



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

Date: Tuesday, 22 February 2022
Time: 9am
Meeting room: Virtual meeting via Zoom
Venue:

Council Agenda OPEN

MEMBERSHIP

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

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Lagi Kuresa

Contact telephone: 0800 732 732
Postal address: PO Box 903, Invercargill 9840
Email: emailsdc@southlanddc.govt.nz
Website: www.southlanddc.govt.nz
Online: [Southland District Council YouTube](https://www.youtube.com/watch?v=...)

Full agendas are available on **Council's** website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

Health and safety – emergency procedures

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

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

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

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1 Apologies

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

2 Leave of absence

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

3 Conflict of Interest

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

4 Public Forum

Notification to speak is required by 12noon at least one clear day before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

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

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

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

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

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

6 Confirmation of Council Minutes

6.1 Meeting minutes of Council, 25 January 2022

Draft Stewart Island/Rakiura visitor levy bylaw and policy - consultation

Record no: R/22/2/2958

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 to present the draft Stewart Island/Rakiura visitor levy policy (the draft policy), the draft Stewart Island/Rakiura visitor levy bylaw (the draft bylaw), and an associated Statement of Proposal, for Council to endorse for consultation.

Executive summary

- 2 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. The service delivery work has now been completed, aside from this review of the visitor levy quantum.
- 3 The draft policy proposes a visitor levy of \$15 to provide appropriate funding for visitor-related activities on the island, and some other changes are also proposed. No material changes are proposed in the draft bylaw, aside from the quantum of the levy. All proposed changes are marked in the Statement of Proposal at attachment A.
- 4 To assess whether the current \$5 visitor levy is appropriate, the costs of Council and community group activities that visitors use, benefit from or mitigate environment effects (in line with the Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012 (the Empowering Act)) have been examined. Four scenarios have been used to estimate the proportion of the costs that are visitor related and therefore eligible for a funding contribution from visitors (via the visitor levy). This is because only a portion of the total costs are related to visitor use with the residual related to island residents, ratepayers, businesses and organisations.
- 5 The Community and Strategy Committee (the committee) recommended to Council, at its 1 February 2022 meeting, that it endorse the proposal to increase the Stewart Island/Rakiura visitor levy quantum to \$15. The Stewart Island/Rakiura community board (the community board) supports an increase to the visitor levy to \$10, but does not support \$15.
- 6 If Council endorses the draft policy and bylaw and releases the Statement of Proposal for consultation, staff will undertake a consultation process in accordance with the Special Consultative Procedure from 8am on 1 March to 5pm 1 April 2022.
- 7 Under s.4 of 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 Council:

- a) **receives the report titled “Draft Stewart Island/Rakiura visitor levy bylaw and policy - consultation” dated 14 February 2022.**
- b) determines that this matter or decision be recognised as significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) determines pursuant to section 155(1) of the Local Government Act 2002 that a bylaw is the most appropriate way of addressing the funding problems faced by Stewart Island/Rakiura.
- e) determines pursuant to section 155(2)(a) of the Local Government Act 2002 that the draft Stewart Island/Rakiura Visitor Levy Bylaw is the most appropriate form of bylaw.
- f) determines pursuant to section 155(2)(b) of the Local Government Act 2002, that the draft Stewart Island/Rakiura Visitor Levy Bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990.
- g) endorses the recommendation from the Community and Strategy Committee that the amount of levy and revenue collected should be \$15.00 (including GST).
- h) endorses and releases the Statement of Proposal outlined in attachment A (that includes the draft Stewart Island/Rakiura Visitor Levy Bylaw and draft Stewart Island/Rakiura Visitor Levy Policy) for consultation in accordance with the Special Consultative Procedure outlined in sections 83, 86 and 87 of the Local Government Act 2002, from 8am 1 March to 5pm 1 April 2022.
- i) determines that it has followed the requirements of section 80 of the Local Government Act 2002 (which must be followed when making decisions inconsistent with policy), regarding the proposal to consult on an increase to the visitor levy quantum in accordance with the Special Consultative Procedure, but not via the Annual Plan process.
- j) endorses Council working with approved operators and levy funding recipients on an ongoing basis, to increase community and visitor understanding of the Stewart Island/Rakiura visitor levy.

Background

The Empowering Act

- 8 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.
- 9 The Empowering Act outlines that levies collected must be used for one or more of the following purposes:
- funding, wholly or in part, activities used by visitors
 - 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.
- 10 The Empowering Act also 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.

The current policy and bylaw

- 11 The current policy and bylaw became operative and the levy started being collected, in October 2013.
- 12 When the Stewart Island/Rakiura visitor levy 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. There has been no change to the levy quantum since its implementation in 2013.
- 13 The current policy (attachment B) contains practical information about how the visitor levy operates, and outlines who has to pay levies and revenue, how a person can prove they are exempt, how the fund is administered and how funding is allocated.
- 14 The current bylaw (attachment C) outlines the levy 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 Empowering Act, and is \$250.

Financial information

- 15 Since 2013, around \$1.3 million in levy funds have been collected with \$1.1 million of this allocated to projects. A further \$200,000 is held in a reserve to be allocated during future funding rounds.
- 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, SIRCE'T (Stewart Island/Rakiura Community Environment Trust), Rakiura Heritage Trust and the Department of Conservation.

The review process to date

- 16 Council staff undertook preliminary engagement with people in the District in September 2021 and presented the response to the Stewart Island/Rakiura Community Board (the community board) at its 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. Approximately 60% (35) of respondents to the September 2021 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.
- 17 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.
- 18 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. Most respondents (19, 41%) favoured an increase of between \$1 and \$5, which would make the levy total between \$6 and \$10. An equal number of respondents (9, 20%) favoured the other three options: an increase of between \$6 and \$10, an increase of between \$11 and \$15, and 'other'.
- 19 Feedback was received from the committee at its 1 February 2022 meeting. The committee recommended to Council that it endorse the proposal to consult on increasing the levy to \$15. Two councillors voted against this recommendation, and proposed that Council consult on increasing the levy to \$10.
- 20 The committee's recommendation to consult on a \$15 levy amount considered the work undertaken on forecasted visitor related costs for the island by Council and other community groups. A \$15 levy was recommended because it achieves a balance between visitors contributing a reasonable amount towards forecasted costs, and alleviating the rates burden of these costs on visitors.
- 21 There was also discussion that any change to the levy would not be implemented until October 2023, such that the levy would have been at \$5 for ten years. The preferred option of \$15 both adjusted for inflation since 2013 and addressed anticipated increases in costs and inflation rates. There was also a desire to alleviate the burden to island ratepayers, due to the high numbers of visitors compared to a small number of ratepayers, and the high cost of providing visitor related services on the island. The committee also recommended Council endorse the other proposed changes in the draft bylaw and policy.
- 22 The chair of the community board was invited by the committee to provide community board feedback directly to the committee on the draft bylaw and policy.
- 23 The community board support an increase to the levy quantum to \$10, but are of the view that \$15 is excessive, and are concerned that this will deter visitors from coming to the island. The community board do not agree with several of the activities that have been included in the list of activities that are eligible for funding from the visitor levy.

- 24 Legal advisors have recently reviewed the draft policy and bylaw. Through that review, some additional/minor amendments have been suggested.

Issues

- 25 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 discusses the funding analysis behind a proposal to increase the levy. Other changes to the draft policy are then listed, followed by items where no change to the draft or bylaw are required.

The quantum of the levy

Background

- 26 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.
- 27 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.
- 28 Levy funds are allocated by way of application to the Stewart Island/Rakiura visitor levy allocation subcommittee (the subcommittee). Applications will only be eligible for funding if they meet the requirements of the Empowering Act. The subcommittee has discretion whether or not eligible applications will receive funding. 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 costs for Stewart Island/Rakiura

- 29 Work has been undertaken looking at the forecasted costs 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. The methodology is included in the Statement of Proposal, in attachment C to that proposal.
- 30 Council used two methods to estimate visitors' share of activity costs. The 'project approach' used the average annual project capital costs from the Council's Long Term Plan (LTP) 2021-2031 for visitor related infrastructure, to estimate the projects that are eligible for levy funding. Only infrastructure activities with projects falling within the LTP period are included in the calculation.
- 31 The second approach uses the annual depreciation cost for visitor related infrastructure to estimate the annual consumption of the assets on the island which are eligible for levy funding. All infrastructure activities are included in the calculation to reflect that all infrastructure is used by visitors over the long-term. This second approach has been used to verify that the annual costs resulting from the project approach (using the shorter LTP period) are reasonable.

- 32 For both approaches, the average annual operating and capital costs from other community agencies which are associated with visitor related activities has been included. The other agencies include Stewart Island Promotions, Rakiura Heritage Trust, Stewart Island/Rakiura Community & Environment Trust and Department of Conservation. These costs have been identified as visitor related costs by these organisations.
- 33 Both the LTP project and annual depreciation approaches assign a percentage share of costs related to visitors for each activity or project. This is because only a portion of the total costs are related to visitor use, with the residual related to island residents, ratepayers, businesses and organisations.
- 34 Four scenarios have been used to estimate the proportion of the costs that are visitor related and therefore eligible for a funding contribution from visitors (via the visitor levy). This range of scenarios has been used because Council acknowledges there are likely to be differing opinions about the proportion of costs on the island estimated to relate to visitors.
- 35 The two methods yield similar results. Depending on the share of activity costs estimated to be related to visitor use, the levy would need to increase to between:
- \$11 and \$30 for the LTP project approach
 - \$9 and \$26 for the annual depreciation approach.
- 36 A levy quantum of \$15 is proposed because to ensure visitors contribute a reasonable amount towards these costs and to alleviate the rates burden of these costs on ratepayers.
- 37 The committee also provided feedback that the proposed increase to \$15.00 would be catching up on increased costs and inflation since collection of the levy started, and would anticipate further increases before any change would come into effect in October 2023. Selected members of the committee and the community board expressed an interest in looking at an option to enable annual adjustments to the levy to allow for inflation. Due to the nature of the bylaw amendment process and agreements with the operators who collect the levy, it is not viable to build in frequent incremental increases to the bylaw and policy in line with inflation, so a \$15.00 quantum is considered to be a reasonable amount.

What activities should be included?

- 38 There are a lot of different views about what is or is not visitor related. The Empowering Act is the main criteria for assessing whether something is eligible for levy funding. As discussed above, this means an activity that is used wholly or in part by visitors, is for the benefit of visitors, or mitigates the adverse effects of visitors on the island environment.
- 39 The scope of what is eligible for funding has not changed since the levy came into effect. Modelling has been based on the projects/activities eligible for funding, recognising that the subcommittee has full discretion to assess applications based on their merits, and decide whether to allocate funding.
- 40 The community board provided feedback that it did not agree with the inclusion of several activities in the forecasted activity costs, on the basis that other funding sources should pay for those activities, not the visitor levy. The community board opposed the inclusion of the wastewater, waste services, and electricity generation (SIESA) activities as well as Department of

Conservation track maintenance and capital projects. While the community board did not specifically mention that roading and stormwater should be excluded, staff have assumed the board would also object to funding these activities from the levy given that they are currently funded in a similar manner to other activities the board opposed including.

- 41 For modelling purposes, if these activities are removed from the visitor-related activities list, the LTP project approach shows that the levy would need to be between \$5 to \$16. The annual depreciation approach indicates a levy amount of between \$3 to \$5.
- 42 Whilst there are a number of other funding sources (district and local rates, grants, etc.) for activities that are eligible for funding under the Empowering Act, visitors use and benefit from all the activities that have been included. The existence of other funding sources does not exclude eligibility for levy funds. The purpose of the four different scenarios used in modelling is to allocate a reasonable percentage of visitor benefit to activities. By way of example, in the 'low estimate' modelling scenario for electricity generation (SIESA), waste services and wastewater, only 5% has been attributed as having visitor benefit. Accordingly, the role of other funding sources has been built in to the modelling.
- 43 It is therefore considered appropriate to include the activities listed, on the basis that visitors use or benefit from these activities, and that a fair and reasonable proportion of visitor related benefit has been allocated to each. Setting the levy at an amount that appropriately contributes to visitor-related activities, would be establishing a user pays approach for visitors.

Other changes

- 44 Changes proposed to the draft policy include:
- increasing multi-year funding for Council and community owned infrastructure from 10 years, to 30 years in exceptional circumstances, in order to try and best match the “use” of the expenditure with the “life” of the expenditure. Further information on this is available in the 1 February 2022 committee report
 - removing the requirement to publicly consult on a change in the levy quantum through the Annual or LTP process, but retaining the requirement for a formal bylaw amendment process, as required by the Empowering Act and the Local Government Act 2002 (LGA)
 - 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 community board), the inclusion of a project in Council's LTP 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.
- 45 These changes are tracked in the draft policy included in the Statement of Proposal at attachment A.

Items where no change to the policy is proposed or required

Increased communication with the community about the levy

- 46 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 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.
- 47 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.
- 48 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

- 49 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.
- 50 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 that Council endorse these actions, if supported.

Factors to consider

Legal and statutory requirements

The Empowering Act

- 51 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.
- 52 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

- 53 It is proposed the Council undertake consultation on the draft policy and bylaw in accordance with the Special Consultative Procedure outlined in sections 83, 86 and 87 of the LGA.
- 54 The Special Consultative Procedure requires that Council adopts a formal Statement of Proposal, has a consultation period of not less than one month, and allows people to present their views to Council in a manner that enables spoken interaction, such as by having a hearing. It also provides for the preparation of a summary of the information contained in the Statement of Proposal, if the Council considers such a summary is necessary to enable public understanding of the proposal. A summary of information has not been prepared for this consultation on the basis that the attached Statement of Proposal is easy to understand, and includes its own summary at the beginning of the document.
- 55 It is proposed that Council will make the Statement of Proposal as widely available as is reasonably practicable (in accordance with section 83 of the LGA), and encourage people to give feedback, by:
- placing an advertisement in the Southland Times and Stewart Island News
 - promote the Statement of Proposal through Council's relevant social media platforms, and specifically the Stewart Island/Rakiura community Facebook pages
 - placing posters at prominent places around Oban
 - delivering fliers to Oban residents
 - notifying stakeholders about the Statement of Proposal
 - having the Statement of Proposal accessible on Council's website and at all of its offices.

LGA s.80 requirements

- 56 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.
- 57 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.
- 58 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 do not have to be conducted as part of an Annual Plan/LTP process.

LGA financial requirements

- 59 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.
- 60 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.
- 61 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.
- 62 It is considered appropriate that this clarification to the Revenue and Financing Policy, to specifically refer to the levy as a funding source, be addressed when this policy is next reviewed.

Contractual obligations

- 63 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.
- 64 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).
- 65 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.

Determinations

- 66 The Empowering Act requires Council to make the bylaw in accordance with the LGA. This means that Council must, before commencing the process for making a bylaw, determine whether a bylaw is the most appropriate way of addressing the perceived problem. The

problem on Stewart Island/Rakiura is the strain being placed on the environment and local infrastructure by visitors. The island hosts many short-term visitors but has a small permanent population. The small rating base of the island contributes to funding challenges for Council and the levy is intended to help meet costs attributable to visitors.

- 67 Council is also required to determine whether the proposed bylaw is the most appropriate form of bylaw before it makes it. The draft bylaw contained in the attached Statement of Proposal has been prepared and structured for ease of reference and interpretation. The draft bylaw is consistent with the Empowering Act, and the process prescribed in the LGA is being followed.
- 68 Council is also required to determine whether the draft bylaw gives rise to any implications under the New Zealand Bill of Rights Act 1990, which grants certain civil and political rights to people in New Zealand. The provisions of the proposed Stewart Island/Rakiura visitor levy bylaw do not unreasonably interfere with any of the rights given by the New Zealand Bill of Rights Act 1990. While the draft bylaw requires visitors to Stewart Island to pay a levy, this power has been mandated by virtue of the Empowering Act, which has been reviewed by the Attorney-General for any inconsistency with the Bill of Rights. The objectives of the levy are to provide services for visitors and mitigate the environmental impacts of tourism. These objectives support the rights of residents and represent value for those who will be paying the levy.

Legal review

- 69 Legal advisors have reviewed the draft policy, the draft bylaw and the draft statement of proposal. Through this review, some minor amendments have been made.

Community views

- 70 Input has been sought through preliminary consultation, to help guide the direction for changes in the draft policy and bylaw. The range of views received were outlined in the report to the committee on 1 February 2022.
- 71 The chair of the community-board provided the board's feedback on the draft bylaw and policy, directly to the committee. The community board support an increase to the levy quantum to \$10, but are of the view that \$15 is excessive, and are concerned that this will deter visitors from coming to the island. The community board do not believe some island activities should be funded by visitors.
- 72 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.
- 73 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

- 74 Costs associated with staff time, advertising and legal advice will be met within current budgets.
- 75 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. 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

- 76 The draft policy proposes changes to the amount of levy/revenue collected. Freedom travellers and people who travel with an approved operator would pay a levy/revenue of \$15 rather than the \$5 that is currently paid.
- 77 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

- 78 There are three options for consideration in this report:
- Option 1 – that Council endorses the Statement of Proposal, draft policy and 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 Council endorses the Statement of Proposal, draft policy and bylaw (with any desired amendments) for consultation in accordance with the Special Consultative Procedure, that includes the proposal to increase the levy quantum to \$10.
 - Option 3 – that Council retain the current policy and bylaw (with any desired amendments), and keep the levy quantum at \$5. This option may also require a consultation process to be undertaken.

Analysis of Options

Option 1 – that Council endorses the Statement of Proposal, draft policy and bylaw 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 will better provide for visitors to the island and contribute towards relieving the rates burden on this community and/or district ratepayers• enables a greater contribution to eligible grant requests, both from Council and other external entities. This higher contribution will enable services to continue or be improved and for more projects to be funded from the levy and generally undertaken without delays.• provides practical updates and clarifications to the current policy, including an increase to multi-year funding in exceptional circumstances for infrastructure projects and	<ul style="list-style-type: none">• is not consistent with the feedback from preliminary consultation, that supported an increase to \$10, not \$15• may impact affordability of getting to the island for some people• 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).

removing the requirement to consult via the Annual Plan/LTP.	
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Option 2 – that Council endorses the Statement of Proposal, draft policy and bylaw (with any desired amendments) for consultation in accordance with the Special Consultative Procedure, that includes the proposal to increase the levy quantum to \$10

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> is consistent with the feedback from preliminary consultation, that supported an increase to \$10.00 provides some increase in funds to better provide for visitors to the island and may relieve the rates burden on this community and/or district ratepayers enables a greater contribution to eligible grant requests, both from Council and other external entities. This higher contribution will enable services to continue or be improved and for more projects to be funded from the levy and generally undertaken without delays. 	<ul style="list-style-type: none"> increasing the levy to \$10 will provide less support for visitor related projects on the island and may increase the rates burden on this community and/or district ratepayers may not be sufficient to fund grant requests for other entities resulting in no increase or a reduction service levels and/or any projects being delayed or cancelled pending other funding sources may impact affordability of getting to the island for some people approved operators may not agree to collecting the levy funds on behalf of Council, if it is raised to \$10 (which would create a challenge around collecting the levy).

Option 3 – that Council retain the current policy and 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, stakeholders and approved operators are familiar with the current levy amount and bylaw and policy provisions less likelihood of any reduction of visitor numbers due to cost of transport if there is no change in the cost of getting to the island. 	<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 and resulting in other entities seeking other funding sources, possibly leading to a reduction in services provided, projects delayed or not undertaken inflation rate increases since the inception of the \$5 levy means that the level of service or the quantum of projects will continue to reduce over time this option is not in line with the majority of stakeholder and community views that the quantum of the levy should be increased.

