suitable expresses interest, Council will approach people who may be suitable for the role.

The appointment of the Stewart Island/Rakiura representative will be reviewed every three years, after Council elections.



Southland District Council

Stewart Island/Rakiura Visitor Levy Bylaw

(Revision 1, 2019)

Southland District Council
Te Rohe Pōtae o Murihiku

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Document Revision

Date	Amendments	Amended by	Approved by	Approval date
2012	Original		Council	12 Dec 2012
2019	2019 review <ul style="list-style-type: none"> • adding/amending definitions of 'Approved Operator' and 'Visitor' • adding the location of the collection box • adding the infringement fee that has been set by way of regulation • removing that payment can be made on website. 	Council	Council	7 February 2019 – to come into effect on 1 July 2019

1 Title and commencement

This bylaw may be cited as the Southland District Council Stewart Island/Rakiura Visitor Levy Bylaw.

This bylaw shall come into force on 1 October 2013.

2 Purpose of bylaw

The bylaw is made to prescribe:

- (a) the rate of the levy that will be imposed on or in respect of visitors; and
- (b) the means by which the levy is to be collected.

This bylaw does not apply to a person who travels to or from Stewart Island/Rakiura under a contract of carriage with an 'Approved Operator' or who is otherwise excluded from the definition of 'visitor'. As at the date of this bylaw the Approved Operators are Real Journeys Limited (currently trading as Stewart Island Experience), Stewart Island Flights Limited, and ISS McKay Limited (as agent for the cruise ship operators).

3 Interpretation

In this bylaw, unless the context requires otherwise:

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

"Approved Operator" means a person who owns or operates or is otherwise in control of a transport vessel and who enters into a contract with the Council:

- (a) relating to the provision of a service to carry to or from the Island passengers who, but for the contract, would be visitors to the Island; and
- (b) providing for revenue to be collected from the passengers; and
- (c) that has the effect of bringing passengers carried by the operator within the definition of an excluded visitor; and
- (d) including any other terms and conditions that may be agreed from time to time by the approved operator and the Council.

"Council" means the Southland District Council.

"GST" means goods and services tax chargeable under the Goods and Services Act 1985.

"Levy" means the levy set under clause 4 of this bylaw.

"Visitor" means any person who:

- (a) travels to or from the Island, whether for a single day or for any continuous period of less than 21 days, by any transport vessel; but
- (b) is not a person who:
 - (i) for the purposes of the Local Government (Rating) Act 2002, is a ratepayer in respect of a rating unit on the Island; or

- (ii) is a resident of the Island by virtue of being a resident for electoral residency purposes under section 23 of the Local Electoral Act 2001; or
- (iii) is a tenant of a rating unit for the purposes of the Residential Tenancies Act 1986; or
- (iv) is the spouse, civil union partner, de facto partner, or dependant of a ratepayer or tenant; or
- (v) is a beneficiary of the Rakiura Māori Land Trust or who has an ownership interest in a Māori land block on the Island; or
- (vi) is an excluded visitor.

For the avoidance of doubt, as at the date of this bylaw, 'visitor' excludes a person who travels to or from Stewart Island/Rakiura under a contract of carriage with an Approved Operator or who is otherwise excluded from the definition of 'visitor'.

4 Levy for visitors to Stewart Island/Rakiura

The levy for a visitor who travels to Stewart Island/Rakiura is \$5 (inclusive of GST).

5 Surrounding islands

For the avoidance of doubt, a visitor who has paid a levy for travel to Stewart Island/Rakiura is not required to pay an additional levy for return travel from Stewart Island/Rakiura to a surrounding island.

6 Means of collection of levies

Levies will be collected:

- (a) by Council at any of its offices;
- (b) by Council at its collection box on the Main Wharf in Oban; and
- (c) by agents of the Council appointed to collect levies on its behalf.

Details of the agents who have been appointed to collect levies will be given on the signs erected by the Council at major points of entry on Stewart Island/Rakiura under section 5(3) of the act and on the Council's website.

7 Offences and penalties

A person commits an infringement offence under the act who:

- (a) evades the payment of a levy payable by that person; or
- (b) falsely claims that he or she is not a visitor.

The infringement fee for each infringement offence has been set by way of a regulation made under the act and it is \$250.

This bylaw has been made and confirmed by a resolution passed at a meeting of Council held on Wednesday 12 December 2012.

Southland District Council

THE COMMON SEAL of the }
SOUTHLAND DISTRICT COUNCIL }
was hereunto affixed in the presence of: }

_____ **MAYOR**

_____ **CHIEF EXECUTIVE**

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Southland District Council

DRAFT Stewart Island/Rakiura Visitor Levy Bylaw

Revision 2, 2022

DRAFT

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Document Revision

Date	Amendments	Amended by	Approved by	Approval date
2012	Original		Council	12 Dec 2012
2019	2019 review <ul style="list-style-type: none"> • adding/amending definitions of 'Approved Operator' and 'Visitor' • adding the location of the collection box • adding the infringement fee that has been set by way of regulation • removing that payment can be made on website. 	Council	Council	7 February 2019 – to come into effect on 1 July 2019
<u>2022</u>	<u>If applicable: add any amendments here</u>	<u>Council</u>	<u>Council</u>	<u>If applicable: x June 2022, to come into effect on 1 October 2023</u>

Southland District Council

1 Title and commencement

This bylaw may be cited as the Southland District Council Stewart Island/Rakiura Visitor Levy Bylaw.

This bylaw shall come into force on 1 October 2013.

2 Purpose of bylaw

The bylaw is made to prescribe:

- (a) the rate of the levy that will be imposed on or in respect of visitors; and
- (b) the means by which the levy is to be collected.

This bylaw does not apply to a person who travels to or from Stewart Island/Rakiura under a contract of carriage with an 'Approved Operator' or who is otherwise excluded from the definition of 'visitor'. As at the date of this bylaw the Approved Operators are ~~Real Journeys Limited~~ **Real NZ Limited** (currently trading as Stewart Island Experience), Stewart Island Flights Limited, and ISS McKay Limited (as agent for the cruise ship operators).