Assessment of significance

- 79 With the proposed change to the amount of levy/revenue collected, staff believe that this decision is one that just meets the threshold of being a significant decision (in relation to Council's Significance and Engagement Policy and the LGA).
- 80 The most relevant factor for assessing significance in Council's Significance and Engagement Policy is "the effect on people who are likely to be particularly affected by or interested in the issue, decision or proposal."
- 81 Staff have assessed the proposal to increase the visitor levy quantum as meeting the threshold of being a significant decision because all visitors to the island will be financially impacted if a decision is made to increase the visitor levy. In addition, there is a significant amount of interest in this issue in the Stewart Island/Rakiura community and throughout the region.
- 82 Council has undertaken a thorough review of the current policy and bylaw. Council has also considered the community views captured through preliminary consultation, and it will ascertain and consider community views through the formal consultation process. In relation to the decision being made Council has also comprehensively:
- identified the potential implications
 - identified the reasonably practicable options
 - assessed the options in terms of their advantages and disadvantages
 - considered costs and funding
 - provided and considered information
 - engaged with Te Ao Mārama during the preliminary consultation process, in line with s.81 of the LGA.
- 83 Council has to undertake a Special Consultative Procedure to amend the bylaw, and consultation on the amendments to the current policy will also be included in that consultation. A Special Consultative Procedure is the highest level of consultation to use and is also appropriate in this case, given the level of significance.

Recommended option

- 84 It is recommended that Council proceed with Option 1 and endorse the draft policy and bylaw (with any desired amendments) for consultation in accordance with the Special Consultative Procedure.

Next steps

- 85 If Council endorses the draft policy and bylaw and releases the Statement of Proposal for consultation, staff will undertake a consultation process in accordance with the Special Consultative Procedure from 8am 1 March to 5pm 1 April 2022. It is intended that the written submissions received will be presented to Council and a hearing on this matter will take place, on 27 April 2022. Covid national protection framework levels may impact hearing dates and the ability to hold this meeting in person.
- 86 If, after undertaking the Special Consultative Procedure, Council endorses increasing the levy/revenue collected, it would then adopt the bylaw and policy to come into effect from 1 July 2022 (with the new \$15.00 amount being collected from 1 October 2023).

- 87 If Council endorses retaining the current policy and bylaw, or increasing the levy to \$10, staff will make any desired amendments to the documents and present a draft policy and bylaw to Council, to be endorsed for consultation.

Attachments

- A Statement of Proposal for review of the Stewart Island/Rakiura visitor levy bylaw and policy [↓](#)
- B Current Stewart Island/Rakiura visitor levy bylaw (revision 1, 2019) [↓](#)
- C Current Stewart Island/Rakiura visitor levy policy [↓](#)



Statement of Proposal

Draft Stewart Island/Rakiura Visitor Levy Policy and Bylaw

Introduction

Southland District Council is proposing to amend its current bylaw and policy that relate to the Stewart Island/Rakiura visitor levy and would like to know what you think.

This statement of proposal is prepared under ss.83, 86 and 87 of the Local Government Act 2002. This document contains:

- proposed changes and a copy of the draft bylaw and policy showing the changes to be made to those documents
- information about the proposals
- the reasons for the proposals
- how you can have your say
- timetable for consultation
- options.

Proposed changes

It is proposed that the amount of the visitor levy collected would increase from \$5 to \$15. The changes proposed in the draft policy include:

- increasing the amount of levy collected from \$5 to \$15 (including GST) from 1 October 2023
- removing the requirement that public consultation on any increase to the levy occur via the Annual/Long Term Plan process, but continuing to comply with all legal requirements for bylaw and policy review
- allowing multi-year funding of up to 30 years for Council and community owned infrastructure in exceptional circumstances, increased from the current 10 years
- wording to clarify the allocations process
- updates to improve legal accuracy.

All proposed changes are identified in the draft policy and draft bylaw included in this Statement of Proposal at attachments A and B.

Note: Under the Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012 (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. To ensure clarity, both types of money collected (levy and revenue) are referred to here as "levy".

The reason for the proposal

The key reasons for this proposal are to:

- ensure the amount collected from the levy sufficiently alleviates the burden to ratepayers, due to the high number of visitors to the island
- ensure the amount of the visitor levy is set at a level that provides an appropriate contribution to activities and services on the island for visitors but does not deter them from visiting

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

☎ 0800 732 732
✉ sdcsouthlanddc.govt.nz
📍 southlanddc.govt.nz



- ensure the bylaw and policy are legally accurate, including removing the need to consult on a levy increase through consulting on the Annual Plan or Long Term Plan, which is not provided for in the Empowering Act
- allow for funding to be allocated (in exceptional circumstances) to multi-year funding of up to 30 years for Council and community owned infrastructure, because many infrastructure projects have a life longer than 10 years
- enhance understanding of the allocations process and make other changes to clarify the policy for readers.

How you can have your say

Anyone can make a submission online at <https://www.southlanddc.govt.nz/my-council-/have-your-say/>. Submissions will be accepted from 8am on 1 March 2022 and must be received by 5pm on 1 April 2022.

All submissions should state:

- the submitter's name
- the submitter's contact details
- whether or not the submitter would like to speak to Council about this matter.

If you need help submitting please contact Council at 0800 732 732, or call in to one of Council's offices. All written submissions made to Council will be acknowledged and made available to the public.

Council intends to hold a hearing on 27 April 2022. This is when anyone who has made a written submission and who has said they would like to speak to Council, can do so at a Council meeting. This meeting is open to the public. If you indicate you would like to be heard, Council staff will get in touch with you to arrange a time for you to speak at the hearing. If at the hearing you have any requirements, please let us know. Please note that Covid national protection framework levels may impact hearing dates and the ability to hold this meeting in person.

Timetable for consultation

The dates below outline the timetable for the consultation process. Any changes to these dates will be publicly advised on Council's Facebook page and website.

DATE	ACTIVITY
22 February 2022	Council adopted the proposal for consultation
1 March 2022	Consultation period begins (8am)
1 April 2022	Consultation period ends (5pm)
27 April 2022	Oral submissions heard by Council. Covid national protection framework levels may impact the hearing date and the ability to hold this meeting in person.

Information about the proposal

Background

Although Stewart Island/Rakiura has a small resident population (approximately 500 ratepayers, but fewer full-time residents), it is a destination for a large number of short-term visitors. Since the introduction of the levy in 2013, there has been an average of 38,700 visitors per year. This does not include people who



are exempt from paying the levy, such as those 18 and under, so this figure is lower than the actual number of visitors. This creates a unique funding challenge for Council and the community.

The Empowering Act allows Council to set and collect levies from visitors to Stewart Island/Rakiura.

The funds collected must be used for:

- funding, wholly or in part, activities used by visitors
- 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.

This means Council activities are eligible, such as public toilets, parks, streetscapes, jetties, electricity supply, wastewater, roading, stormwater and waste services, as well as the activities of other community agencies such as visitor promotion/information and ecology/environmental protection.

Approved operators (Stewart Island Flights, Real NZ (formerly Real Journeys), ISS McKay for cruise ships) collect \$5 from each passenger aged 18 and over in accordance with the Empowering Act and the contracts Council has entered into with the approved operators. Visitors who travel to the island by other means (freedom travellers) pay the \$5 levy which is set under the bylaw. Residents do not pay the levy. There has been no change to the levy amount since its inception in 2013.

Levy funds are allocated by way of application to the Stewart Island/Rakiura Visitor Levy Allocations Subcommittee (the subcommittee). Applications will only be eligible for funding if they meet the requirements of the Empowering Act. The subcommittee has discretion whether or not eligible applications will receive funding.

The bylaw sets the rate of the levy that is imposed, details about how the levy is collected and an offence and penalty section. The policy covers operational aspects, including who is liable to pay levies and how the levy will be collected, administered, allocated and enforced.

The main reason for the review of the current bylaw and policy is in relation to the amount of the levy. However, as with the formal review of any policy or bylaw, it is open to Council to consider other changes.

If Council decides to change the levy amount, any increase would not occur until October 2023, due to the contracts with approved operators who collect the levy on behalf of Council.

Information about the proposal to increase the quantum of the levy

To assess whether the current \$5 visitor levy is appropriate, the costs of activities that visitors use, benefit from or mitigate environment effects (in line with the Empowering Act) have been examined. This has identified:

- the total cost of visitor related activities on the island is projected to be around \$9.7 million over the next eight years (using Council's Long Term Plan (LTP) project list as a basis)
- \$7.3 million of this relates to activities provided by Council and \$2.4 million relates to activities provided by other community agencies
- for each year, an average of \$1.2 million (\$1.4 million including GST) is needed to fund activities that are visitor related
- an average of \$168,000 per year (\$194,000 including GST) is currently collected from the visitor levy.

Council used two methods to estimate visitors' share of activity costs: an LTP project approach, and a depreciation approach (refer to attachment C for further detail). The forecasted costs 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, the project approach shows that the levy would need to increase to between \$11 and \$30. This depreciation approach has been used to verify that the annual costs resulting from the project approach (using the shorter LTP period) are reasonable. The estimated annual costs using both approaches are very similar with the depreciation approach showing that the levy would need to increase to between \$9 and \$26.

Why \$15?

Council is proposing a levy quantum of \$15 to ensure visitors contribute a reasonable amount towards these costs and to alleviate the rates burden of these costs on ratepayers.

In addition, the proposed increase to \$15 would be catching up on increased costs and inflation since collection of the levy started, and anticipates further increases before any change would come into effect in October 2023. Due to the bylaw amendment process and agreements with the operators who collect the levy, it is not viable to build in frequent incremental increases to the bylaw and policy in line with inflation, so a \$15 quantum is considered to be a reasonable increase.

What activities should be included?

Council has received feedback in the past requesting more information on what the levy funds will be spent on, in order to link visitor related costs on the island to the levy amount.

There are a lot of different views about what is or is not 'visitor related'. The Empowering Act contains the main criteria for assessing whether something is eligible for levy funding. As discussed above, this means an activity that is wholly or in part used by visitors, is for the benefit of visitors, or mitigates the adverse effects of visitors on the environment of the island.

The scope of what is eligible for funding has not changed since the levy has come into effect. Modelling has been based on what is eligible under the Empowering Act, recognising that the subcommittee has the full discretion to assess eligible applications based on their merits, and decide whether to allocate funding.

What would happen if the visitor levy is less than the recommended \$15 (ie/it remains at \$5 or was increased to \$10)?

All levy funding received contributes towards the grants given to Council and other organisations providing visitor related activities. The higher the levy, the greater the contribution towards visitor related costs. Less funding results in both Council and other organisations having to seek other funding sources or making decisions to delay or not undertake some activities or projects. For Council, any reduction in funding will generally mean an increase in rates for ratepayers on the island and/or across the district, or a decision to delay or delete projects. For other organisations, a reduction in grants will most likely require other funding to be found and if unsuccessful, these entities may then have to reduce or discontinue the service or delay/not undertake projects.

The modelling in attachment C shows that the average annual cost of providing visitor related activities is around \$1.4 million (including GST). The project approach indicates that between \$415,000 and \$1.18 million (including GST) of this amount relates to visitors. The depreciation approach estimates the annual amount related to visitor use slightly lower, at between \$340,000 to \$1 million (including GST).

If the visitor levy amount remains \$5, with an estimated total revenue of around \$194,000 and no change is made to the projects planned for the island, there is likely to be a shortfall in funding. This shortfall would be between \$221,000 to \$986,000 (including GST) using the project approach and between \$146,000 to \$806,000 using the depreciation approach.

An increase in the visitor levy to \$10 (including GST) would sit at the low end of the forecasted ranges of funding costs for the island, with an estimated total revenue of \$387,000. If the visitor levy was increased to



\$10, the shortfall in funding would reduce to between \$28,000 to \$793,000 using the project approach or between \$0 to \$613,000 using the depreciation approach.

Options for the visitor levy amount

OPTION 1: INCREASE THE VISITOR LEVY TO \$15 (PROPOSED)	
Advantages <ul style="list-style-type: none"> an increase in available funds will better provide for visitors to the island and contribute towards relieving the rates burden on this community and/or district ratepayers enables a greater contribution to eligible grant requests, both from Council and other organisations. This higher contribution will enable services to continue or be improved and for more projects to be funded from the levy and generally undertaken without delays. 	Disadvantages <ul style="list-style-type: none"> is not consistent with the feedback from preliminary consultation, that supported an increase to \$10, not \$15 may impact affordability of getting to the island for some people 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: INCREASE THE VISITOR LEVY TO \$10	
Advantages <ul style="list-style-type: none"> is consistent with the feedback from preliminary consultation, that supported an increase to \$10 provides some increase in funds to better provide for visitors to the island and may relieve the rates burden on this community and/or district ratepayers enables a greater contribution to eligible grant requests, both from Council and other organisations. This higher contribution will enable services to continue or be improved and for more projects to be funded from the levy and generally undertaken without delays. 	Disadvantages <ul style="list-style-type: none"> increasing the levy to \$10 may not sufficiently increase available funds for visitor related projects on the island and may increase the rates burden on this community and/or district ratepayers for Council related projects may not be sufficient to fund grant requests for other organisations resulting in no increase or a reduction in service levels and/or any projects being delayed or cancelled pending other funding sources may impact affordability of getting to the island for some people approved operators may not agree to collecting the levy funds on behalf of Council, if it is raised to \$10 (which would create a challenge around collecting the levy).
OPTION 3: KEEP THE VISITOR LEVY AT \$5	
Advantages <ul style="list-style-type: none"> this is in line with some community views obtained through the pre-consultation process the community, stakeholders and approved operators are familiar with this levy amount. 	Disadvantages <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 and resulting in organisations seeking other funding sources, possibly leading to a reduction in services provided, projects delayed or not undertaken inflation rate increases since the inception of the \$5 levy means that the level of service or



	<p>the quantum of projects will continue to reduce over time</p> <ul style="list-style-type: none"> this option is not in line with the majority of stakeholder and community views that the quantum of the levy should be increased.
OPTION 4: CHANGE THE VISITOR LEVY TO ANOTHER AMOUNT	
<p>Advantages</p> <ul style="list-style-type: none"> may better incorporate community views. 	<p>Disadvantages</p> <ul style="list-style-type: none"> anything that is a significant departure from the options set out this proposal may require further consultation.

Other proposed changes

Annual/Long Term Plan consultation requirement

Part 5.0 of 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. It is proposed to continue to consult using a bylaw amendment process, but to remove the requirement to consult via an Annual Plan/LTP process. 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. The proposed change does not alter the nature of the public engagement process that is followed to review the bylaw and policy.

Options for the proposal to remove the requirement to consult on any change to the levy amount through an Annual/LTP process

OPTION 1: CONTINUE TO CONSULT USING A BYLAW AMENDMENT PROCESS, REMOVE THE REQUIREMENT TO CONSULT VIA ANNUAL PLAN/LTP PROCESS, IN THE EVENT AN INCREASE IN THE AMOUNT IS CONSIDERED (PROPOSED)	
<p>Advantages</p> <ul style="list-style-type: none"> this proposed change does not alter the nature of the public engagement process that would be followed to review the bylaw and policy improves efficiency and reduces the cost to review the amount of the levy in future years. 	<p>Disadvantages</p> <ul style="list-style-type: none"> some people may want the levy amount to be reviewed via the Annual Plan/LTP.
OPTION 2: RETAIN THE CURRENT POLICY THAT REQUIRES PUBLIC CONSULTATION TO OCCUR VIA AN ANNUAL PLAN/LTP PROCESS AND A BYLAW AMENDMENT PROCESS, IN THE EVENT AN INCREASE IN THE AMOUNT IS CONSIDERED	
<p>Advantages</p> <ul style="list-style-type: none"> ensures that Council reviews the amount of the levy in the context of the Annual Plan or LTP process. 	<p>Disadvantages</p> <ul style="list-style-type: none"> retains the requirement that Council consult on its Annual Plan/LTP when it may not have otherwise done so may delay or involve further resources to review of the levy amount in future years, due to the timing and requirements of Annual Plan/LTP consultation processes is not required by the Empowering Act.



Increase to multi-year funding time period for infrastructure projects

Part 10.3 of 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).

Council is proposing 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.

Options for the proposal to increase the multi-year funding time period for infrastructure projects

OPTION 1: ALLOW MULTI-YEAR FUNDING OF UP TO 30 YEARS FOR COUNCIL AND COMMUNITY OWNED INFRASTRUCTURE, IN EXCEPTIONAL CIRCUMSTANCES (PROPOSED)	
Advantages <ul style="list-style-type: none"> • better matches the “use” of the expenditure with the “life” of the expenditure by 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 jetties, footpaths, buildings and wastewater • may improve intergenerational equity by sharing the costs of a capital projects across the generations who are likely to use it. 	Disadvantages <ul style="list-style-type: none"> • some people may think multi-year funding of up to 30 years is too long a time period.
OPTION 2: RETAIN THE CURRENT POLICY, THAT ALLOWS MULTI-YEAR FUNDING UP TO 10 YEARS FOR COUNCIL AND COMMUNITY OWNED INFRASTRUCTURE	
Advantages <ul style="list-style-type: none"> • multi-year funding up to 10 years is what the subcommittee and stakeholders are used to. 	Disadvantages <ul style="list-style-type: none"> • a 10 year maximum loan period may not match the “life” of some capital expenditures • does not improve intergenerational equity by sharing the costs of a capital projects across the generations who are likely to use it.

Other minor changes

Other minor changes are also proposed to enhance clarity and legal accuracy. All proposed changes are identified in the draft bylaw and policy included within this Statement of Proposal at attachment A and B.



Options for other minor changes

OPTION 1: MAKE OTHER MINOR CHANGES TO THE DRAFT BYLAW AND POLICY (PROPOSED)	
Advantages <ul style="list-style-type: none"> the policy will be clearer and easier to understand improved legal accuracy enhances compliance with legislation. 	Disadvantages <ul style="list-style-type: none"> including minor changes means those interested in the consultation have more to consider and they may not focus as easily on the key changes.
OPTION 2: DO NOT MAKE ANY OTHER CHANGES TO THE POLICY AND BYLAW	
Advantages <ul style="list-style-type: none"> no further changes simplifies what Council is consulting on. 	Disadvantages <ul style="list-style-type: none"> the bylaw and policy are not clarified or enhanced to better reflect the legislation.

What happens next?

After Council has received written and oral submissions, Council will make decisions on the draft bylaw and policy, likely in May 2022. Council may make other changes to the draft bylaw and policy, but anything that is a significant departure from the options set out this proposal may require further consultation.

Determinations

The Empowering Act requires Council to make the bylaw in accordance with the Local Government Act 2002. That means Council has to make the following determinations set out in s.155 of that Act in relation to the draft bylaw. Given the limited scope of the bylaw, the s.155 determinations are brief.

The draft bylaw is the most appropriate way of addressing the perceived problem - Council recognises the strain being placed on the environment and local infrastructure by visitors. The small rating base of the island contributes to funding challenges for Council and increasing the levy amount in the bylaw is intended to help meet costs attributable to visitors.

The draft bylaw is the most appropriate form of bylaw - The draft bylaw has been prepared and structured for ease of reference and interpretation. The draft bylaw is consistent with the Empowering Act.

The draft bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990 - The New Zealand Bill of Rights Act 1990 grants certain rights to people in New Zealand. Council resolved that the provisions of the proposed Stewart Island/Rakiura Visitor Levy Bylaw do not unreasonably interfere with any of these rights

Attachment A



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

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
@ sdc@southlanddc.govt.nz
📍 southlanddc.govt.nz



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
BYLAW	<u>Means the Stewart Island/Rakiura Visitor Levy Bylaw</u>
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	<p>Any person who—</p> <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. Council will set the revenue and levy at the same amount.

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 \$5.00 before 1 October 2023 and \$15 on or after 1 October 2023. The revenue is set at the same amount.

~~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 or amended 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 ~~(\$2.50 half the revenue amount~~ 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 ~~the revenue amount~~ (\$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 The \$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 website, 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.

Council will use the following to identify who is exempt from paying the levy: Southland District Council photo identification cards, ~~are accepted as proof of exemption. A~~ a ticket issued by an approved transport operator, and 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 of the levy.

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, in accordance with the Act. 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.



	<u>buildings, jetties, tracks, power supply, WiFi installation, signage).</u>
OPERATIONAL COSTS	Applications by non-profit organisations to meet their operational needs/requirements. <u>(e.g. printing of maps, visitor experience host, museum operational costs, provision of WiFi service)</u>
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. <u>e.g. habitat restoration, picnic tables</u>

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 to which~~ 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 9-nine 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 at any time, as required, but not less than within six years of adoption after the last review.



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.

SOUTHLAND
DISTRICT COUNCIL



Attachment B

Southland District Council

DRAFT Stewart Island/Rakiura Visitor Levy Bylaw

Revision 2, 2022

DRAFT

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

☎ 0800 732 732
✉ sdcsouthlanddc.govt.nz
🏠 southlanddc.govt.nz

Southland District Council

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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</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>
--	--

4 Levy for visitors to Stewart Island/Rakiura

The levy for a visitor who travels to Stewart/Island Rakiura is: ~~\$5.00 (inclusive of GST)~~

- (a) \$5.00 (inclusive of GST) before 1 October 2023; and
 (b) \$15.00 (inclusive of GST) after 1 October 2023.

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-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-Act~~ and it is \$250.

Southland District Council

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

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

MAYOR

CHIEF EXECUTIVE



Attachment C: Visitor levy amount 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 \$5.00 visitor levy is appropriate to fund visitors' share of activity costs over the next ten years or longer-term.

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, stormwater, roading and waste services, as well as the activities of other groups such as visitor promotion/information and ecology/environmental protection.

Council used two methods to estimate visitors' share of activity costs as shown in the table below.

VISITOR RELATED COSTS	HOW VISITOR RELATED COSTS HAVE BEEN ESTIMATED	
	Project Approach	Annual Depreciation Approach
COUNCIL ACTIVITY COSTS	Uses average annual project capital costs from the Council's Long Term Plan (LTP) 2021-2031 for visitor related infrastructure to estimate the projects that are eligible for levy funding. Only infrastructure activities with projects falling within the LTP period are included in the calculation.	Uses the annual depreciation cost for visitor related infrastructure to estimate the annual consumption of the assets on the island which are eligible for levy funding. All infrastructure activities are included in the calculation to reflect all infrastructure is used by visitors over the long-term.
OTHER AGENCY COSTS	Uses average annual operating and capital costs from other community agencies which are associated with visitor related activities. The other agencies include Stewart Island Promotion Association, Rakiura Heritage Trust, Stewart Island / Rakiura Community & Environment Trust and Department of Conservation. These costs have been identified as visitor related costs by these organisations.	

Both of these methods assign a % share of costs related to visitors. This is because only a portion of the total costs are related to visitor use with the residual related to island residents, ratepayers, businesses, organisations etc.

Four scenarios have been used to estimate the proportion of the costs that are visitor related and therefore eligible for a funding contribution from visitors (via the visitor levy). A range of scenarios have been used because 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 for each calculation approach to estimate what levy quantum(s) may be required.

The four share allocation scenarios are:

- fixed share** - a consistent estimate that 30% of each activity costs (project or depreciation) relate to visitors irrespective of variations in visitor use/benefit between projects
- low estimate** - a low/conservative estimate of each activity costs (project or depreciation) attributable to visitors. A range of between 5% to 75% has been assigned to each project as being related to visitors



- (c) **high estimate** - a high/optimistic estimate of each activity costs (project or depreciation) attributable to visitors. A range of between 50% to 100% has been assigned to each project as being related to visitors
- (d) **mixed estimate** - a mixed “best” estimate of activity costs (project or depreciation) 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.

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 \$5.00 is enough to fund the projected future demands for visitor-related services.

What the data shows about future visitor-related activity costs

Project Approach (estimating annual costs over LTP period)

Table 1 estimates visitors’ share of activity costs based on Council’s capital projects programmed for the island in the LTP 2021-2031 and a mix of operating and capital project costs for other island organisations. This approach shows the total cost of Stewart Island/Rakiura project related activity costs are projected to be around \$9.7 million over the next eight years with an average cost of \$1.2 million per annum (excluding GST). \$7.3 million of this relates to capital projects for infrastructure provided by Council (\$907,000 per annum) and \$2.4 million relates to operating and capital costs of activities provided by other community organisations (\$299,000 per annum). An explanation of what the information in the table shows and the sources of the information is included from page 6.

The scenarios show that the current visitor levy at \$5.00 (including GST) 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 visitor use (scenarios a-d), the levy would need to increase to between \$11 and \$30 (including GST) using this approach as shown at the bottom of Table 1.**

Depreciation Approach (estimating annual costs over life of the asset)

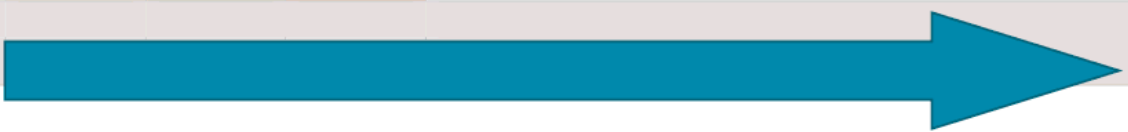
Table 2 estimates visitors’ share of activity costs using annual depreciation costs for Council infrastructure on the island and a mix of operating and capital project costs for other island organisations (given that annual depreciation for other organisation activities is not relevant to operating costs). Annual depreciation has been used to estimate the amount of infrastructure that is used up each year taking into account the life of the asset and how long it is expected to last before it needs to be replaced. This second approach has been used to verify that the annual costs resulting from the project approach (using the shorter LTP period) are reasonable. In this scenario, Council has included depreciation on all infrastructure provided on the island, including roading and stormwater (which were not included in the project approach given no renewals of these assets were programmed within the LTP period). This approach shows the annual cost of Stewart Island/Rakiura activity costs are also projected to be around \$1.2 million per annum (excluding GST) with \$890,000 of this related to capital projects for infrastructure provided by Council and \$299,000 related to operating and capital costs of activities provided by other community organisations.

The scenarios in this approach also show that the current visitor levy at \$5 (including GST) is also 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 visitor use (scenarios a-d), the levy would need to increase to between \$9 and \$26 (including GST) using this approach as shown at the bottom of Table 2.**

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Table 1: Project approach - visitor-related Stewart Island/Rakiura activities / projects eligible for Stewart Island/Rakiura visitor levy funding between 2023-2031

Stewart Island/Rakiura Visitor-related activities	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			
		Range				Explanation of how activity relates to visitors (either used by visitors, for their benefit or to mitigate adverse effects of visitors)	(excluding GST)			
		(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate		(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate
Council infrastructure project capital costs (project code) - sourced from Southland District Council's LTP 2021-2031										
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	38,240	65,828	46,162
Moturau Gardens -roofing and foreshore playground equipment (P-10806, P-10807)	72,383	30%	53%	91%	64%	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	38,240	65,828	46,162
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	2,099,389	3,388,453	2,597,852
Golden Bay wharf investigation and renewal (P-10670, P-10671). Main wharf infill investigation (P-10855)	2,376,668	30%	54%	93%	69%	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	1,277,058	2,212,671	1,628,540
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
SIESA (no 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 (no 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

Stewart Island/Rakiura Visitor-related activities		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				
			Range				Explanation of how activity relates to visitors (either used by visitors, for their benefit or to mitigate adverse effects of visitors)	(excluding GST)			
			(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate		(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate
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 (no 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
Other organisations operating and capital costs - as advised by community groups											
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	1,456,327	2,392,825	1,813,008
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%	64%	100%	78%	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 electricity and staffing) are of primary benefit to visitors. The trust is 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.	168,982	359,727	565,158	442,258
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%	Department of Conservation (DOC) tracks are mainly used by visitors to the island for tramping, hunting and recreation. While DOC facilities have not received levy funding in the past, these provide a high level of benefit to visitors, many of whom travel to the island for a wilderness/bush/nature experience. As such, these facilities are eligible to apply for levy funding.	546,472	1,096,600	1,827,667	1,370,750
All project costs (excluding GST)	Total	9,650,552						2,885,515	3,979,401	8,175,302	5,596,615
	Per annum	1,206,319						360,689	497,425	1,021,913	699,577
Council costs (LTP 21-31)	Total	7,257,727						2,170,060	2,523,074	5,782,478	3,783,606
	Per annum	907,216						271,258	315,384	722,810	472,951
Other agency costs (community, DOC)	Total	2,392,825						715,455	1,456,327	2,392,825	1,813,008
	Per annum	299,103						89,432	182,041	299,103	226,626
Average eligible project costs per annum (over 8 years) (including GST)								414,793	572,039	1,175,200	804,513
Projected visitor levy required based on project approach (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).



Table 2: Depreciation approach - visitor-related Stewart Island/Rakiura infrastructure / activities eligible for Stewart Island/Rakiura visitor levy funding

Council Infrastructure / Activity	Depreciation basis	Annual depreciation (used to estimate annual consumption or use of the asset) (excluding GST)	Estimate of the share of the activity related to visitor use				\$ eligible for levy funding based on estimated share			
			Scenario/range (as per project basis)				(excluding GST)			
			(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate	(a) Fixed Share 30%	(b) Low Estimate	(c) High Estimate	(d) Mixed Estimate
Wharves	Project costs ¹	71,329	30%	59%	95%	73%	21,399	41,988	67,769	51,957
Sewerage	Revaluation	338,355	30%	5%	75%	25%	101,507	16,918	253,766	84,589
Stormwater	Revaluation	20,206	30%	65%	95%	80%	6,062	13,134	19,195	16,164
Roading	Revaluation ²	139,856	30%	5%	50%	25%	41,957	6,993	69,928	34,964
Waste Services	Cost	22,321	30%	5%	75%	25%	6,696	1,116	16,741	5,580
Footpaths	Revaluation + cost	17,985	30%	65%	95%	80%	5,395	11,690	17,085	14,388
Parks / reserves ³	Cost	8,196	30%	53%	91%	64%	2,459	4,330	7,454	5,227
Toilets	Cost	1,274	30%	60%	100%	90%	382	764	1,274	1,146
SIESA	Cost	267,015	30%	5%	50%	25%	80,105	13,351	133,508	66,754
Total annual Council activity cost		886,537					265,961	110,283	586,720	280,769
Community Groups	Total cost (as per project approach)	Annual average grant (as per project approach)								
Promotions/Trust/SIRCET	565,158	70,645	30%	64%	100%	78%	21,123	44,966	70,645	55,282
DOC	1,827,667	228,458	30%	60%	100%	75%	68,309	137,075	228,458	171,344
Total annual community group cost		299,103					89,432	182,041	299,103	226,626
Total eligible annual costs (excluding GST)		1,185,640					355,393	292,324	885,823	507,395
Eligible annual costs (including GST)							\$408,702	\$336,172	\$1,018,697	\$583,505
Projected visitor levy required based on depreciation approach for Council activities (including GST)⁴							\$11	\$9	\$26	\$15
Current visitor levy (including GST)							\$5	\$5	\$5	\$5
Increase							\$6	\$4	\$21	\$10

(1) Wharves have been estimated to have a life of 50 years.

(2) Roothing depreciation costs have been calculated at 50% of the total annual depreciation to allow for Waka Kotahi's 50% share of costs

(3) Playground depreciation data has been used in the calculation

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

Understanding the information in the project approach (Table 1)

[illegible]

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 capital 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 and also excludes annual maintenance/operating costs for Council infrastructure which visitors also benefit from. 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. A % share has been allocated for each individual project and then weighted to get an average % share for groups of projects as shown in the table. The project % 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, costs per annum (over the eight years) 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 project costs are those for toilets, parks, streetscapes, jetties, electricity supply (SIESA), wastewater and waste services. Visitors also benefit from roading and stormwater costs which are not included in the project approach table as there are no projects programmed in the LTP period related to these activities because renewals are not due until after 2031.

Row **E** shows the average cost per year (including GST) 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.*

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 loan 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.

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Southland District Council

Stewart Island/Rakiura Visitor Levy Bylaw

(Revision 1, 2019)

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

☎ 0800 732 732
✉ sdcc@southlanddc.govt.nz
🏠 southlanddc.govt.nz

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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.

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

MAYOR

CHIEF EXECUTIVE



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.



tenant.	
<ul style="list-style-type: none"> 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.

Community Board requests for review of two Council bylaws outside scheduled review cycle

Record no: R/22/2/3439

Author: Michelle Fowler-Stevenson, Strategy and policy manager

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to request that Council consider resolutions from the Stewart Island Rakiura Community Board and the Fiordland Community Board that request that Council bring forward its review of the Roding bylaw and the Dog Control bylaw respectively.
- 2 Staff are requesting a decision from Council on its preferred way forward.

Executive summary

- 3 On 13 December 2021, the Stewart Island/Rakiura Community Board met and passed through the Chairs report a resolution that “**requests that the parking bylaw be opened for review by February 2022.**”. For clarity, the bylaw that the board refer to in the resolution minutes as the parking bylaw is the roading bylaw.
- 4 The Stewart Island/Rakiura Community Board have identified a number of areas that they would like considered under the bylaw, including verge parking and the establishment of a one-way system.
- 5 On 20 December 2021 the Fiordland Community Board met and passed through the Chairs report a resolution that “**requests that Southland District Council initiate a review of the Dog Control Bylaw 2015 and commence the consultation process as soon as possible.**”
- 6 The Fiordland Community Board have raised concerns that the township of Te Anau may be perceived as not dog friendly due to dogs being prohibited in the main street. It is the view of the board that due to the major impact Covid-19 has had on the tourism industry in Fiordland, removing any barriers to domestic visitation should be pursued.
- 7 The dog control bylaw was reviewed in 2015 and is scheduled for review in late 2025. This bylaw is not currently in the environmental health, communications and engagement or strategy and policy work plan to be brought forward.
- 8 The roading bylaw was made in 2015 and amended in 2018 to address issues in Elgin Terrace on Stewart Island/Rakiura. The 2018 amendments were not a full review of this bylaw, so it is due for formal review in 2025. The roading bylaw was identified by the roading team as desirable to bring forward into 2022/2023, depending on capacity and was identified as work on the radar for the strategy and policy team. The early review of this bylaw is not in the existing work plan for the communications and engagement team.
- 9 Council staff have discussed the resourcing required to undertake review of these bylaws prior to their scheduled review period, and do not currently have the capacity to complete these streams

of work without re-prioritising existing work streams. Some current work being undertaken or planned would need to be deferred in favour of bringing forward these bylaws.

- 10 Staff recommend to Council that the roading bylaw review be brought forward to the end of 2022, with the intention of adoption of a revised bylaw by the end of 2023, and the dog control bylaw to be reviewed in 2025.

Recommendation

That the Council:

- a) **receives the report titled “Community Board requests for review of two Council bylaws outside scheduled review cycle” dated 17 February 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) agree that the Roding bylaw review be brought forward to the end of 2022, with the intention of adoption of a revised bylaw by the end of 2023.
- e) agree to maintain the Dog Control bylaw schedule, so that formal review of this bylaw is in 2025, and to not undertake an amendment or review in 2022.

Background

Dog Control bylaw

- 11 At the 1 December 2021 Fiordland Community Board meeting, members were updated on an issue arising around dogs not being permitted under the bylaw to be on the main street of Te Anau. Included with this report is the dog control bylaw which identifies on page 31 the areas within Te Anau where dogs are prohibited and permitted under the current bylaw (see attachment A).
- 12 The Fiordland Community Board then held a subsequent meeting 20 December 2021, and through the Chairs report requested that Council initiate a review of the bylaw with consultation being undertaken as soon as possible, in order to permit dogs on the main street.
- 13 It is the view of the board that due to the major impact Covid-19 has had on the tourism industry in Fiordland, removing any barriers to domestic visitation should be pursued. The board chair expressed in her report that given the high percentage of the New Zealand population who own a dog (34%), having a dog control bylaw that does not permit dogs in the main street of Te Anau may cause people to choose to go elsewhere, rather than visit Te Anau or Fiordland.

- 14 Staff do not currently have knowledge of issues around dog safety in Te Anau. Other towns such as Riverton permit dogs on their main street, as do other centres such as Queenstown. Staff view that there is no right or wrong concerning rules on main streets (provided dogs are required to be on a leash), rather it is community preference.

Roading bylaw

- 15 On 13 December 2021 the Stewart Island Rakiura Community Board met and passed through the Chairs report a resolution requesting that Council open the Roothing bylaw (resolved as the 'parking' bylaw by the Board) by February 2022 (attachment B).
- 16 There have been numerous issues relating to parking and roading on the island for a number of years. A previous parking issue in Elgin Terrace was addressed through an amendment to this bylaw in 2018. The 2018 amendments were not a full review of this bylaw, so it is due for formal review in 2025. The report to Council stated that any issues arising outside the amendment to Elgin Terrace would be addressed when the bylaw was reviewed in 2025.
- 17 The roading team have identified that it would be ideal to bring forward the bylaw prior to 2025 as there are a number of issues throughout the district that require attention. The roading bylaw has been on the strategy and policy team work plan as a potential bylaw that could be brought forward if capacity allows.
- 18 In the first half of 2021 the roading team undertook some pre-consultation with community boards to help gauge what communities saw as potential issues in their areas related to this bylaw. Issues raised included gazetting, parking control (including ensuring legal ability to enforce any breaches), establishment of one-way system, clarity around verge parking in urban areas and heavy traffic management.
- 19 In addition, staff intend to look at enforcement options around debris on the road and adherence to traffic safety plans, and for efficiency to investigate incorporating the Signs and Objects on Roads and Footpaths bylaw into the roading bylaw.
- 20 In the second half of 2021 the pre-engagement of the roading bylaw was put on hold as the unexpected issues around the Long Term Plan such as dust suppression, Waka Kotahi funding restraints and reassessment of the footpath programme took priority and full capacity of roading team staff. The review of the bylaw is not required until 2025, and could be deferred until the team had capacity to further progress this substantial piece of work.

Issues

- 21 Bylaws require a significant amount of staff time and resources to ensure that the correct process is followed when they are reviewed. Council staff have discussed the capacity and resourcing required to undertake review of these bylaws with immediate start outside their scheduled review cycle, and do not believe there is capacity to complete review of these bylaws without compromising existing work streams. Staff identify that some current work being undertaken or planned would need to be deferred in favour of bringing forward these bylaws to early 2022.
- 22 In 2021 a number of additional work streams have increased or arisen. These include, but are not limited to, dust suppression, footpath reassessments, judicial review, reform (three waters, resource management and local government), and more recently housing strategy. All of these

are additional to existing workloads and have taken priority to less urgent or non-legislative requirements.