3 Interpretation

In this bylaw, unless the context requires otherwise:

Act	means the Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012
Approved Operator	means a person who owns or operates or is otherwise in control of a transport vessel and who enters into a contract with the Council: <ul style="list-style-type: none"> (a) relating to the provision of a service to carry to or from the Island passengers who, but for the contract, would be visitors to the Island; and (b) providing for revenue to be collected from the passengers; and (c) that has the effect of bringing passengers carried by the operator within the definition of an excluded visitor; and (d) including any other terms and conditions that may be agreed from time to time by the approved operator and the Council
Council	means the Southland District Council
GST	means goods and services tax chargeable under the Goods and Services Act 1985
Levy	means the levy set under clause 4 of this bylaw
Visitor	means any person who: <ul style="list-style-type: none"> (a) travels to or from the Island, whether for a single day or for any continuous period of less than 21 days, by any transport vessel; but (b) is not a person who: <ul style="list-style-type: none"> (i) for the purposes of the Local Government (Rating) Act 2002, is a ratepayer in respect of a rating unit on the Island; or (ii) is a resident of the Island by virtue of being a resident for electoral residency purposes under s.23 of the Local Electoral Act 2001; or

Southland District Council

	<p>(iii) is a tenant of a rating unit for the purposes of the Residential Tenancies Act 1986; or</p> <p>(iv) is the spouse, civil union partner, de facto partner, or dependant of a ratepayer or tenant; or</p> <p>(v) is a beneficiary of the Rakiura Māori Land Trust or who has an ownership interest in a Māori land block on the Island; or</p> <p>(vi) is an excluded visitor.</p> <p>For the avoidance of doubt, as at the date of this bylaw, 'visitor' excludes a person who travels to or from Stewart Island/Rakiura under a contract of carriage with an Approved Operator or who is otherwise excluded from the definition of 'visitor'.</p>
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4 Levy for visitors to Stewart Island/Rakiura

The levy for a visitor who travels to Stewart Island/Rakiura is \$15.00 (inclusive of GST).

5 Surrounding islands

For the avoidance of doubt, a visitor who has paid a levy for travel to Stewart Island/Rakiura is not required to pay an additional levy for return travel from Stewart Island/Rakiura to a surrounding island.

6 Means of collection of levies

Levies will be collected:

- (a) by Council at any of its offices;
- (b) by Council at its collection box on the Main Wharf in Oban; and
- (c) by agents of the Council appointed to collect levies on its behalf.

Details of the agents who have been appointed to collect levies will be given on the signs erected by the Council at major points of entry on Stewart Island/Rakiura under s.5(3) of the act and on Council's website.

7 Offences and penalties

A person commits an infringement offence under the act who:

- (a) evades the payment of a levy payable by that person; or
- (b) falsely claims that he or she is not a visitor.

The infringement fee for each infringement offence has been set by way of a regulation made under the act and it is \$250.

This bylaw has been made and confirmed by a resolution passed at a meeting of Council held on Wednesday 12 December 2012.

Southland District Council

THE COMMON SEAL of the }
SOUTHLAND DISTRICT COUNCIL }
was hereunto affixed in the presence of: }

_____ **MAYOR**

_____ **CHIEF EXECUTIVE**



DRAFT Stewart Island/Rakiura Visitor Levy Policy

Group responsible: Activity Manager Community Assistance Democracy and community

Date approved: 12 December 2012

Date amended: xx

File number: R/21/5/25833

1.0 Purpose

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

2.0 Background

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

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

3.0 Definitions

ACCOUNTABILITY FORM	This is a form that must be completed by applicants after they have received funding, so Council is informed how the applicant has spent the funds and so Council is aware of any benefits that have been achieved with the funds
ACTIVITY	Has the meaning given in s.5(1) of the Local Government Act 2002: A good or service provided by, or on behalf of, a local authority or a council-controlled organisation; and includes— (a) the provision of facilities and amenities; and (b) the making of grants; and (c) the performance of regulatory and other governmental functions

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AGENT	A business entity that enters into a contractual arrangement with Council to collect the levy from its passengers on behalf of Council
APPROVED OPERATOR	<p>A person who owns or operates or is otherwise in control of a transport vessel and who enters into a contract with the Council—</p> <ul style="list-style-type: none"> (a) relating to the provision of a service to carry to or from the island passengers who, but for the contract, would be visitors to the island; and (b) providing for revenue to be collected from the passengers; and (c) that has the effect of bringing passengers carried by the operator within the definition of an excluded visitor; and (d) including any other terms and conditions that may be agreed from time to time by the approved operator and the Council <p>The Approved Operators are RealNZ Journeys Limited (currently trading as Stewart Island Experience), Stewart Island Flights Limited and ISS McKay Limited on behalf of the cruise ships</p>
A STAFF MEMBER	A staff member from Council
CONTRACTOR	A contractor approved by Council
COUNCIL	Southland District Council
DEPENDENT	A person primarily under the care and responsibility of another person, living with that person as a member of their family and substantially reliant on that person for financial support
EXCLUDED VISITOR	<p>A person who is not to be treated as a visitor because the person—</p> <ul style="list-style-type: none"> (a) travels to the island under a contract of carriage with an Approved Operator; or (b) is the owner or is otherwise in control of a transport vessel or is employed, or under contract, to work on a transport vessel; or (c) is one whose visit is entirely within the boundaries of the Rakiura National Park; or (d) is visiting the island for a continuous period of 21 days or more; or (e) is a person under the age of 18 years on the date of arrival on the island
FREEDOM TRAVELLER	A visitor who travels to the island by means other than as a passenger of an Approved Operator. This includes chartered vessels and independent travel. It does not include people who travel via the ferry (with RealNZ Journeys Limited), scheduled flights (Stewart Island Flights) or cruise ships



GST	Goods and services tax chargeable under the Goods and Services Act 1985
ISLAND	Stewart Island/Rakiura
LEVY	The sum of money (inclusive of GST) collected under the Stewart Island/Rakiura Visitor Levy Bylaw 2019 from persons who are visitors to the island
MĀORI LAND	Has the meaning given in s.4 of the Te Ture Whenua Māori Act 1993: Māori customary land and Māori freehold land
RAKIURA MAORI LANDS TRUST	The Rakiura Māori Lands Trust is governed by seven trustees appointed by the Māori Land Court upon recommendation from the beneficial owners. The Rakiura Māori Lands Trust holds lands and funds in trust for many Rakiura Māori descendants
RATEPAYER	A person who is named on a current rates notice of a rating unit on the island. Only persons who are named on current rates notices are considered to be ratepayers, regardless of who funds rates payments
RESIDENT	A person recognised as living on the island for electoral residency purposes under s.23 of the Local Electoral Act 2001
REVENUE	Revenue (inclusive of GST) collected from excluded visitors, in place of any levy imposed by the Stewart Island/Rakiura Visitor Levy Bylaw 2019, by an Approved Operator in accordance with a contract entered into for the purpose with Council
SUBCOMMITTEE	The Stewart Island/Rakiura Visitor Levy Allocation Subcommittee
TENANT	A person who has a tenancy agreement for a rating unit on the island under the provisions of the Residential Tenancies Act 1986
THE ACT	The Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012
TRANSPORT VESSEL	(a) means a ship, aircraft, or other vessel carrying passengers to or from the island, whether or not— (i) there is a charge for any or all of those passengers; or (ii) any charge is part of a tourist package; or (iii) the vessel is operated commercially; or (iv) the vessel is used for freight as well as passengers; and (b) includes— (i) a regular ferry or air service to the island; and (ii) a cruise ship whose passengers disembark to land on the island
VISITOR	Any person who—