Dog Control bylaw

- 23 The existing dog control bylaw was made in 2015 and prohibits dogs in the main street of Te Anau. In 2019 a community survey was undertaken by the board to assess the appetite of having dogs on the main street, and results were relatively even for and against. The board did not propose any change at that time. The 2019 discussions were prior to the global pandemic, and the tourism industry in Fiordland was thriving.
- 24 Outside of the request from the Fiordland Community Board, staff have not identify any other issues in the district that would prompt the early review of the dog control bylaw.
- 25 For some areas of the district, the impacts of Covid-19 have been acute and continue to have significant ramifications. This is especially the case in Fiordland as the closure of borders to international visitors and domestic travel restrictions have caused a steep decline in the number of visitors to the area. It is the view of the Fiordland Community Board that having the main street area of Te Anau prohibited to dogs is impacting the appeal of the town to domestic tourists in particular.
- 26 Council may opt to amend a bylaw. In this instance, this would entail Council reviewing the part of the bylaw that relates to prohibiting dogs on the main street in Te Anau. Consultation would be isolated to this issue, however would still be open to receiving any submissions that members of the public would like to raise in relation to Te Anau main street or the dog control bylaw as a whole. Council would look to address any additional issues when the bylaw was fully reviewed at its legislative timeframe 2025.
- 27 This option will still require Council to undertake the process of a full review through the special consultative procedure (s.83 of the LGA 2002) and release a statement of proposal and allow for hearings. Council would therefore need to review the bylaw multiple times in quick succession if this option were pursued, and has therefore not been put forward by staff as a practicable option.
- 28 Some team work plans do not currently have capacity for review of the dog control bylaw to be undertaken during 2022 with existing resource and without deferring existing work. The bylaw is scheduled to be reviewed by 2025 and is in the work plan for the environmental health team, strategy and policy team, and communication and engagement team for this time. If Council determined it appropriate to bring forward the review of the dog control bylaw, the environmental health team would be able to absorb the additional work into their existing work plans. The strategy and policy team and communication and engagement teams would need to reprioritise current workloads.

Roading bylaw

- 29 There are numerous roading issues throughout the district that will be addressed when the roading bylaw is next reviewed. The main issues in relation to this bylaw that have prompted a request to review it before it is legislatively required are not related to safety.
- 30 Roothing staff are currently at capacity with existing work plans delivering on the Long Term Plan, dust suppression and the reassessment of footpaths throughout the district following the changes in Waka Kotahi/New Zealand Transport Agency funding.

- 31 Staff initiated pre-engagement with community boards in early 2021 and then placed this work on hold due to competing priorities following the adoption of the Long Term Plan. The review of this bylaw has been in a holding cycle with the view to bring forward if and when staff had the capacity to do so. At this point, there is staff resourcing to bring forward the roading bylaw to be initiated at the end of 2022, with the intention of adoption of a revised bylaw by the end of 2023.
- 32 If Council determines that option 1 is the most appropriate, staff will begin pre-engagement with community boards throughout the later part of 2022 and commence the process of formal consultation of the roading bylaw for early 2023. Staff would take no further action on reviewing the dog control bylaw prior to 2025.

Factors to consider

Legal and statutory requirements

- 33 Bylaws are a legislative tool of local authorities under the Local Government Act 2002 (LGA). They are not a flexible instrument and depending on the nature of the content, consultation requirements under the LGA and the degree of community interest, take between six to 12 months to undertake a review or amendment.
- 34 When making or amending a bylaw under the act, Council must ensure that the appropriate consultation requirements are met (LGA s.156(1)(a) and s.156(2)(a)). Bylaws often require the use of the special consultative procedure (which requires a statement of proposal and hearings), on the basis that:
- i. the bylaw concerns a matter as being of significant interest to the public; and/or
 - ii. Council considers that there is, or is likely to be, a significant impact on public due to the proposed bylaw or changes to it.
- 35 Council may, in specific circumstances make minor changes to a bylaw, or correct errors by resolution publicly notified, but only if those changes do not affect:
- i. an existing right, interest, title, immunity or any person to whom the bylaw applies; or
 - ii. an existing status or capacity of any person to whom the bylaw applies.
- 36 It is considered that both the dog control bylaw and the roading bylaw would require the use of the special consultative procedure, as they concern matters of significant interest to the public.
- 37 It is not recommended that Council consider that allowing dogs on the main street of Te Anau is a minor change, and proceed to change the dog control bylaw by making a resolution publicly notified. This is because such a change would affect the existing right of a person to be on the main street of Te Anau without dogs. The LGA requires that a minor change may only be made by resolution publicly notified if no existing rights are affected (s.156(2)(a)(i)).
- 38 It is considered prudent that Council follow the special consultative procedure if it elects to consult on a proposal to allow dogs on the main street.

Community views

- 39 The Fiordland Community Board have initiated some local initiatives to encourage Council to review the dog control bylaw. The full extent of community support or otherwise through this

forum are not currently known, however anecdotally there appears to be some degree for support for changing the bylaw.

- 40 No further issues have been brought to Council's attention to review the Dog Control bylaw outside the legislative timeframe.
- 41 The roading team had initiated some pre-engagement with some community boards in early 2021 to determine the extent of local issues that may need to be addressed in the roading bylaw.
- 42 If Council determined it appropriate to bring forward the review of one or both of the bylaws, community views would be sought through the special consultative procedure as required under the LGA.

Costs and funding

- 43 The immediate review of the roading bylaw and dog control bylaw are not currently in staff work programmes. It is not anticipated that there would be significant cost associated with this outside of staff time, and other scheduled work being deferred. There would be some costs associated with advertising, however these would be met within existing budgets. Future costs associated with deferring existing work streams are currently unknown.

Policy implications

- 44 There are no policy implications identified for a decision to bring forward the dog control bylaw or the roading bylaw.
- 45 Some strategy/policy work that has been identified may be deferred, which could result in a policy/strategy gap for Council, however all legislative requirements will continue to be met for bylaw/policy review.

Analysis

Options considered

- 46 There are three options that are practicable for the Council to consider in making this decision:
- option 1 – bring forward the roading bylaw to the end of 2022, with the intention of adoption of a revised bylaw by the end of 2023 and maintain the legislative timeframe for review of the dog control bylaw in 2025
 - option 2 – bring forward review of the roading bylaw and the dog control bylaw as requested by the Stewart Island/Rakiura and Fiordland Community Boards to the 2022 work plans
 - option 3 – maintain the legislative timeframes for the roading bylaw and the dog control bylaw to be reviewed in 2025.

Analysis of Options

Option 1 – bring forward the roading bylaw to the end of 2022, with the intention of adoption of a revised bylaw by the end of 2023 and maintain the legislative timeframe for review of the dog control bylaw in 2025

<i>Advantages</i>	<i>Disadvantages</i>
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<ul style="list-style-type: none"> • Council staff will have better capacity to undertake the work required • Council will meet its legislative requirements • there are numerous issues around the district for the roading bylaw that will be addressed prior to 2025 • the roading bylaw and the dog control bylaw are typically those which attract a significant amount of feedback from the community, and separating them for reasons of staff capacity and consultation fatigue may be advantageous. 	<ul style="list-style-type: none"> • this decision would not be in line with the requests of the Stewart Island Rakiura Community Board or the Fiordland Community Board • there may be negative reaction from those communities that Council is not responding to community requests • there may be competing work streams not yet known that will arise through 2022 and place pressure on capacity in 2023.
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Option 2 – bring forward review of the Roothing bylaw and the Dog Control bylaw as requested by the Stewart Island/Rakiura and Fiordland Community Boards to the 2022 work plans

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Council will be meeting the expectations of the Stewart Island Rakiura Community Board and the Fiordland Community Board to begin work on reviewing the bylaws as soon as possible • issues around the district relating to the roading bylaw will be addressed 12 months prior to the recommendation by staff • there may be unknown issues around the district that will be addressed through the review of the bylaws. 	<ul style="list-style-type: none"> • bylaws do not provide a swift or timely solution and may not meet the expected timeframes of the Community Boards • staff resource will need to be reprioritised from current work streams and there will be competing priorities to consider • the two identified bylaws will likely be of high public interest and place pressure on resources for staff already at capacity.

Option 3 – maintain the legislative timeframes for the Roothing bylaw and the Dog Control bylaw to be reviewed in 2025

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • all staff involved in the bylaws have work scheduled in their work plans for 2025 and reprioritisation of existing work schedules will not be required. 	<ul style="list-style-type: none"> • this decision would not be in line with the requests of the Stewart Island Rakiura Community Board or the Fiordland Community Board • there may be negative reaction from those communities that Council is not responding to community requests.

Assessment of significance

- 47 This decision is not considered significant in relation to Councils Significance and Engagement policy and the LGA.

Recommended option

- 48 Staff recommend that Council proceed with option 1, and bring forward the roading bylaw to the end of 2022, with the intention of adoption of a revised bylaw by the end of 2023 and maintain the legislative timeframe for review of the dog control bylaw in 2025

Next steps

- 49 If Council determines that option 1 is the most appropriate, staff will begin pre-engagement with community boards throughout the later part of 2022 and commence the process of a full review of the roading bylaw for early 2023. Staff will take no further action on reviewing the dog control bylaw prior to 2025.
- 50 If option 2 is preferred, staff will work with group managers to reprioritise existing work plans to accommodate the immediate commencement of the roading bylaw and the dog control bylaw reviews.
- 51 If Council prefers option 3, staff will take no further action on the bylaws until required by their legislated review cycle.
- 52 Should Council choose a different option, staff will take appropriate steps in line with Council's preferred way forward.
- 53 Following the meeting, staff will write a memo to the Fiordland Community Board and the Stewart Island Rakiura Community Board advising them of the outcome of Councils decision and any future steps and timeframes.

Attachments

- A FINAL Dog Control Bylaw 2015 - Adopted by Council 26 August 2015 [↓](#)
- B FINAL Roothing Bylaw 2008 (Revision 2, 2018) - adopted 19 September 2018 - effective from 28 September 2018 [↓](#)

Southland District Council

Dog Control Bylaw 2015

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Document Revision

Date	Amendment	Amended by	Approved by	Approval date

Pursuant to the Local Government Act 2002 and the Dog Control Act 1996, the Council makes the following bylaw:

Part 1

Preliminary Provisions

1. Title and commencement

This bylaw may be cited as the Dog Control Bylaw 2015 and shall come into force on the 29th day of August 2015.

2. Repeal

The Southland District Council Dog Control Bylaw 2010 is repealed.

3. Application

Except as otherwise provided this bylaw applies to the whole of the district of the Council.

4. Interpretation

- (a) In this bylaw, unless the context otherwise requires:
- “**The Act**” means the Dog Control Act 1996.
- “**Council**” means the Southland District Council or any person delegated by it to act on its behalf.
- “**Premises**” means any land, dwelling, storehouse, warehouse, shop, cellar, yard, building, or part of the same, or enclosed space separately occupied, and all lands, buildings, and places adjoining each other and occupied together are deemed to be the same premises.
- “**Road**” means that area of a road defined in the Local Government Act 1974 that is used or is reasonably usable for vehicular or pedestrian traffic and includes the margins of that area.
- “**Urban Zone**” means those areas defined as urban zones in the Southland District Plan planning maps.
- (b) Any term not defined in this bylaw but which is defined in the Act shall have the meaning given to it by the Act.

Part 2**Regulation, control, and accommodation of dogs****5. Minimum standards of accommodation for dogs**

- (a) Every owner shall ensure that:
- (i) dogs are provided with sheltered and dry sleeping quarters with access to clean water; and
 - (ii) measures are taken to enable dogs to keep warm in cold weather; and
 - (iii) sleeping quarters are large enough to allow the dog to stand up, turn around and lie down comfortably; and
 - (iv) dogs are able to urinate and defecate away from the sleeping area; and
 - (v) ventilation and shade is provided in situations where dogs are likely to experience heat distress; and
 - (vi) the shelter is kept in a sanitary condition.

6. Control of dogs in public places

- (a) Except in the areas specified in Schedules 1 and 2 or otherwise required by the Act dogs in public places may be off-leash but must be under control at all times.

7. Control of dogs in designated dog exercise areas

- (a) The owner of any dog (including a dog classified as a menacing or dangerous dog that is muzzled) may take that dog off-leash in any public place specified in Schedules 1 or 2 as a designated dog exercise area provided that dog is under control at all times.

8. Control of dogs in public places specified as on-leash areas

- (a) No person shall take a dog into any public place specified in Schedule 1 or 2 as an on-leash only area unless the dog is controlled on a leash.
- (b) Clause 8(a) does not apply to –
- (i) any dog confined in a vehicle or cage; or
 - (ii) any working dog while it is under the control of its owner or handler.

9. Prohibition of dogs in certain public places

- (a) No person may take a dog not confined in a vehicle or cage into any public place specified in Schedule 1 or 2 as a prohibited area.
- (b) Clause 9(a) does not apply to:
- (i) any working dog while it is under the control of its owner or handler.

- (ii) a public place not under the control of the Council where the person in charge of that place has given permission for the dog to be there and the presence of the dog is in accordance with the conditions (if any) of that permission.
- (c) No person shall take any female dog in season or a diseased dog into any public place unless –
 - (i) it is completely confined in a vehicle or cage for the purposes of transportation; or
 - (ii) it is in a public place not under the control of the Council where the person in charge of that place has given permission for the dog to be there and the presence of the dog is in accordance with the conditions (if any) of that permission.

10. Changes to dog access areas by public notice

- (a) The Council may from time to time by public notice prohibit or impose additional conditions on the taking of dogs to any of the areas in Schedules 1 and 2 and walking tracks, picnic areas and roads under the control of the Council and those conditions shall apply accordingly as if they are conditions specified in the Schedules.
- (b) The Council may from time to time by public notice make temporary changes to Schedules 1 and 2 in relation to leisure and culture events (including dog friendly events), dog training, threatened or 'at risk' protected wildlife vulnerable to dogs, and pest control. Those changes shall apply as if they are conditions specified in the Schedules.
- (c) In this clause, public notice means one or more clearly legible notices affixed in one or more conspicuous places on, or adjacent to, the area to which the notice relates.

11. Dog faeces

- (a) The person in charge of any dog that defecates in any public place must immediately remove and dispose of the faeces in a way that does not cause a nuisance.
- (b) Clause 11(a) does not apply to any working dogs herding or driving stock on a road.

12. Multiple dogs on premises

- (a) Except as provided in clause 12(b) no person may keep more than 2 dogs over 3 months of age on any premises for any period exceeding 14 days other than working dogs not being kept on premises in a predominantly urban or residential environment.
- (b) Subclause (a) does not apply if –
 - (i) allowed by a licence issued under clause 13; or
 - (ii) an application for a licence under clause 13 has been made within 14 days of there being more than two dogs kept on those premises; or
 - (iii) the premises are over 50 hectares; or
 - (iv) the premises comprise a veterinary practice or a Council pound.

13. Licence for multiple dogs on premises

The Council may grant a licence to keep more than two dogs on any premises on such terms as it considers are reasonably necessary.

14. Requirement to neuter uncontrolled dog

The Council may require the owner of a dog to cause that dog to be neutered if that dog has not been kept under control on more than one occasion within a 12 month period.

15. Effect of requirement to neuter uncontrolled dog

- (a) If a dog is required to be neutered, the owner of that dog must, within one month after receipt of the notice of the requirement, produce to the Council a certificate issued by a veterinarian certifying –
 - (i) that the dog is neutered; or
 - (ii) that for reasons that are specified in the certificate, the dog will not be in a fit condition to be neutered before a date specified in the certificate; and
 - (iii) must, if a certificate under subclause (a)(ii) is produced to the Council, produce to the Council, within 1 month after the date specified in that certificate, a further certificate under subclause (a)(i).

Part 3**Impounding, offences and penalties****16. Impounding**

- (a) A dog control officer or a dog ranger may impound any dog at large in breach of this bylaw, whether or not the dog is wearing a collar having the proper label or disc attached indicating that the dog is currently registered.

17. Offences and penalties

- (a) Every person who breaches this bylaw commits an offence is liable to the penalty specified in the Local Government Act 2002.

Part 4
Transitional

18. Existing dog owners with more than two dogs

Any dog owner who has more than two dogs on any premises at the commencement of this bylaw is not required to obtain a licence under Clause 13 until 1 July 2016, provided:

- (a) The dog owner does not keep the dogs at any premises other than the premises where they were kept at the commencement of this bylaw; or
- (b) The dog owner does not increase the number of non-working dogs being kept.

Schedule 1

General dog access rules

This Schedule contains general dog access rules that apply across the Southland District.

1. Playgrounds and sports grounds under the control of the Council

Dogs are prohibited on any playground or sports ground at all times.

2. Urban zones, Council-controlled carparks and boating areas, designated freedom camping areas

Dogs must be under control and on a leash within or on all –

- (a) urban zones as identified in the Southland District Plan; and
- (b) Council-controlled car parks; and
- (c) Council-controlled boating areas (including any wharf, jetty, boat ramp, boat marshalling area);
- (d) designated freedom camping areas as defined in Council's Camping Control Bylaw 2012.

3. Council cemeteries, Council camping grounds

Dogs are prohibited in all Council-controlled cemeteries and camping grounds unless permission is obtained from the Council or signage indicates dogs are allowed and provided the person whom the dog is accompanying complies with any reasonable conditions imposed by the Council in relation to the entry or presence of the dog.

4. Walking tracks and picnic areas under the control of the Council

Every owner must comply with any restriction or prohibition of a sign to which clause 10 applies.

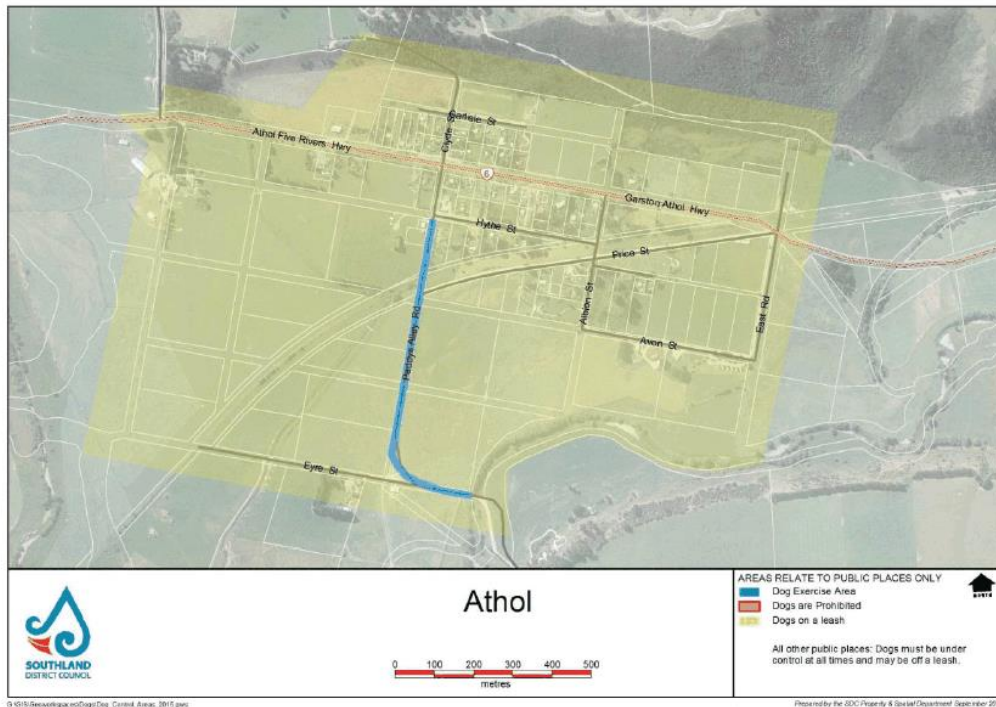
Note: For convenience, playgrounds and the Urban Zones are shown on the maps in Schedule 2. For technical reasons other areas that are referred to above cannot be shown.