	<p>(a) travels to or from the island, whether for a single day or for any continuous period of less than 21 days, by any transport vessel; but</p> <p>(b) is not a person who,—</p> <p>(i) for the purposes of the Local Government (Rating) Act 2002, is a ratepayer in respect of a rating unit on the island; or</p> <p>(ii) is a resident of the island by virtue of being a resident for electoral residency purposes under s.23 of the Local Electoral Act 2001; or</p> <p>(iii) is a tenant of a rating unit for the purposes of the Residential Tenancies Act 1986; or</p> <p>(iv) is the spouse, civil union partner, de facto partner, or dependant of a ratepayer or tenant; or</p> <p>(v) is a beneficiary of the Rakiura Māori Land Trust or who has an ownership interest in a Māori land block on the island; or</p> <p>(vi) is an excluded visitor.</p>
--	---

4.0 Collection

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

1. **revenue;** and
2. **levy.**

The definitions of revenue and levy are found in section '3.0 Definitions' above.

Through contractual arrangements, Council will collect revenue from passengers who travel with Approved Operators. Approved Operators include RealNZ Journeys Limited (currently trading as Stewart Island Experience), Stewart Island Flights Limited and ISS McKay Limited on behalf of the cruise ships. Passengers will pay the Approved Operator in accordance with the terms of carriage (i.e. the revenue will form part of their ticket price). If the passenger travels via an Approved Operator and pays a local or child fare, the Approved Operator will not charge the revenue.

Under the Stewart Island/Rakiura Visitor Levy Bylaw ~~2019~~, Council will collect the levy. The levy will be collected from freedom travellers (i.e. those who are visitors under the act, so it does not include people who travel with an Approved Operator). Where a person is a freedom traveller the categories of exemption outlined in Clause 4.1 below apply. This means that if a freedom traveller is not exempt, he or she will have to pay the levy.

4.1 Who pays

All individuals travelling to Stewart Island/Rakiura, including freedom travellers, must pay the levy or pay revenue to an Approved Operator unless they are exempt under the following:



- residents, ratepayers and tenants of Stewart Island/Rakiura and their spouses, civil union partners, de facto partners, or dependents;
- beneficiaries of the Rakiura Māori Land Trust or individuals who have an ownership interest in a Māori land block on the island;
- visitors who remain on the island for any continuous period of 21 days or more;
- owners of a transport vessel or individuals employed under contract to work on a transport vessel;
- individuals whose visit is entirely within the boundaries of the Rakiura National Park; or
- persons under the age of 18 years on the date of arrival on the island.

Where the resident or ratepayer exemption applies to a person, the exemption does not automatically apply to the whole family or group. The exemption applies to the ratepayer(s) set out on the rates notice and their spouse, civil union partner, de facto partner and dependents. This does not include visiting adult children or grandchildren (unless they are dependents).

Holiday home owners are exempt if they are a ratepayer on the Council's rates notice. However, beneficiaries of family trusts will not be exempt unless they are designated by name as ratepayers on Council rates notice, or they meet one of the other reasons for exemption outlined above.

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

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

5.0 Calculation

The amount of the levy is set out in the Stewart Island/Rakiura Visitor Levy Bylaw and is \$15.

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

5.1 Arrangements with Approved Operators

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

Apart from ISS McKay Limited, Approved Operators will collect revenue from passengers on both inbound and outbound journeys (\$27.50 each way). This allows for passengers who use different modes of transport to travel to and from the island and allows the revenue to be apportioned across the modes of transport on an equitable basis.

ISS McKay Limited will collect revenue (\$15) from each passenger (carried to or from Stewart Island/Rakiura (or its internal waters) on behalf of Southland District Council. This applies regardless of



whether or not that passenger disembarks and regardless of the number of times the passenger disembarks and embarks.

5.2 Collection of the levy from freedom travellers

The Stewart Island/Rakiura Visitor Levy Bylaw outlines levy collection from visitors who travel to the island via private or chartered transportation (i.e. freedom travellers). A \$15 levy is payable when the visitor arrives on the island. Council has provided a collection box to receive payments or payment can be made at any Council office. The collection box is placed on the Main Wharf in Oban. Freedom travellers can deposit levy payments at this location at any time. Council may also enter into agreements with agents operating chartered vessels, to collect the levy from passengers on behalf of Council.

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

6.0 Proof of exemption

Persons who are not required to pay the visitor levy or revenue can apply for a Southland District Council photo identification card. Southland District Council photo identification cards will be accepted as proof of exemption by Approved Operators and agents. They will also be accepted by enforcement officers monitoring compliance with the Stewart Island/Rakiura Visitor Levy Bylaw.

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

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

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

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

6.1 Application for exemption

An application to receive a Southland District Council photo identification card can be made by [downloading the form from Council's site](#), attending the Southland District Council office located at 15



Forth Street, Invercargill ~~or and~~ by sending a completed application form to Council (PO Box 903, Invercargill 9840 or contacts@southlanddc.govt.nz) with a colour passport photo of each applicant.

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

7.0 Refunds

People who have been charged the levy but believe that they are exempt under the act can apply to Council to receive a refund.

Refund applications should state the reason for the claim, along with a copy of supporting documentation as set out in Appendix A.

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

8.0 Audit

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

9.0 Enforcement

Part 2 of the act outlines infringement offences. Any person who evades the payment of a levy payable by that person or falsely claims that he or she is not a visitor commits an infringement offence.