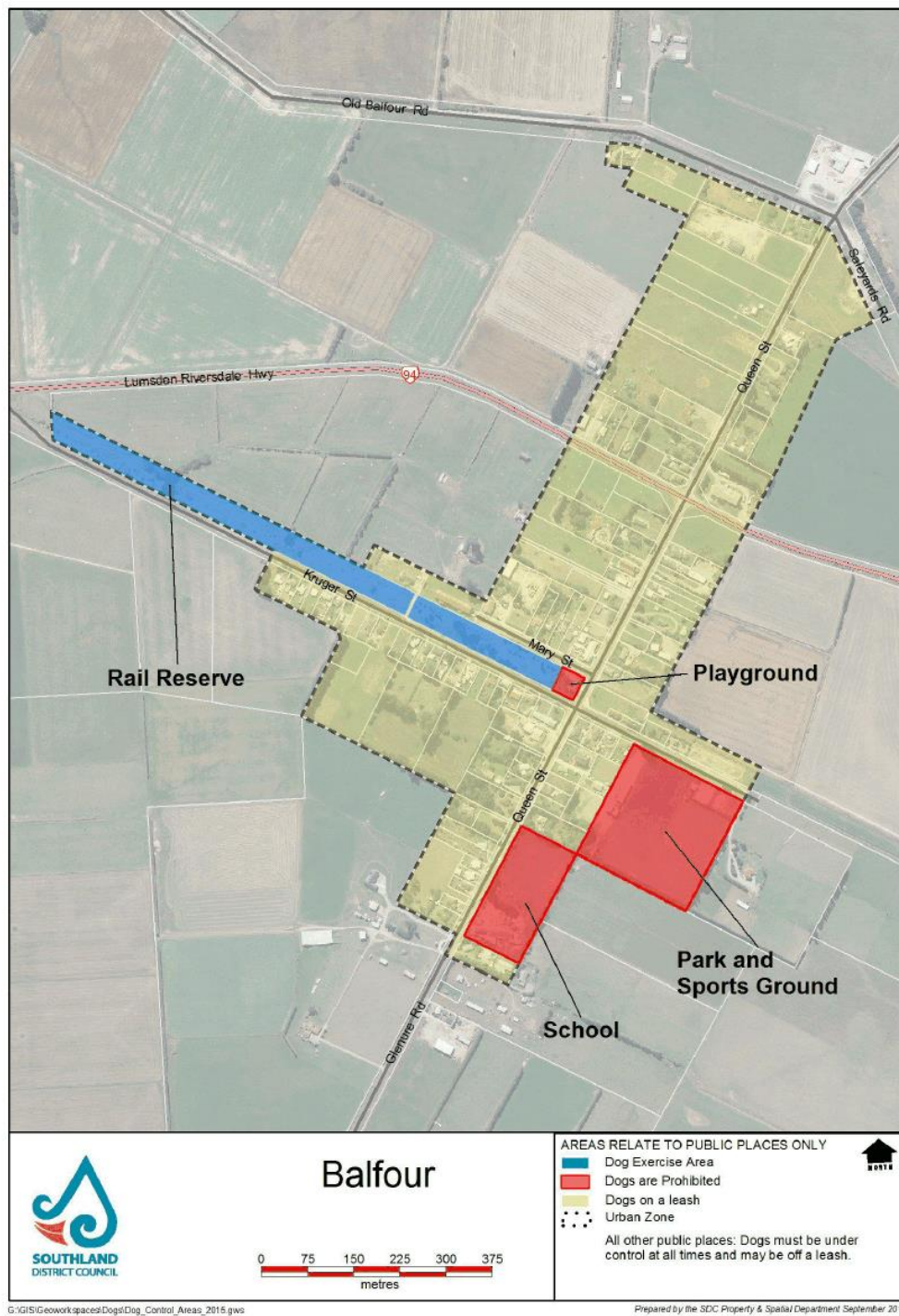
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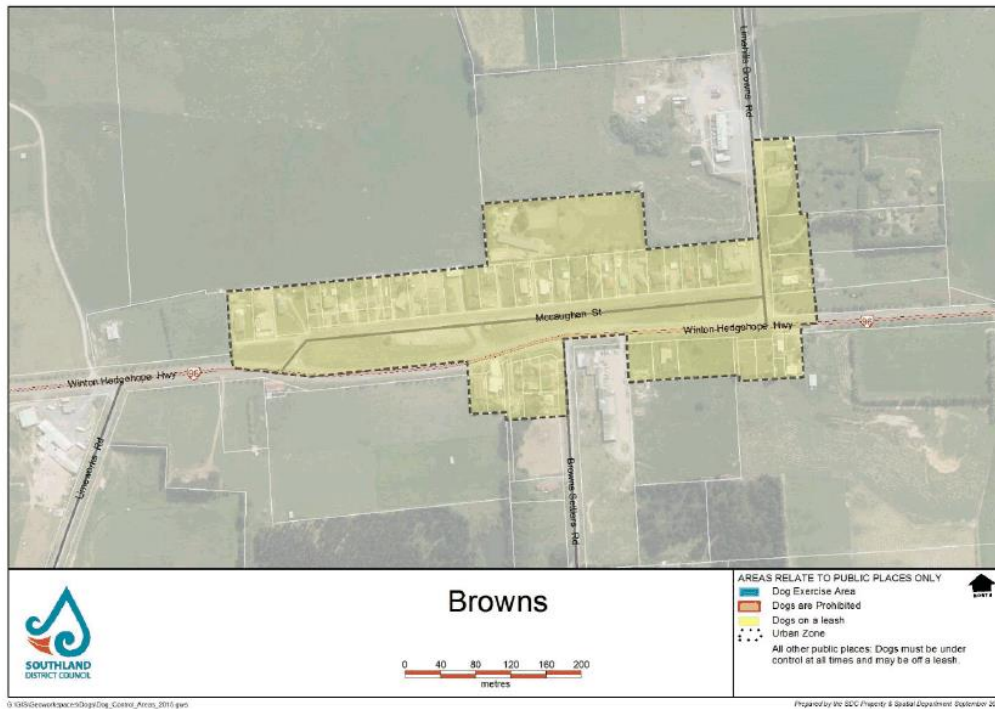
Local community dog access rules

This Schedule contains dog access rules specific to a local community that are in addition to the dog access rules in Schedule 1.

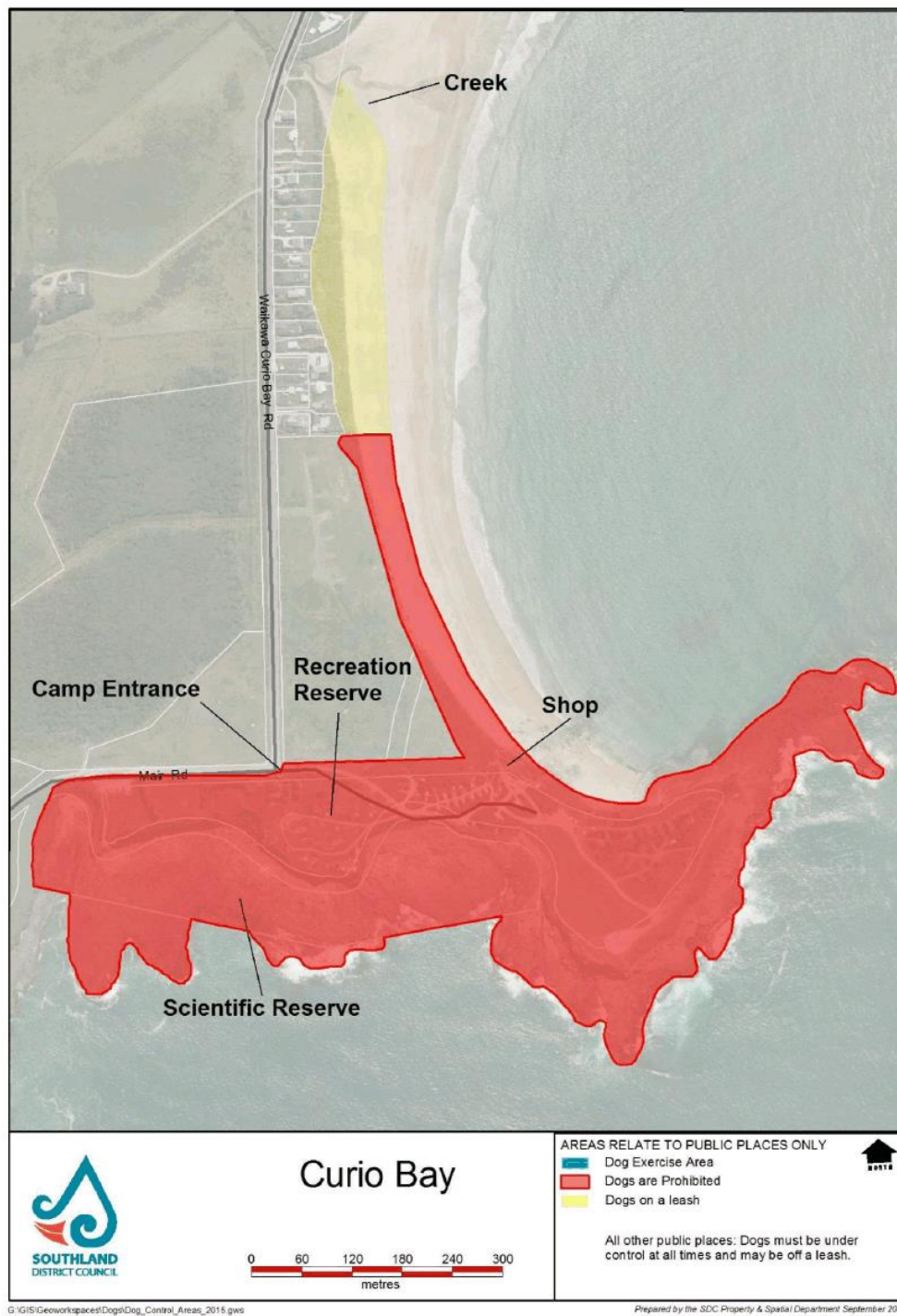
For reference, default Schedule 1 rules have been incorporated into the maps such as playgrounds and Urban Zones. This Schedule contains general dog access rules that apply across the Southland District.