An infringement fee has been set by way of regulation and will be displayed on signs erected on the island. The amount of the infringement fee is \$250. Infringement notices can be issued by Southland District Council Enforcement officers if they observe a person committing an infringement offence or if they have reasonable cause to believe that a person has committed an infringement offence.

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

10.0 Administration

The subcommittee has the delegated authority and ~~is accountable to Council to will~~ make decisions ~~to approve~~ regarding funding applications ~~from to~~ the Stewart Island/Rakiura visitor levy fund. The subcommittee will meet annually to review applications and allocate funding. ~~It may only allocate funding once a year.~~

The subcommittee is a subordinate decision-making body of the Community and ~~Policy Strategy~~ Committee. The subcommittee is subject to standard audit procedures. The Community and ~~Policy Strategy~~ Committee will be informed of funding decisions via memoranda. Council's Annual Report will contain an itemised statement of the Stewart Island/Rakiura Visitor Levy fund each year.



10.1 Subcommittee membership

The subcommittee will consist of the following members appointed by Council:

- the chair of the Community and [Policy Strategy](#) Committee
- the chair of the Finance and [Audit Assurance](#) Committee
- the councillor for Stewart Island/Rakiura
- a representative from the Stewart Island/Rakiura Community Board
- a representative recommended by each of the Approved Operators (three in total)
- a member to represent iwi
- a member from Stewart Island/Rakiura

The chair of the Community and [Policy Strategy](#) Committee will act as chair of the subcommittee.

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

If the councillor for Stewart Island/Rakiura is also the chair of the Community and [Policy Strategy](#) or the Finance and [Audit Assurance](#) Committee, then an additional councillor will be appointed to the subcommittee, by Council.

Elected members on the subcommittee must act in accordance with Council's Code of Conduct. Council's Standing Orders also apply to the subcommittee. If a subcommittee member has any connection to an application greater than that of the general public, that member should declare an interest in the relevant application, prior to it being considered. In such circumstances, the member affected shall still be entitled to speaking and voting rights, unless the member has a pecuniary interest in the application.

Further information on the appointment of the representatives from the Approved Operators, the iwi representative and the representative from Stewart Island/Rakiura, is provided in Appendix B.

10.2 Applications

The application process will be administered by Council. Advertisements will be placed at the beginning of March seeking applications and outlining the deadline for receipt of applications. The application period will close at the end of March.

Applications to the Stewart Island/Rakiura visitor levy fund must be made using the appropriate documentation provided by Council. All applications must include:

- an outline of the project or work requiring funding, including a timeline;
- if the project involves physical works, scale conceptual plans including site plans;
- any requirement for resource or building consent;
- a business plan for the project including costs and on-going funding requirements, if any;
- evidence of legal status of the applicant (eg, charitable trust or body corporate);
- an assessment of how the project is for the benefit of visitors; and
- declarations of interest.

An application can be made for funding in relation to salary and wages and it can relate to a range of things such as the development or maintenance of existing facilities, services and projects.

Applicants can indicate on their application form if they would like to be heard by the subcommittee.



Late applications will not be considered.

10.3 Allocation process

A three step process will be undertaken to allocate funds. The three steps are:

Step 1 - assessing if the application is eligible for funding

Step 2 - assessing which category the application falls under

Step 3 - allocating funds to applications from each category (using the funding allocation percentages as a guide and based on the strength of the application).

Step 1: Assessing if the application is eligible for funding

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

- fund, wholly or in part, activities used by visitors or any class of excluded visitor;
- fund, wholly or in part, activities on the island for the benefit of visitors or any class of excluded visitor; and/or
- mitigate the adverse effects of visitors or excluded visitors on the environment of the island.

If an application is not consistent with s.6(b) of the act, this will be identified by a staff member or contractor.

Where appropriate, a staff member or contractor may liaise with an applicant to discuss their application (e.g. whether further information is needed, or whether there is a minor issue with the application etc). The applicant will be permitted to make minor amendments to their application in this circumstance.

If, after engaging with the applicant, the staff member or contractor thinks the application is still not eligible for funding, the staff member or contractor will communicate this to the subcommittee at the allocation meeting.

Step 2: Assessing which category the application falls under

Applications that are consistent with s.6(b) of the act will be assessed by a staff member or contractor as being in one of the following categories.

Allocation Category	Description
COUNCIL/COMMUNITY OWNED INFRASTRUCTURE	Applications relating to Council's/the community's physical and organisational structures and facilities (e.g. buildings, jetties, tracks, power supply, WiFi installation, signage).
OPERATIONAL COSTS	Applications by non-profit organisations to meet their operational needs/requirements. (e.g. printing of maps, visitor experience host, museum operational costs, provision of WiFi service).



COMMUNITY PROJECTS	Applications that do not relate to infrastructure. These applications must be made by Stewart Island/Rakiura resident/s, ratepayer/s or tenant/s. e.g. habitat restoration, picnic tables
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A staff member or contractor will communicate to the subcommittee, which category they believe the application falls under. It is possible that an application will fit into more than one category.

Step 3 - Allocating funds in accordance with the funding allocation percentages and based on the strength of the application

Funding allocation categories and percentages

The subcommittee will consider the allocation categories when it allocates funding. Although it has complete discretion, as a guide, the subcommittee may allocate the funding received on an annual basis, to applications in each category in accordance with the funding allocation percentages outlined below.

Allocation Category	Funding Allocations
COUNCIL/COMMUNITY OWNED INFRASTRUCTURE	60-70% (% of the funds available annually that will be allocated to Council/community owned infrastructure)
OPERATIONAL COSTS	20-25% (% of the funds available annually that will be allocated to operational costs)
COMMUNITY PROJECTS	5-10% (% of the funds available annually that will be allocated to community projects)

The strength of the application

The subcommittee will allocate funds to applications in the allocation categories based on the strength of the application. The strength of an application will be determined by the extent it will:

- fund, wholly or in part, activities used by visitors or any class of excluded visitor; or
- fund, wholly or in part, activities on the island for the benefit of visitors or any class of excluded visitor; or
- mitigate the adverse effects of visitors or excluded visitors on the environment of the island.

[For applications made by Council \(including the Stewart Island/Rakiura community board\), the inclusion of a project in Council's Long Term Plan indicates that it has gone through a community engagement process, and Council has endorsed the project as supporting the community's long term objectives.](#)

The subcommittee will have regard to the extent that the proposed project will also benefit the local community.

A staff member or contractor will provide guidance to the subcommittee, on the strength of an application.

Committing to allocating funds in the future

The subcommittee can commit to multi-year funding (committing to give funds in an application round, to an applicant in future allocation rounds). This could be done by the subcommittee to commit to service



loans drawn, such as to cover capital works projects. When this can occur, and for how many years, relates to the allocation category of the application, and is outlined in the table below.

Allocation categories	The number of years the subcommittee can commit to giving funds to an applicant, in future allocation rounds
COUNCIL/COMMUNITY OWNED INFRASTRUCTURE	up to 10 years (the current allocation round, and the next <u>9-nine</u> allocation rounds). <u>In exceptional circumstances, the subcommittee may consider a longer term of up to 30 years (the current allocation round, and the next 29 allocation rounds).</u>
OPERATIONAL COSTS	up to three years (the current allocation round, and the next two allocation rounds)
COMMUNITY PROJECTS	one year (just the current allocation round)

Allocations in each funding year will include those funds committed from prior years.

The subcommittee will work with staff to develop a 10 Year Funding Plan as part of each three year Long Term Plan cycle. This plan would then be approved by Council through the Long Term Plan. The plan could be used to provide forecasting around future revenue streams and also to enable the subcommittee to have a view on what proportions it might want to allocate towards multi-year commitments.

General points about allocation

Local and central government can make applications for funding.

Funding can be allocated to an applicant when he/she has received funding for the same or a similar thing, on a previous occasion.

Applicants are not required to have spent the funding that has been allocated to them previously, in order to be eligible for further funding.

The subcommittee can elect to allocate a lower level of funding to an applicant, but it cannot allocate more than what the applicant has requested.

When an application is considered by the subcommittee, the applicant will be notified within two weeks of the subcommittee meeting whether or not their application was successful, and if it was successful, the amount of funding allocated.

The subcommittee will not give further funding to applicants if they have not returned their accountability form to Council (when they have been required by this policy, to do so).



11.0 Accountability

Applicants will be required to complete and provide Council with accountability forms. Accountability forms must be returned to Council before 31 March, the year after the subcommittee grants the applicant funds. If an applicant hasn't used all (or any) of the funds by that time, the accountability form must still be completed. An applicant also must complete the accountability form by 31 March each subsequent year (even if the applicant outlines that no funding has been spent), until all of the funding allocated has been accounted for by way of an accountability form and/or returned to Council and the fund.

Any funds that are not spent by applicants (completing what was outlined in their application), within five years of the decision to allocate the applicant funding, must be returned to Council and the fund.

If any funding is returned, information on the amount and why the funding was returned, will be communicated to the subcommittee at the annual allocation meeting.

12.0 Review

Council will review the Stewart Island/Rakiura Visitor Levy Bylaw and this policy within six years of adoption.



Appendix A: Documents which can be used to claim exemption or refund

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

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

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

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

AT LEAST ONE PHOTO ID MUST BE PRODUCED FROM CATEGORY A (THE NAME ON THE DOCUMENT MUST BE EXACTLY THE SAME AS THE APPLICANTS NAME)	
passport (passports can be accepted up to two years past the expiry date)	
proof of age card with photo	
drivers licence	
public service employee ID card bearing photo	
education ID card bearing photo	
firearms licence	
AT LEAST ONE FORM OF IDENTIFICATION FROM CATEGORY B	
REASON FOR EXEMPTION	EXAMPLE OF ACCEPTED PROOF OF EXEMPTION
<ul style="list-style-type: none"> • ratepayers • tenants • residents 	<p>One or more of the following documents showing name and address on Stewart Island/Rakiura:</p> <ul style="list-style-type: none"> • notice of rates or VG number verified by Rates Department. Rates notices must state that the applicant is the owner of the property to which the rates notice was sent and the document must be current at the time of the application • tenancy agreement • utilities bill • insurance renewal advice • motor vehicle registration • electoral roll number • mortgage documents • current land titles office records
<ul style="list-style-type: none"> • spouses of a ratepayer or tenant • civil union or de facto partner of a ratepayer or tenant • dependents of a ratepayer or tenant 	<ul style="list-style-type: none"> • application to be made in conjunction with the respective person



<ul style="list-style-type: none">• Rakiura Māori Land Trust beneficiaries.	<ul style="list-style-type: none">• Council may be able to check property rights via the www.maorilandonline.govt.nz website or work with the Rakiura Māori Land Trust to access its database of beneficiaries
<ul style="list-style-type: none">• people under the age of 18	<ul style="list-style-type: none">• passport• school student concession card• birth certificate
<ul style="list-style-type: none">• owners or those working on transport vessels	<ul style="list-style-type: none">• employment documentation (eg, payslips, letter from employer)
<ul style="list-style-type: none">• visitors whose visit is for 21 days or more	<ul style="list-style-type: none">• tickets or invoices showing names and dates of arrival and departure• receipts for accommodation covering the relevant time period



Appendix B: Appointing representatives to the subcommittee

Representative recommended by each of the Approved Operators

Council will request the Approved Operators to nominate a person to be a voluntary member on the subcommittee.

Representative for iwi

Council will, in accordance with its Charter of Understanding with Te Ao Mārama Incorporated, seek an iwi representative to be a voluntary member on the subcommittee. If a willing iwi representative is not identified through liaising with Te Ao Mārama Incorporated, Council will then approach other people who may be suitable for the role.

The appointment of a member to represent iwi will be reviewed every three years, after Council elections.

Representative from Stewart Island/Rakiura

Council will request expressions of interest from Stewart Island/Rakiura residents and ratepayers, to be a voluntary member on the subcommittee. A person will be selected by Council, following consideration of:

- the skills and experience of those interested
- the extent that conflicts of interest would be likely if the individual became a member (there is a preference for minimal/no conflicts being likely)
- the extent that the individual knows tourist/visitor requirements and impacts on the island.

If no-one suitable expresses interest, Council will approach people who may be suitable for the role.

The appointment of the Stewart Island/Rakiura representative will be reviewed every three years, after Council elections.



Attachment E: Visitor levy quantum methodology

How future Stewart Island/Rakiura visitor levy funding requirements have been estimated

This information has been developed in order to quantify the projected future cost of visitor-related services to inform the discussion about whether the current \$5 visitor levy is appropriate to fund visitors' share of activity costs over the next 10 years.