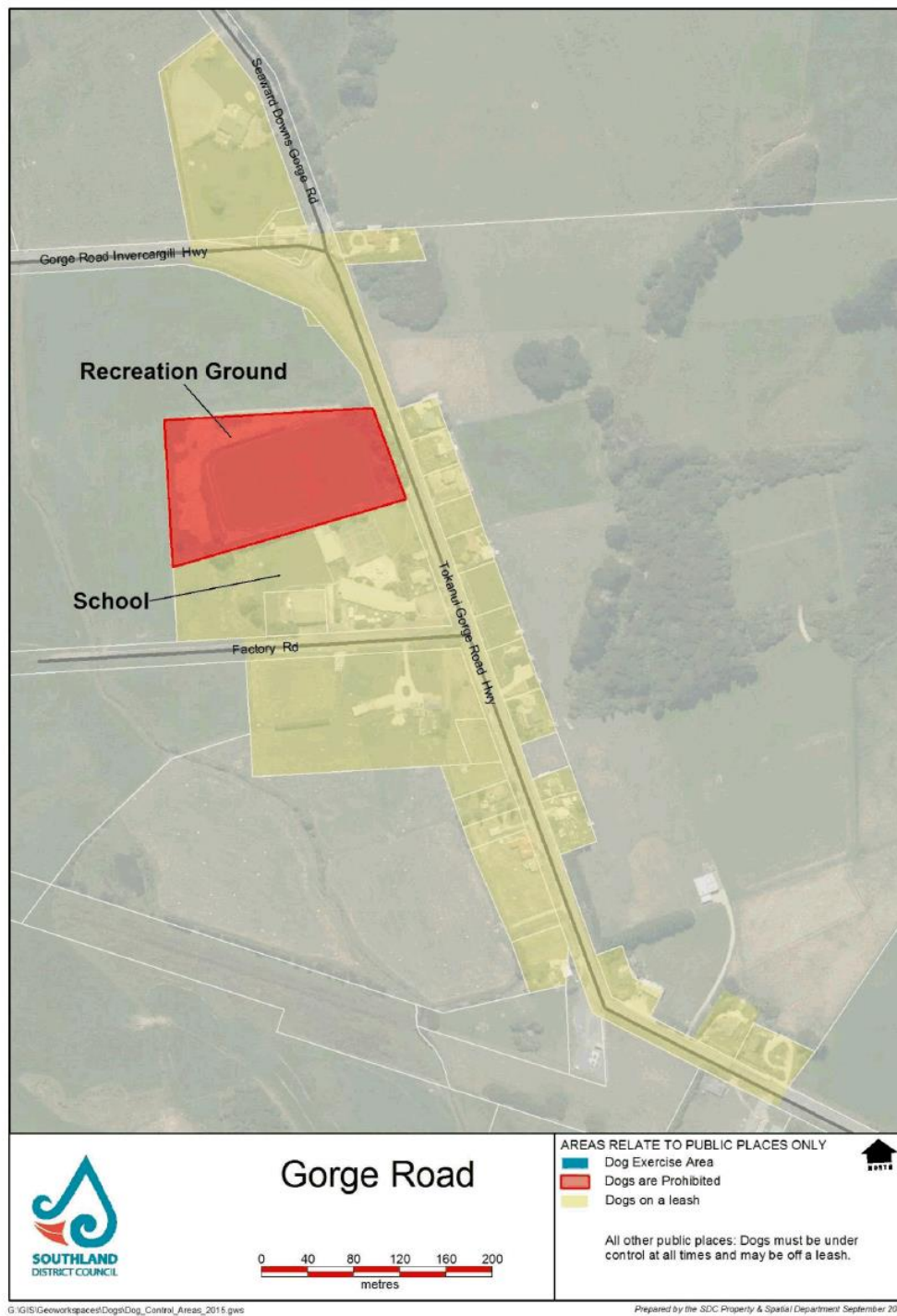


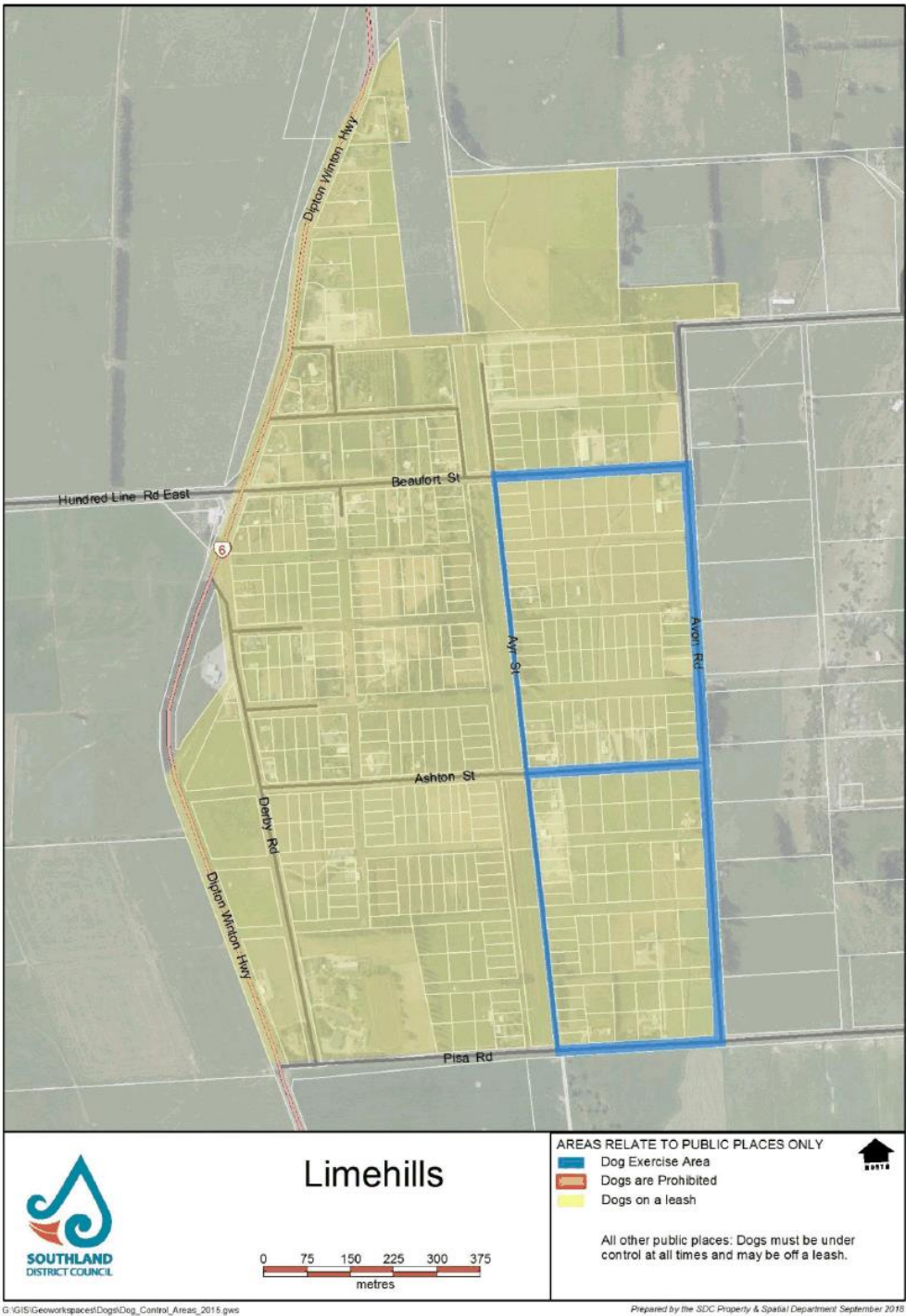


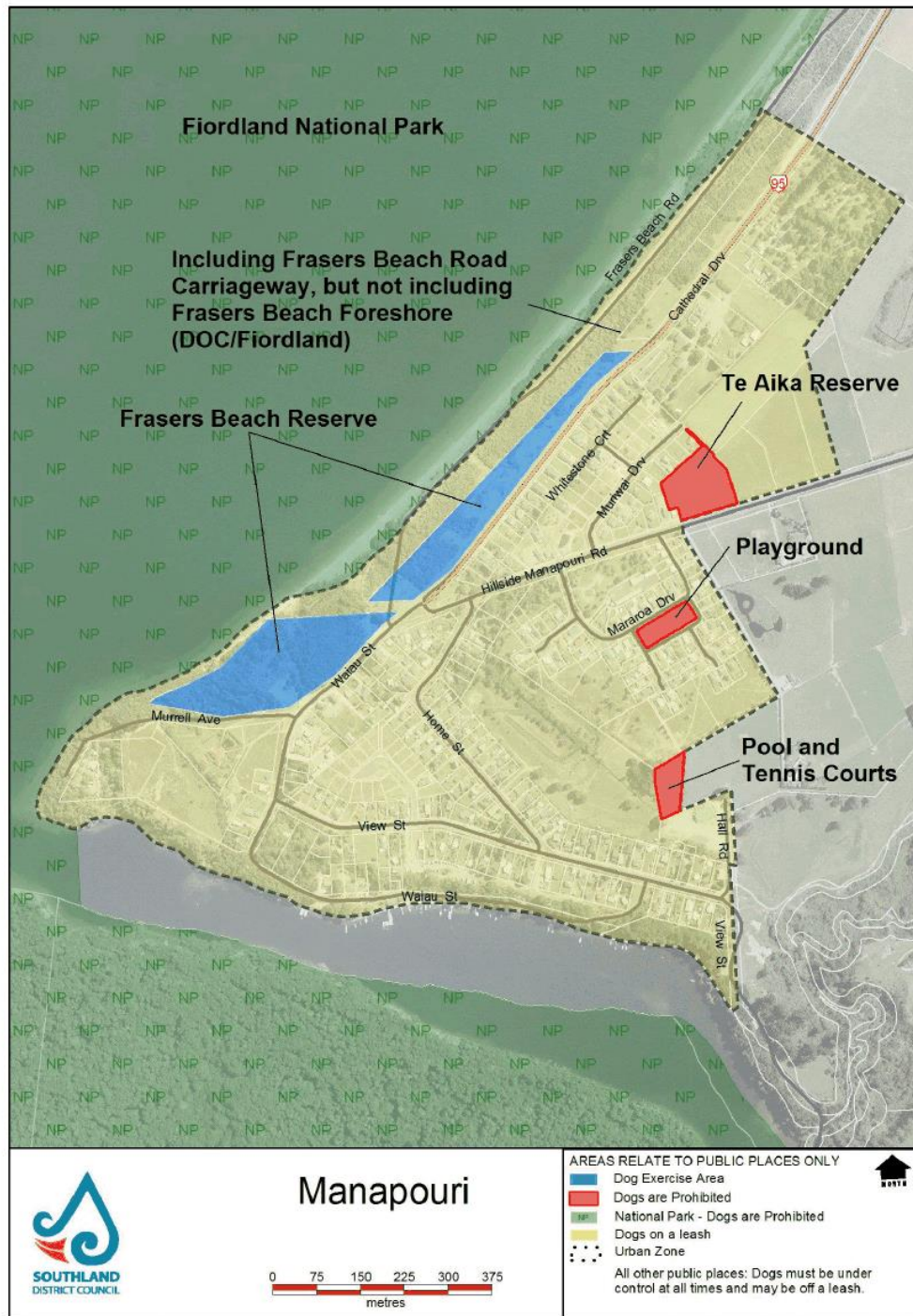






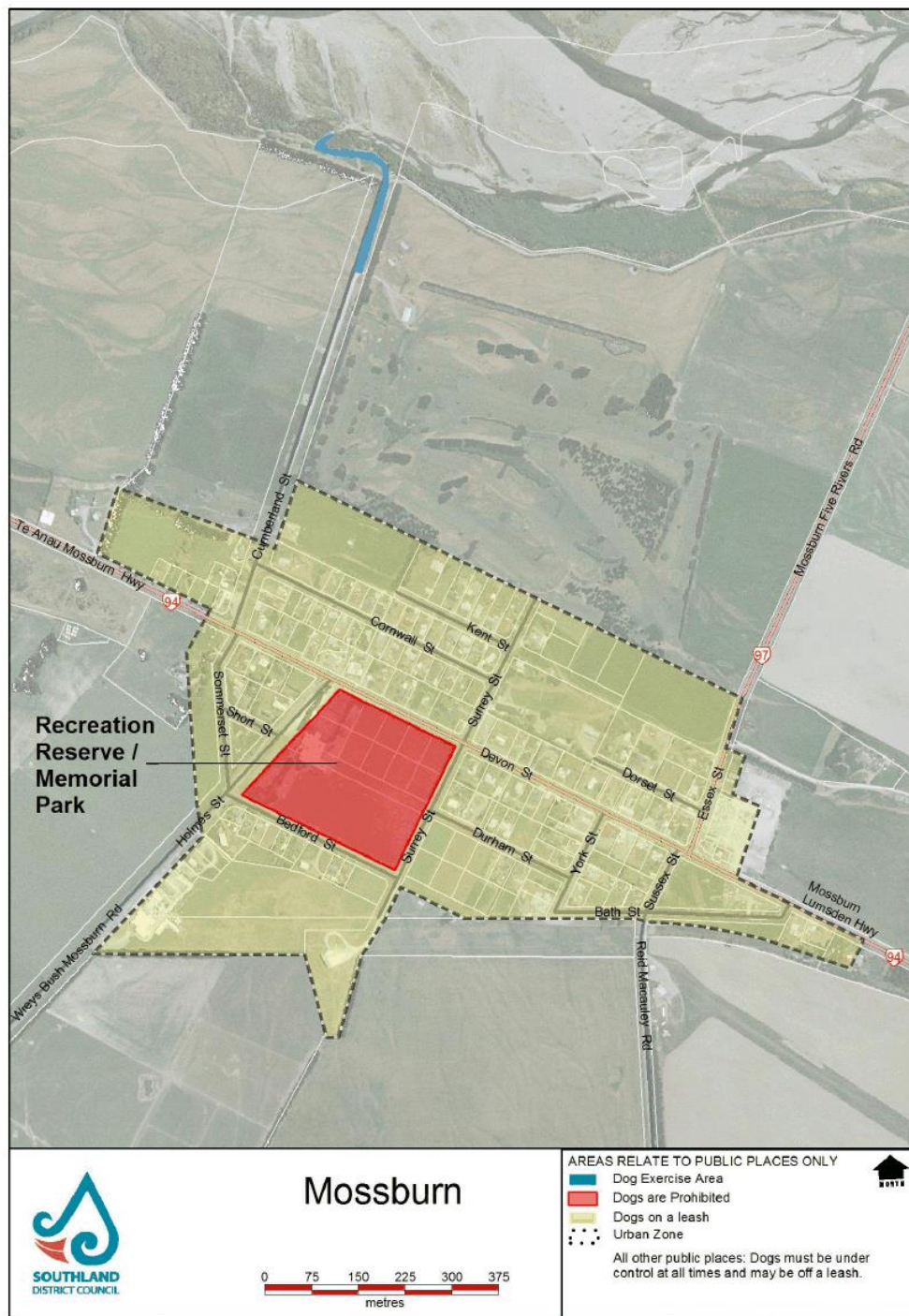






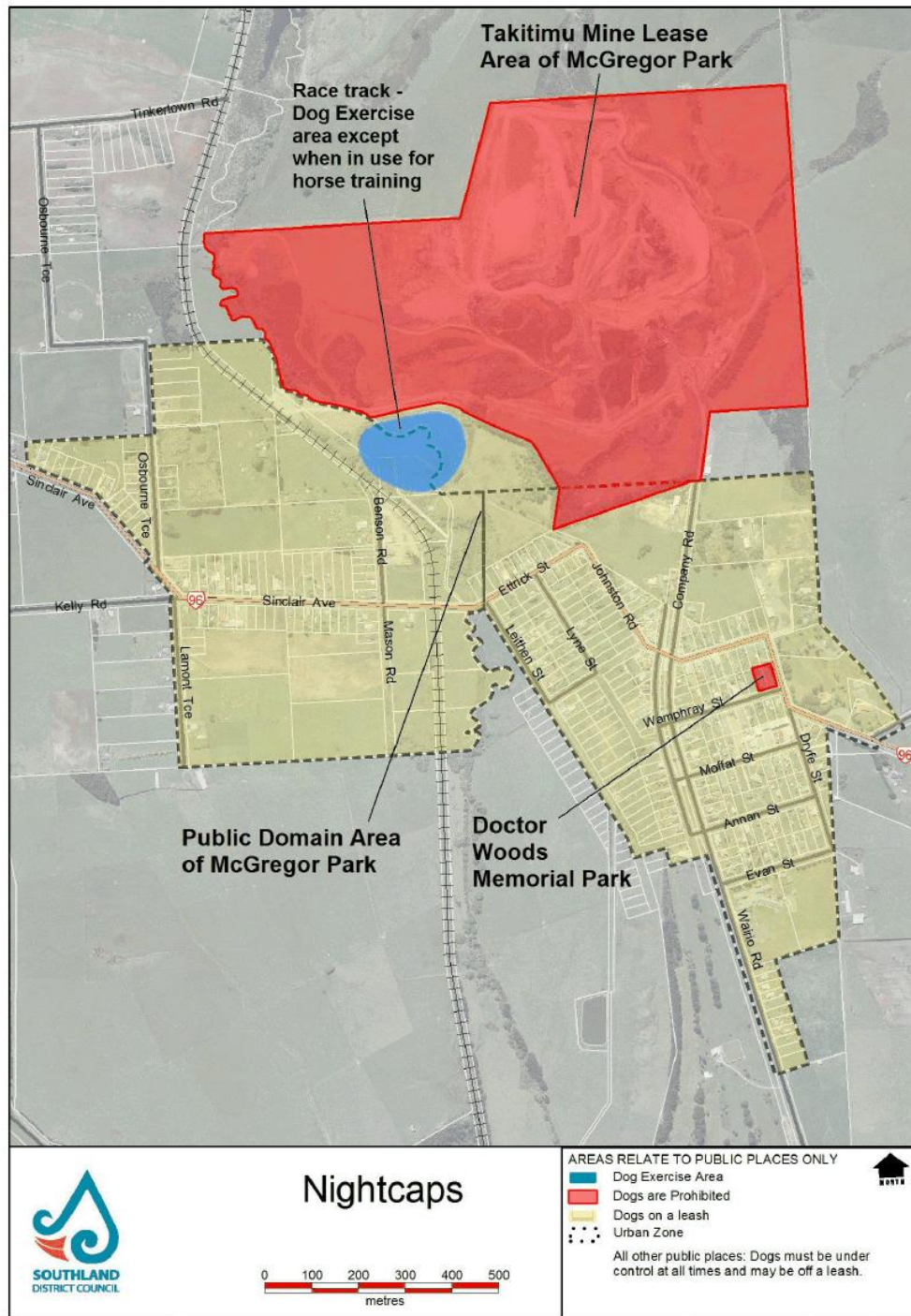
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Prepared by the SDC Property & Spatial Department September 2018