Visitor-related services are activities that visitors use, that benefit visitors, or that mitigate the adverse effects of visitors, in line with the requirements of the Empowering Act. This includes Council activities such as public toilets, parks, streetscapes, jetties, electricity supply (SIESA), wastewater and waste services, as well as the activities of other groups such as visitor promotion/information and ecology/environmental protection.

To keep the information simple and easy to understand, these costs have been sourced from the visitor-related projects planned for Stewart Island/Rakiura identified in Council's Long Term Plan (LTP) 2021-2031, and funding needs indicated by discussions with agencies and community organisations that provide visitor related services. A proportion of the cost of these projects has then been assessed as visitor related (using four different scenarios) in order to identify the project costs through to 2031 which should logically be eligible for a funding contribution from visitors (via the visitor levy).

Council acknowledges there are likely to be differing opinions about this approach as well as the proportion of costs on the island estimated to relate to visitors. As such, Council has attempted to reflect a range of opinions on these matters by using four scenarios in the table to calculate what levy quantum(s) may be required.

The share allocation scenarios include: (a) fixed share; (b) low estimate; (c) high estimate; (d) mixed estimate. Using this range recognises there is no single "right" answer to the proportion of costs that relate to visitor use, but does provide an indication of whether the current levy at \$5 is enough to fund the projected future demands for visitor-related services.

Fixed Share	Estimate of the share of the activity related to visitor use				\$ eligible for levy funding based on estimated share			
	Range			Explanation of how activity relates to visitors (either used by visitors, for their benefit or to mitigate adverse effects of visitors)				
(a) 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate		(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate

What the data shows about future visitor-related activity costs:

The table below shows the total cost of visitor-related activities is projected to be around \$9.7 million over the next eight years. \$7.3 million of this relates to activities provided by Council and \$2.4 million relates to activities provided by other community agencies.

The scenarios show that the current visitor levy at \$5 is likely to be insufficient to fund the projected future cost of visitor-related activities. **Depending on the share of activity costs estimated to be related to visitors use (scenarios a-d), the levy would need to increase to between \$11 and \$30 as shown in the table below.**

An explanation of what the information in the table shows and the source of the information is included from page 5.

**Table 1: Detailed Scenarios: visitor-related Stewart Island/Rakiura activities/ projects which could potentially be eligible for Stewart Island/Rakiura visitor levy funding between 2023-2031**

Stewart Island/Rakiura Visitor-related activities/projects	Total budgeted project costs 2023-2031	Estimate of the share of the activity related to visitor use				Explanation of how activity relates to visitors (either used by visitors, for their benefit or to mitigate adverse effects of visitors)	\$ eligible for levy funding based on estimated share (excluding GST)			
		Fixed Share (a) 30%	Range		(d) Mixed Estimate		(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate
Toilets (received levy funds in the past) Rates collected for this activity are paid by all ratepayers in Southland (via district rate)	325,105						97,206	195,063	325,105	292,595
Golden Bay, Horseshoe Bay toilet refurbishment and Braggs Bay and Moturau Moana toilet renewal (P-10637, P-10638, P-10639)	325,105	30%	60%	100%	90%	Public toilets on the island are there largely for the benefit of visitors and to help mitigate the adverse effects of visitors. If there were not such a high number of visitors to the island, public toilets would be less likely to be required.	97,206	195,063	325,105	292,595
Parks & reserves (received levy funds in the past) Rates collected for this activity are paid by ratepayers on Stewart Island/Rakiura (via local rate)	72,383						21,643	41,620	66,954	50,668
Moturau Gardens -roofing and foreshore playground equipment (P-10806, P-10807)	72,383	30%	58%	93%	70%	Playground equipment is used by both local residents and visitors to the island. Given the small island population, the amount and frequency of playground equipment maintenance and replacement would be lower if the playgrounds were only used by residents. The gardens are available for use by both residents and visitors. However, visitors are likely to be more frequent users with the botanic garden walk featuring New Zealand native plants. As such the gardens have a primary benefit for visitors.	21,643	41,620	66,954	50,668
Streetscapes (received levy funds in the past) Rates collected for this activity are paid by ratepayers on Stewart Island/Rakiura (via local rate)	42,821						12,803	27,834	40,680	34,257
Baker Park tracks (P-10856)	42,821	30%	65%	95%	80%	With the high proportion of visitors that choose to walk around the island on foot, footpaths are of primary benefit for visitors. They also mitigate the adverse effects of the safety risk of high numbers of pedestrians walking on the road. The provision and maintenance of footpaths is a priority due to the higher number of visitors.	12,803	27,834	40,680	34,257
Jetties (received levy funds in the past) Rates collected for this activity are paid by ratepayers on Stewart Island/Rakiura (via local rate)	3,566,452						1,066,369	1,772,998	2,898,867	2,217,063
Golden Bay wharf investigation and renewal (P-10670, P-10671). Main wharf infill investigation (P-10855)	2,376,668	30%	40%	73%	53%	Golden Bay Wharf is the departure spot for all trips to Ulva Island, a major visitor activity, and therefore for the benefit of visitors. Renewal and refurbishment also mitigates the adverse effects of visitors, due to wear and tear from boats. It is acknowledged that non-visitor operations also use Golden Bay Wharf, including recreational boats. The main wharf provides for activities that visitors and residents use.	710,624	950,667	1,723,084	1,247,751
Stewart Island wharves - refurbishment (Millar's Beach, Fred's Camp) and renewal (Millar's Beach) (P-10674, P-10675, P-10686, P-10854)	280,031	30%	50%	95%	70%	The island wharves provide residents and visitors with access to special parts of the island. A number of wharves are predominantly used for visitor activities (like tramping/hunting) and are of primary benefit to visitors. The refurbishment and upkeep of these wharves also ensures that visitor access to different parts of the island is managed, which also helps to mitigate adverse effects that visitors may otherwise have.	83,729	140,016	266,029	196,022
Ulva Island wharf causeway renewal (P-10854)	909,753	30%	75%	100%	85%	The Ulva Island wharf provides for activities that visitors use and is used almost exclusively by visitors. Renewal and refurbishment also mitigates the adverse effects of visitors, due to wear and tear from boats.	272,016	682,315	909,753	773,290



Stewart Island/Rakiura Visitor-related activities/projects	Total budgeted project costs 2023-2031	Estimate of the share of the activity related to visitor use					\$ eligible for levy funding based on estimated share (excluding GST)			
		Fixed Share	Range		Explanation of how activity relates to visitors (either used by visitors, for their benefit or to mitigate adverse effects of visitors)		(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate
Activity/project (Project code)		(a) 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate					
SIESA (haven't received levy funds in the past but are eligible) Rates for this activity are paid by ratepayers on Stewart Island/Rakiura (via local rate)	1,903,251						569,072	95,163	951,626	475,813
Transmission and generation renewal programme (P-10632, P10636)	1,903,251	30%	5%	50%	25%	While electricity on the island is not specifically for the benefit of visitors, it does directly contribute to activities and services used by visitors. Notably, without visitors staying at accommodation, using restaurants, cafes and other attractions, the amount of electricity required for the island would likely be significantly less. Electricity used by visitors on the island may be greater than 50%. However, as visitors contribute towards the cost of electricity through the price of goods and services they purchase while on the island, an allocation of between 25% and 50% represents a reasonable allocation of the benefit to visitors.	569,072	95,163	951,626	475,813
Waste services (haven't received levy funds in the past but are eligible) Rates for this activity are paid by ratepayers on Stewart Island/Rakiura (via local rate)	54,055						16,162	2,703	40,541	13,514
Replacement collection vehicle (P-10424)	54,055	30%	5%	75%	25%	Waste management services mitigate the adverse effects of visitors. Given that there is a high number of visitors to the island, and the activities of visitors produce daily waste volumes higher than residents (from consuming food, tickets/bookings, media), an allocation of between 25% and 75% is thought to represent a reasonable allocation of benefit. Much less waste would be produced on the island without visitors.	16,162	2,703	40,541	13,514
Wastewater (haven't received levy funds in the past but are eligible) Rates collected for this activity are paid by everyone in a wastewater area across district	1,293,660						386,804	64,683	970,245	323,415
Switchboards, cabinets and pumps (P-10472)	1,293,660	30%	5%	75%	25%	Wastewater services mitigate the adverse effects of residents and visitors by ensuring that sewage is treated and disposed of appropriately. While wastewater services are not specifically for the benefit of visitors, given the high number of visitors to the island, the capacity requirements of this activity are vastly increased to be able to manage higher loads than would otherwise be needed. As such, an allocation of between 25% and 75% is thought to represent a reasonable allocation of benefit.	386,804	64,683	970,245	323,415
Community Groups (received levy funds in the past) Any decision to collect rates for this activity in the absence of levy funding will subsequently need to identify who is liable for the rate	2,392,825						715,455	1,506,339	2,392,825	1,851,134
Stewart Island Promotion Association - visitor maps and free wifi Rakiura Heritage Trust - operational costs SIRCET (Stewart Island / Rakiura Community & Environment Trust) - operational costs	565,158	30%	73%	100%	85%	Island maps are primarily for the benefit of visitors. Free wifi is primarily for the benefit of visitors, and is a significant factor to improving the visitor experience for many. The museum facility is a key visitor hub mainly used by visitors. As such, some of the operational costs related to the operation of the facility (such as electricitv and staffing) are of primary benefit to visitors. The trust is	168,982	409,739	565,158	480,384

Enter form title
Enter publish date

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Stewart Island/Rakiura Visitor-related activities/projects		Total budgeted project costs 2023-2031	Estimate of the share of the activity related to visitor use					\$ eligible for levy funding based on estimated share (excluding GST)			
Activity/project (Project code)			Fixed Share	Range		Explanation of how activity relates to visitors (either used by visitors, for their benefit or to mitigate adverse effects of visitors)	(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate	
			(a) 30%	(b) Low Estimate	(c) High Estimate		(d) Mixed Estimate				
						involved in projects that help to restore the ecology of the island through the control of pests and weeds, making the island more attractive to visitors, many of whom travel to the island for a nature/bush experience.					
DOC Rakiura Track maintenance shortfall and capital projects (Chocolate Swamp boardwalk for back country and Rakiura Track projects for Kaipipi Inlet bridge replacement, track hardening and resurfacing, shelter and signage)		1,827,667	30%	60%	100%	75%	546,472	1,096,600	1,827,667	1,370,750	
All project costs		9,650,552					2,885,515	3,706,402	7,686,842	5,258,458	
Total Per annum		1,206,319					360,689	500,211	1,022,261	699,577	
Council costs (LTP 21-31)		7,257,727						2,170,060	2,200,063	5,294,018	3,407,323
Total Per annum		907,216									
Other agency costs (community, DOC)		2,392,825						715,455	1,506,339	2,392,825	1,851,134
Total Per annum		299,103									

Average eligible project costs per annum (over 8 years)	\$360,689	\$500,211	\$1,022,261	\$699,577
Projected visitor levy required (excluding GST)	\$9.32	\$12.93	\$26.42	\$18.08
Projected visitor levy required (including GST) ¹	\$11	\$15	\$30	\$21
Current visitor levy (including GST)	\$5	\$5	\$5	\$5
Increase	\$6	\$10	\$25	\$16

(1) The number of visitors is estimated to be 38,700 per annum (average over 7 years since levy introduced).