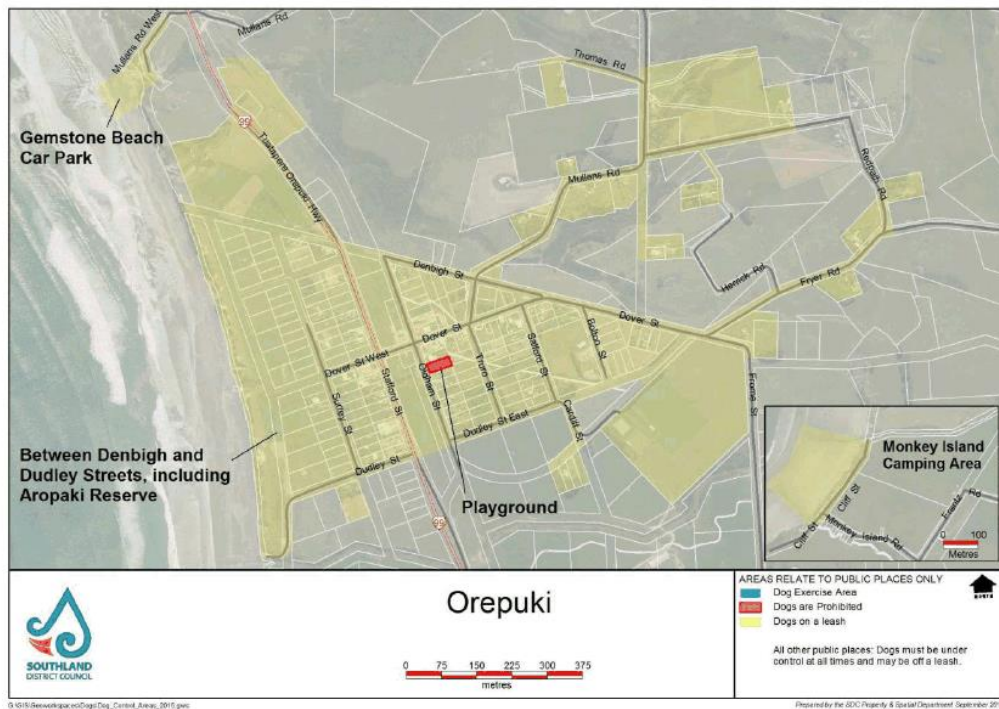
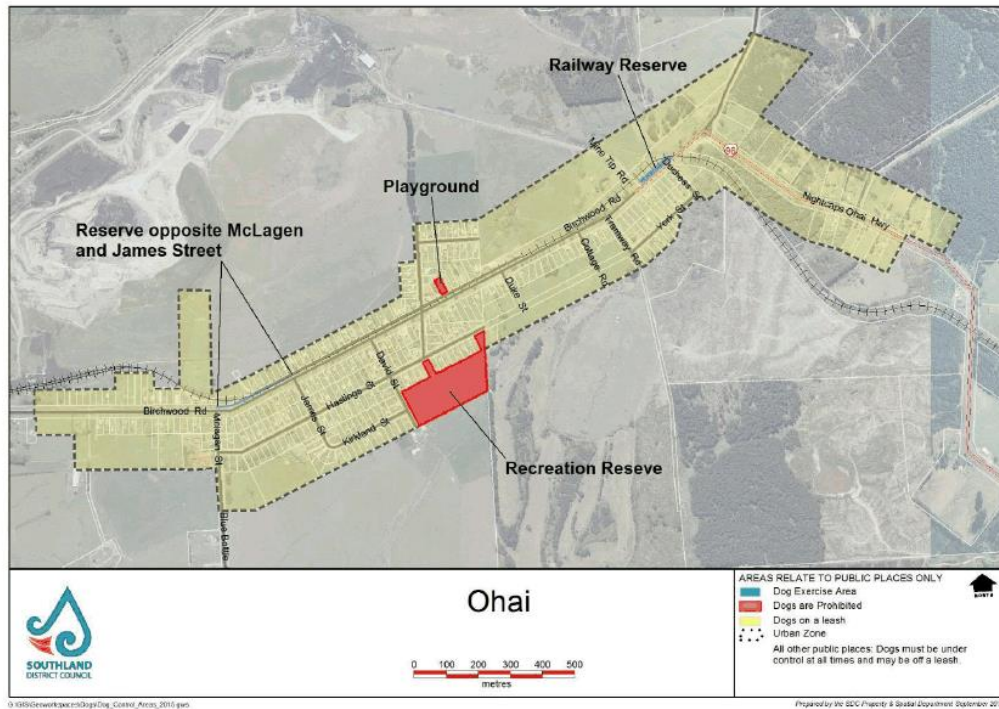
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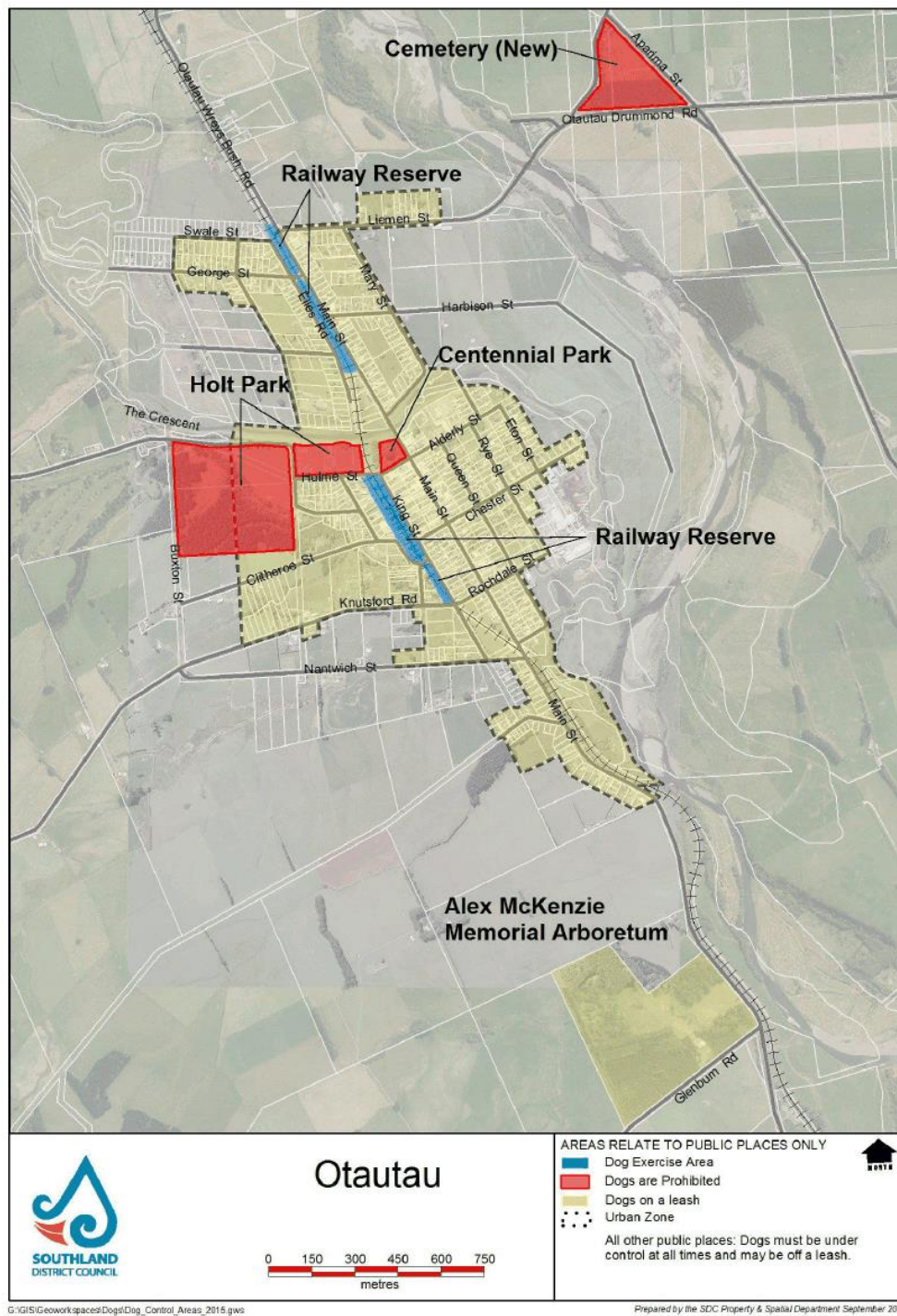
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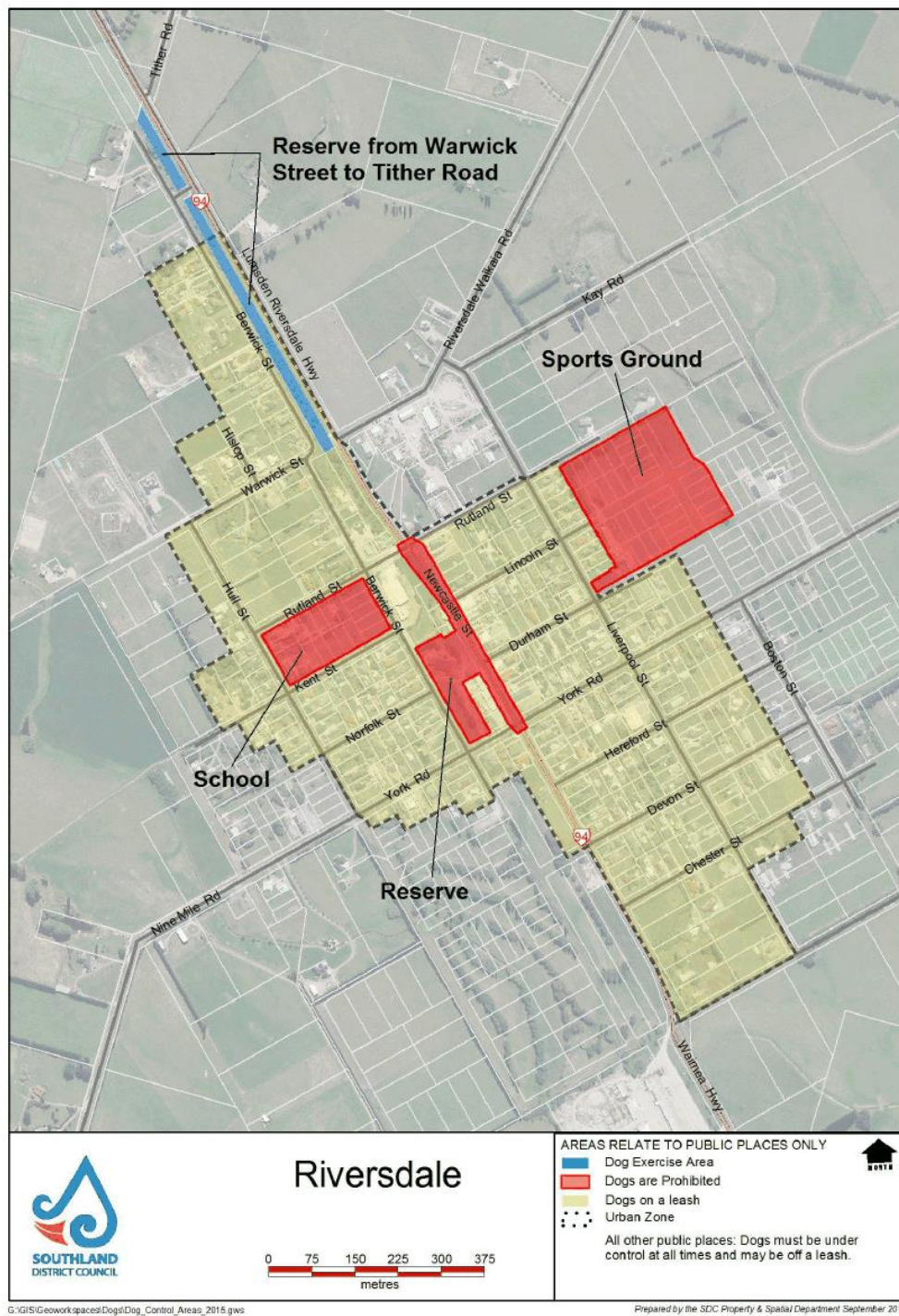
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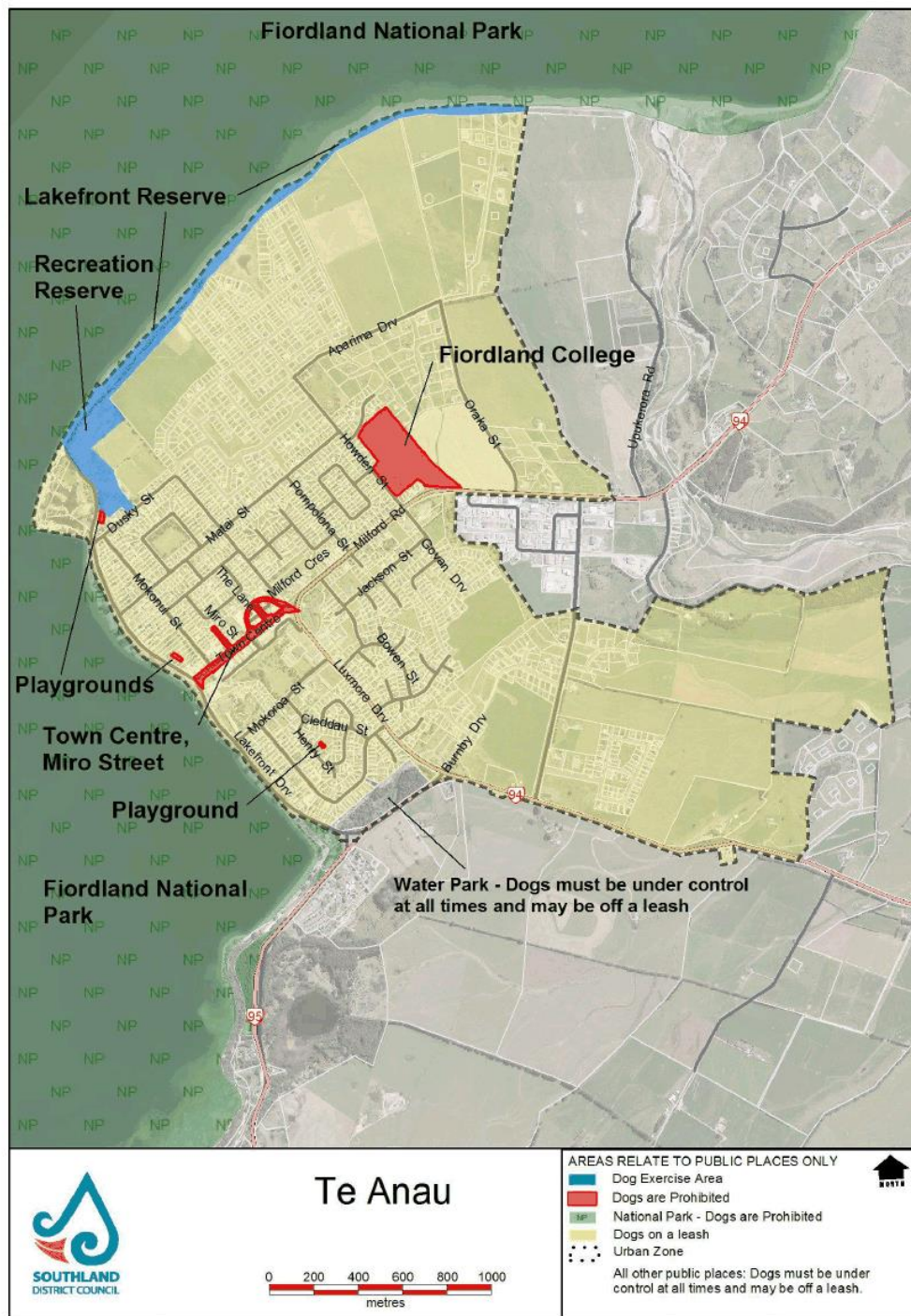
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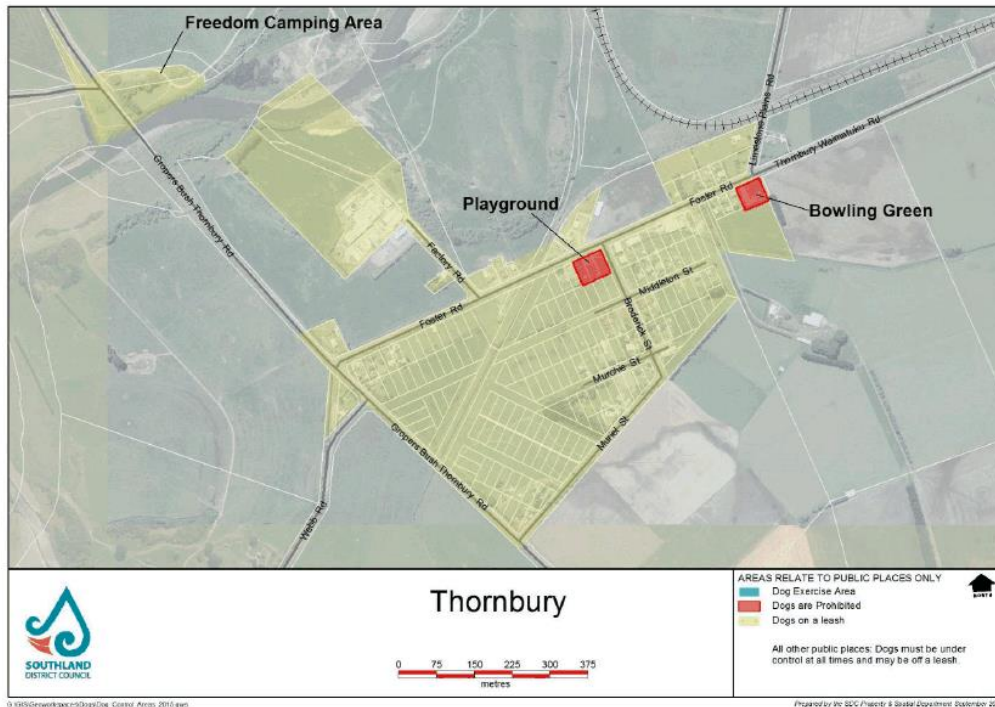
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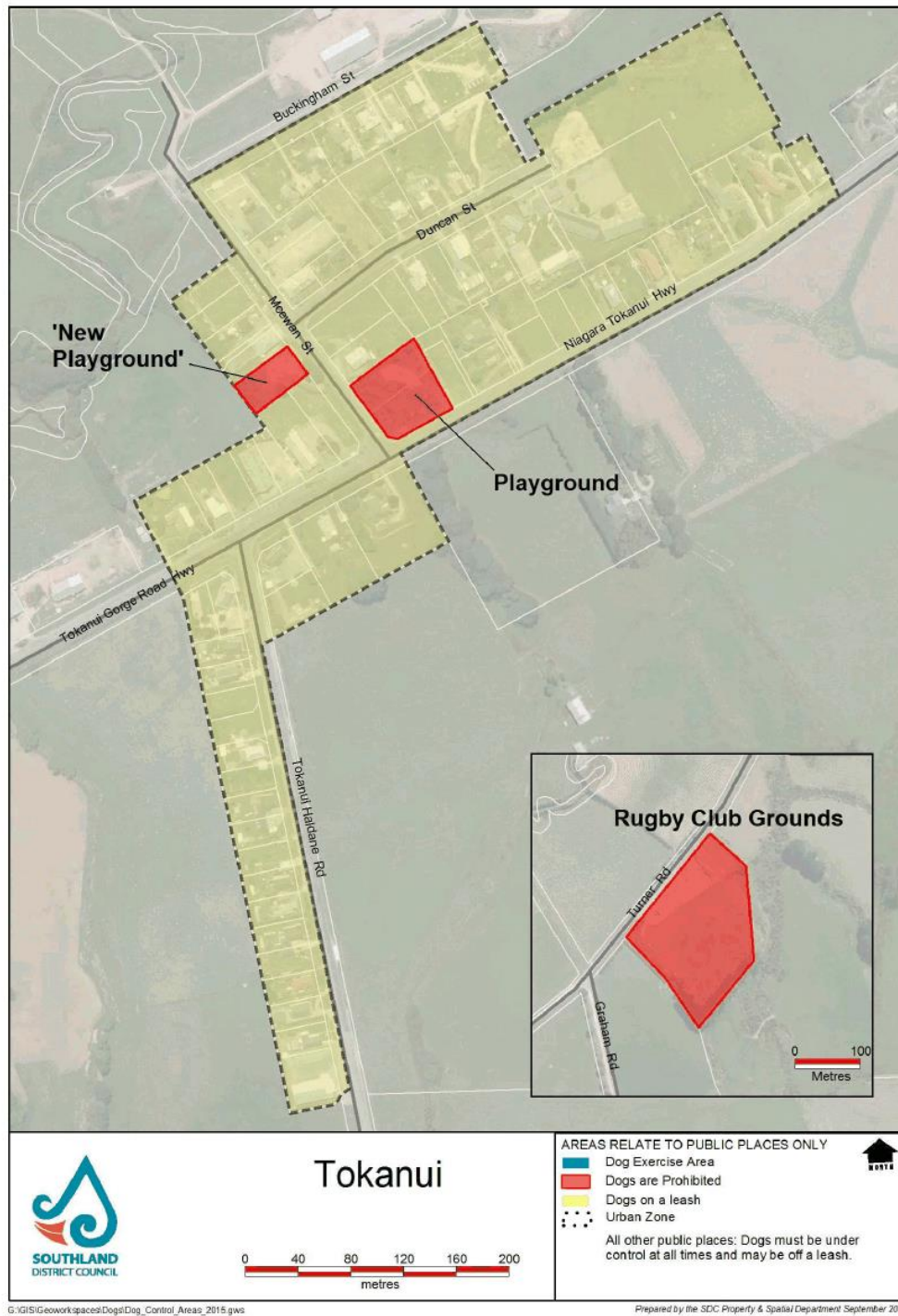
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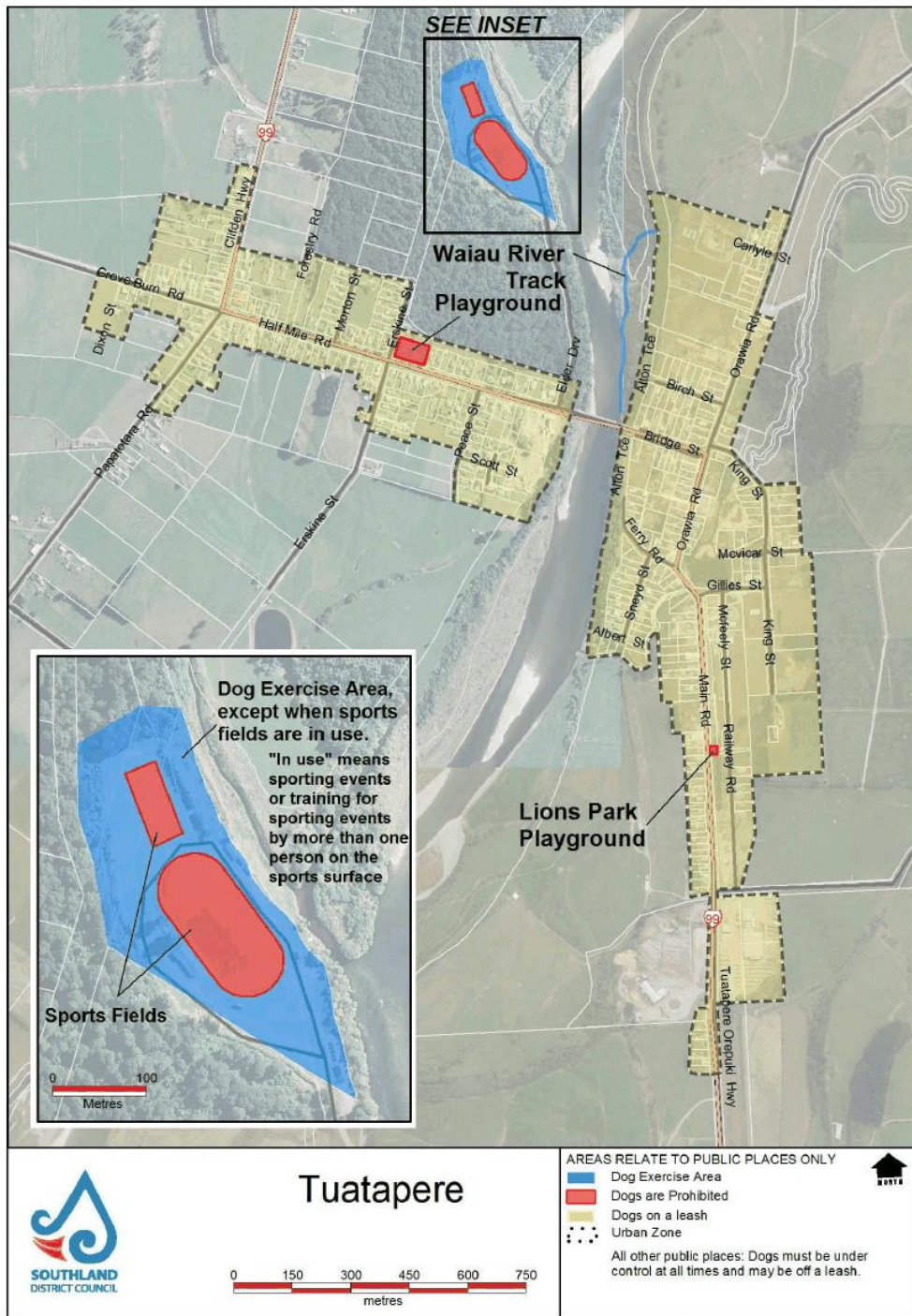


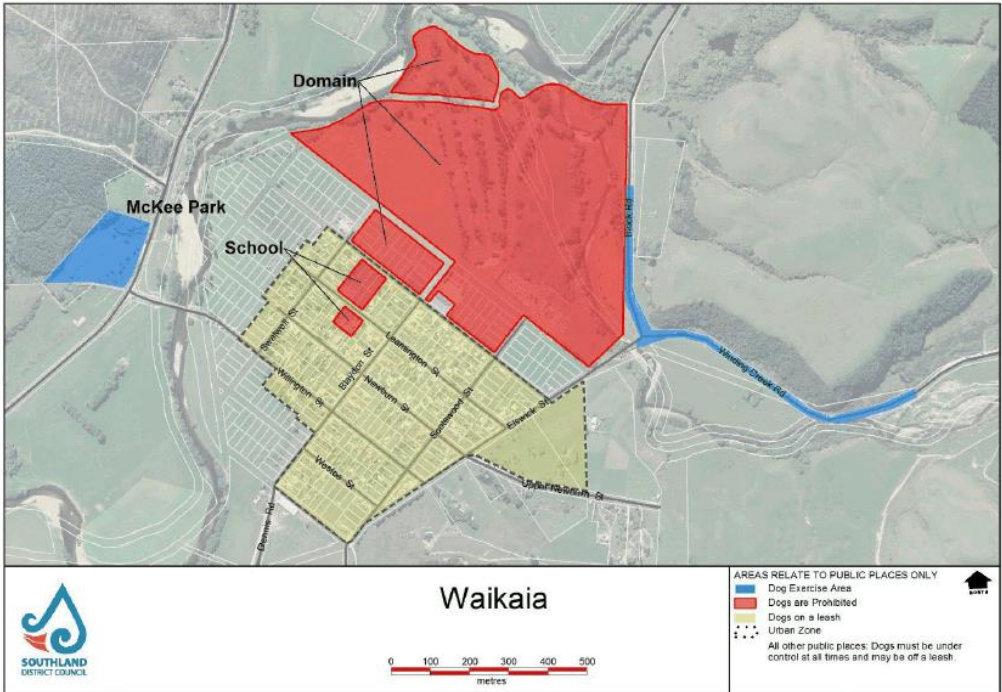
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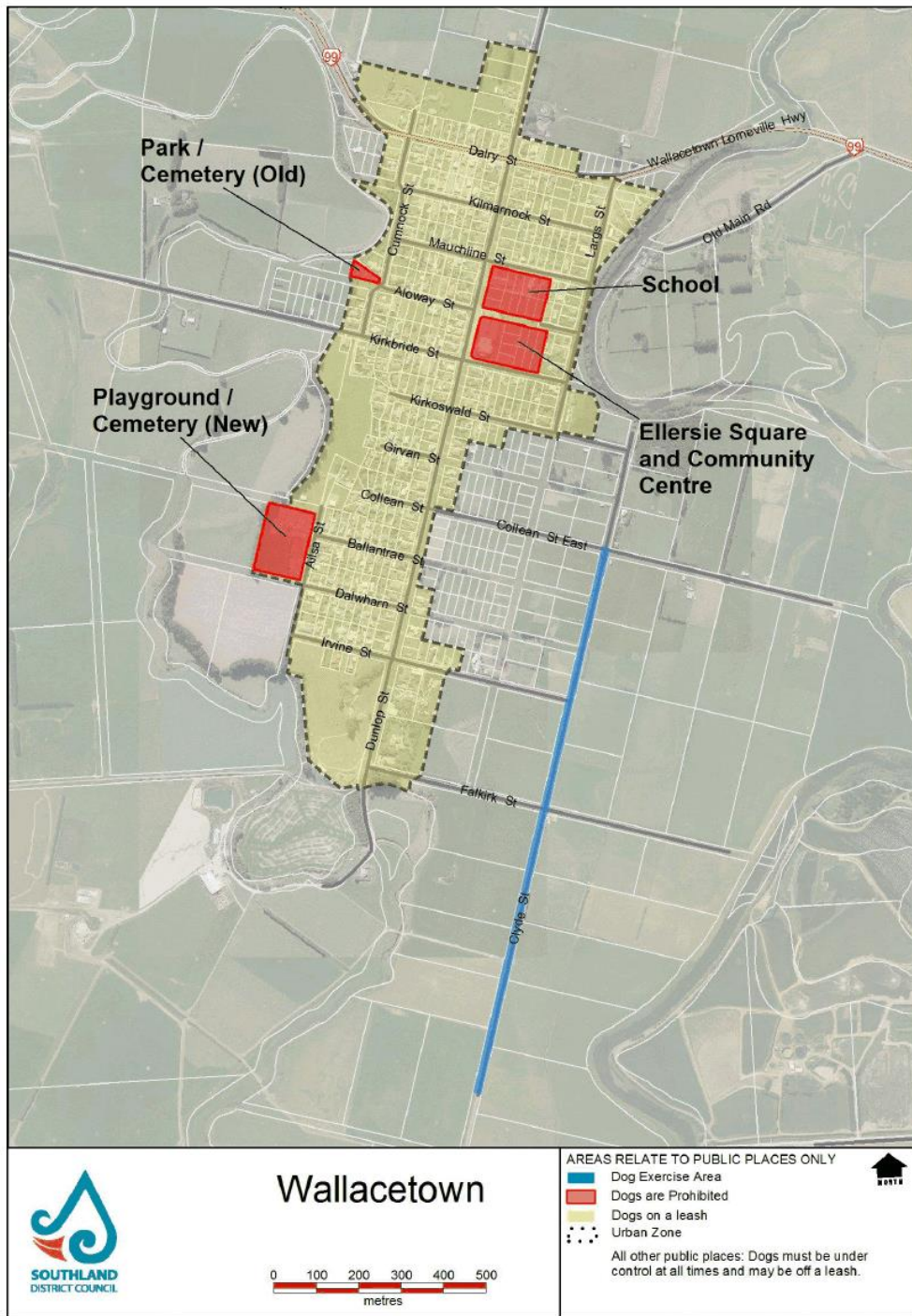
Prepared by the SDC Property & Spatial Department September 2018