Understanding the information in the table

Visitor related Stewart Island/Rakiura projects which could potentially be eligible for Stewart Island/Rakiura visitor levy funding between 2023-2031										
Activity/project (Project code)	Total budgeted project costs 2023-2031	Estimate of the share of the activity related to visitor use				Explanation of how activity relates to visitors (either used by visitors, for their benefit or to mitigate adverse effects of visitors)	£ eligible for levy funding based on estimated share			
		Fixed Share (a) 30%	Range (b) Low Estimate	(c) High Estimate	(d) Mixed Estimate		(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate
Toilets (three received levy funds in the past) <small>(Note: Council projects are sourced from the Long Term Plan 2021-2031 and community group projects have been sourced by the relevant groups where available)</small>	325,105	30%	70%	100%	100%	Public toilets on the island are there largely for the benefit of visitors and to mitigate the adverse effects of visitors. If there were not such a high rate of visitors, the island's public toilets would be less likely to be needed.	97,532	227,574	325,105	325,105
Parks and reserves (have received levy funds in the past) <small>(Note: Council projects are sourced from the Long Term Plan 2021-2031 and community group projects have been sourced by the relevant groups where available)</small>	72,383	30%	60%	100%	100%	Playground equipment is used by both local residents and visitors to the island. Given the small island population, the amount and frequency of playground equipment maintenance and replacement would be lower if the playgrounds were only used by residents. The gardens are available for use by both residents and visitors, however visitors are likely to be more frequent users with the historic garden walk featuring New Zealand native plants. As such the gardens have a primary benefit for visitors.	21,715	47,049	66,954	48,859
Community Groups (COC projects haven't received levy funds in the past but may be eligible) <small>(Note: Council projects are sourced from the Long Term Plan 2021-2031 and community group projects have been sourced by the relevant groups where available)</small>	2,392,825	30%	75%	100%	91%	Island maps are primarily for the benefit of visitors. Free will is primarily for the benefit of visitors, and is a significant factor to improving the visitor experience for many. The museum facility is a key visitor hub which is mainly used by visitors. As such some of the operational costs related to the operation of the facility (such as electricity and staffing) are of primary benefit to visitors. The Trust is involved in projects that help to reduce the ecological impact of the island through the control of pests and weeds, making the island more attractive to visitors, many of whom travel to the island for a nature/bush experience.	717,847	1,703,235	2,392,825	2,069,223
Total	9,650,552						2,895,166	4,301,806	7,686,842	6,054,086
Council related project costs (LTP 21-31)							2,177,318	2,598,071	5,294,018	3,984,883
Community group related costs							717,847	1,703,235	2,392,825	2,069,223
Average eligible project costs per annum (over 8 years)							361,894	571,257	1,022,261	791,544
Projected visitor levy required (including GST)							\$9.35	\$14.76	\$26.42	\$20.41
Projected visitor levy required (including GST)*							\$10.76	\$16.98	\$30.38	\$23.52
Current visitor levy (including GST)							\$9.00	\$9.00	\$9.00	\$9.00
Increase							\$1.76	\$7.98	\$21.38	\$14.52

Column 1 describes the visitor activities/projects for Stewart Island/Rakiura which are eligible for levy funding. These describe the areas where there is projected future demand for services from visitors. These have been sourced from Council's Long Term Plan (LTP) 2021-2031 project list and from information provided by community groups about their visitor-related costs. These have been grouped by activity (row A) with the details of the project/cost in the rows below each activity (row B). Please note that this is not considered to be an exhaustive list of all the future work scheduled for the island related to visitors. However, it does give an indication of likely future costs. Some projects may also be eligible for funding from other sources including grants, fees and charges, rates. Accordingly, the model assigns a % share of project costs related to visitor use/benefit/mitigation that may be eligible for visitor levy funding assuming the remainder will be funded by grants, fees and charges or rates.

Column 2 shows the total amount budgeted for the various projects/costs from 2023 to 2031. Projects for 2021/2022 and 2022/2023 have generally not been included as any increase in the levy quantum would not take effect until October 2023. However, the adjusted cost of loan-funded projects for Stewart Island jetties (Golden Bay and Ulva Island) scheduled in 2021/2022 and 2022/2023 have been included on the basis that these costs are potentially eligible for loan funding from the levy fund.

Columns 3-6 detail four different scenarios on what % share of the projects/costs might relate to visitors and therefore be eligible for levy funding. The % has been considered when thinking about what proportion of the activity is used by visitors or benefits visitors or mitigates the adverse effects of visitors. The remaining % is then assumed to be funded from other sources (like grants, fees/charges or rates). The % share allocations scenarios are as follows:

Column 3 (a) fixed share: a consistent estimate of the project/activity costs that relate to visitors irrespective of variations in visitor use/benefit between projects



Column **4 (b) low estimate**: a low/conservative estimate of each project/activity costs attributable to visitors

Column **5 (c) high estimate**: a high/optimistic estimate of each project/activity costs attributable to visitors

Column **6 (d) mixed estimate**: a mixed “best” estimate of project costs attributable to visitors based on varying degrees of visitor-related use/benefit/mitigation.

Column **7** provides an explanation of how the activity relates to visitors either through visitor use of the service, the general benefit that visitors get from the activity or in terms of how the activity mitigates the adverse effects of visitors.

Column **8-11** uses the % shares in columns 3-6 to calculate the amount of the activity/project costs related to visitors that may potentially be eligible for levy funding for each scenario over the eight-year period.

Row **C** shows the total costs overall as well as the proportion of these costs that could be attributed to visitors based on the relevant scenario (a), (b), (c) or (d).

Row **D** shows the total Council-related costs and community group-related costs for each scenario. Council-related costs are those for toilets, parks, streetscapes, jetties, electricity supply (SIESA), wastewater and waste services.

Row **E** shows the average cost per year of projected future visitor-related costs by scenario.

Row **F** shows what the visitor levy would need to be in order to generate sufficient income to pay for the projected future visitor-related costs by scenario. This is based on 38,700 visitors per annum (which is the average number of visitors over the past seven years). The current levy is \$5.

Row **G** shows the increase in visitor levy required for each scenario.

Notes: *All project costs are representative only and are subject to change. All figures are GST exclusive unless otherwise stated.*

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Assumptions

The following assumptions have been made in preparing this information:

1. Capital projects will be fully funded in the year they are carried out rather than loan funded. This assumption has been made to keep the analysis simple and given the uncertainty about whether the subcommittee would commit to 10 to 30-year loan servicing of substantial projects. The current policy only allows 10-year funding, but the draft policy proposes to extend this to 30 years for infrastructure projects in exceptional circumstances.
2. In the absence of levy funding for Council-related project costs and, where funding from grants or fees (e.g. commercial wharf user fees for jetties) are less than the total cost of the project, it is assumed that the project will be funded from the rate used to fund the activity as per the rates Funding Impact Statement in the LTP. However, in the event that rate funding would be needed, the projects would most likely be funded via 30-year loans which would be repaid through rates.
3. If community group-related costs do not receive levy funding, it is assumed they will be funded from sources other than rates.
4. The impact on rates of no increase in levy income has been calculated using the number of rating units paying each rate used to fund the relevant activity as shown in the table below. Again, it has been assumed that the rate will fund the full cost of the visitor-related project/ costs over the period with no loans.

RATE TYPE	UNITS	WHO PAYS	VISITOR ACTIVITIES FUNDED
Community board rate	501	Stewart Island/Rakiura ratepayers	Parks and reserves, streetscapes and jetties
SIESA rate (differential)	343	Stewart Island/Rakiura ratepayers within electricity distribution area	Electricity supply
Stewart Island Waste Management rate	390	Stewart Island/Rakiura ratepayers	Waste services
Wastewater rate	10,055	All district ratepayers connected or able to be connected to wastewater	Wastewater
General rate	16,827	All district ratepayers	Toilets

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