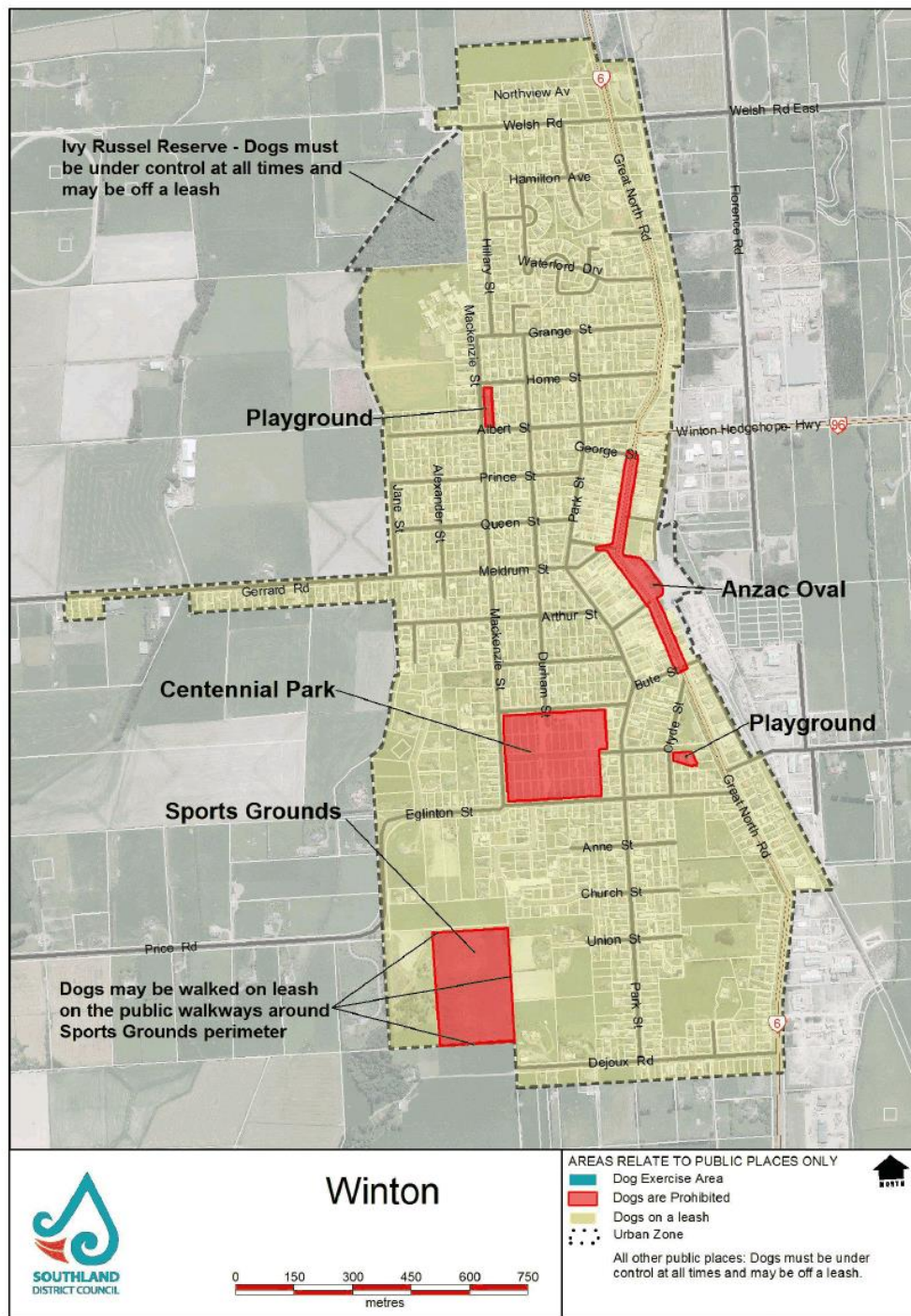


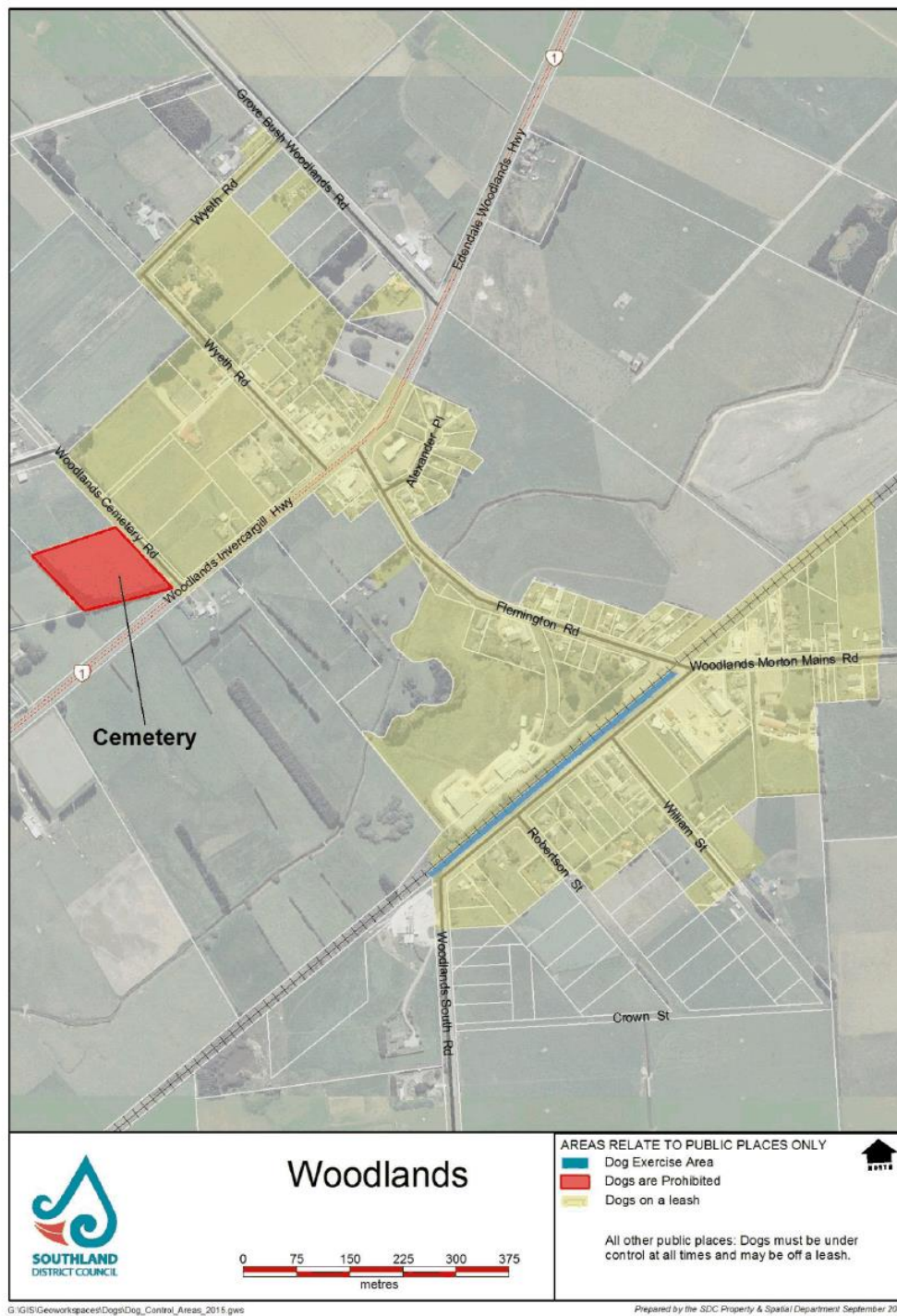


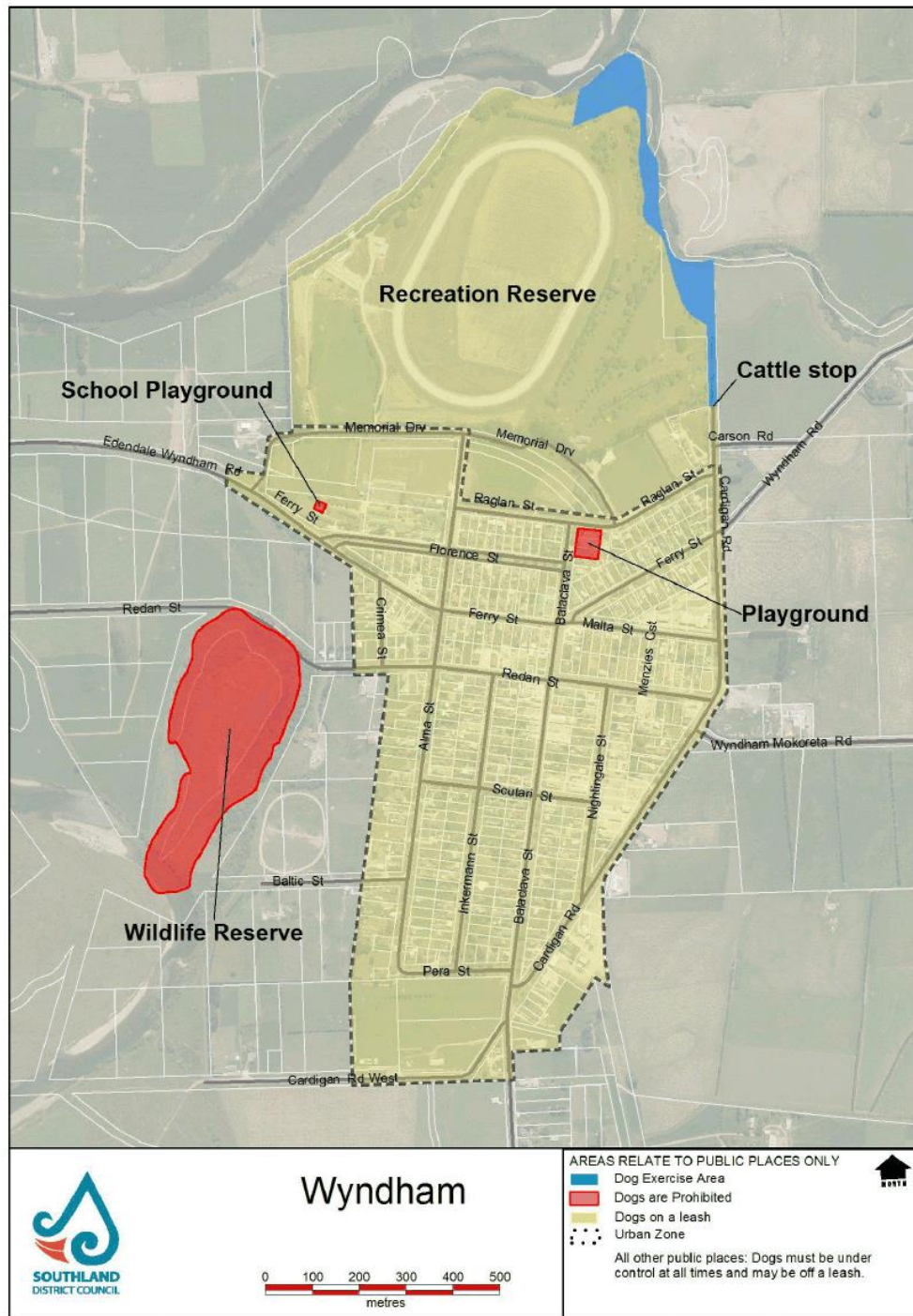




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Roading Bylaw 2008

Revision 2 -2018

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

☎ 0800 732 732
✉ sdcsouthlanddc.govt.nz
🏠 southlanddc.govt.nz

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Document Revision

Date	Amendment	Amended by	Approved by	Approval date	Date came into effect
2015	Continuation of bylaw	Roading	Council	22 April 2015	30 April 2015
2018	<ul style="list-style-type: none"> Altering parking restrictions on Elgin Terrace Adding legislative references Updating the definition of parking enforcement officer 	Strategy and Policy	Council	19 September 2018	28 September 2018

1 Short Title and Commencement

This Bylaw may be cited as the Southland District Council Roadway Bylaw 2008 and shall come into force on 1 May 2008.

2 Application of Bylaw

This Bylaw shall apply in respect to all roads vested in and under the control of Council.

Upon written request from an occupier, landowner or ratepayer, Council by resolution may grant exemptions to the Roadway Bylaw 2008 by resolution of Council.

An exemption will be at the pleasure of Council and may contain specific conditions regarding the exemption.

Council reserves the right to withdraw any approval for exemption with 24 hours' notice.

3 Previous Bylaw

The Southland District Council Roadway Bylaw 2001 is consequently repealed.

4 Definitions

In this Bylaw, unless the context otherwise requires "Council" means the Southland District Council, or any officer authorised to exercise the authority of Council.

"Crossing" means that part of any roadway and associated drainage system used for the purpose of shifting and moving livestock across any roadway.

"Debris" means any refuse, rubbish, animal remains or faeces, glass, metal, garbage, dirt, filth, rubble, ballast, stones, earth, hedge trimmings or waste matter, or any other thing of a like nature.

"Heavy Motor Vehicle" means a motor vehicle (other than a motor car that is not used, kept or available for the carriage of passengers for hire or reward) having a gross laden weight exceeding 3,500 kg.

"Hours of Darkness" means -

- (a) Any period of time between half an hour after sunset on one day and half an hour before sunrise on the next day; or
- (b) Any other time when there is not sufficient daylight to render clearly visible a person or vehicle at a distance of 100 metres.

"Livestock" means horses, cattle, sheep, pigs, deer or other farmed animals.

"Maintained Network" means all roads identified as being maintained by the Council in Council's Asset and Maintenance Management System (RAMM) database.

"Parking" means:

- (a) in relation to any portion of a road where parking is for the time being governed by the location of parking meters placed pursuant to a bylaw of a local authority, the stopping or standing of a vehicle on that portion of the road for any period exceeding five minutes:

- (b) in relation to any other portion of a road, the stopping or standing of a vehicle (other than a vehicle picking up or setting down passengers in a restricted parking area, and entitled to do so) on that portion of the road; and park has a corresponding meaning:

“Parking Enforcement Officer” means any person who has been appointed as an enforcement officer by the Southland District Council Under the Local Government Act 2002; or any person who is an enforcement officer under the Land Transport Act 1998 for the enforcement and control of traffic and parking.

“Policy Procedures” means procedures that enable Southland District Council’s Roading Policy.

“Property Owner” means legal owner or owners.

“Publicly Notified” means a notice published in a daily newspaper circulating throughout the Southland District.

“Race” means that part of any road margin fenced off and used specifically for the purpose of shifting and moving stock.

“Road” includes a street; and also includes any place to which the public have access, whether as of right or not; and also includes all bridges, culverts, ferries, and fords forming part of any road, street, or other place as aforesaid which are under the control and/or ownership of the Council or to which control has been delegated from the controlling authority for specific purposes.

“Road margin” includes any uncultivated margin of a road adjacent to but not forming part of either the roadway or the footpath (if any):

“Roadway” means that portion of the road used or reasonably usable for the time being for vehicular traffic in general.

“Road Reserve” means all land vested in the Council as road and includes roads, road margins and roadways.

“Stock” means horses, cattle, sheep, pigs or other farmed animals.

“Urban Area” means any ‘Urban Resource Area’ specified in the Southland District Plan.

“Vehicle” means a contrivance equipped with wheels, tracks, or revolving runners upon which it moves or is moved; but does not include—

- (a) A perambulator or pushchair:
- (b) A shopping or sporting trundler not propelled by mechanical power:
- (c) A wheelbarrow or hand-trolley:
- (d) Repealed.
- (e) Any pedestrian controlled lawnmower or any agricultural machinery not propelled by mechanical power:
- (f) Any article of furniture:
- (g) Any invalid wheel-chair not propelled by mechanical power:
- (h) Any other contrivance specified by notice in the Gazette:

5 Offences

Every person commits an offence against this Bylaw, who:

- (a) Fails to comply with any prohibition, restriction, direction or requirement indicated by the lines, markings, traffic signs and other signs or notices laid down, placed, made or erected on or upon

any road, public carpark, reserve or other places controlled by the Control (or under delegated authority to Council) pursuant to any of the provisions of this Bylaw or any resolution made under this Bylaw.

- (b) Fails to comply with any condition, duty, or obligation, imposed by this Bylaw or by any resolution made under this Bylaw.

Every person committing any breach of this Bylaw shall be liable to a fine not exceeding \$20,000 and where the breach is a continuing one then to a further fine not exceeding \$50 for every day or part of a day during which the breach has continued.

6 Stock Management

Objective

The objective of this Part of the Bylaw is to provide for the orderly management of stock on roads within the District, with particular regard to traffic safety, and damage to roads.

This Part of the Bylaw is divided into three sections:

- (a) Stock Droving and Grazing.
- (b) Gates across the Road.
- (c) Debris on the Road.

Stock Movement and Grazing on the Road

No person shall drive stock on Council roads without complying with the requirements and responsibilities under Procedure "Stock Droving" specified in Appendix 4.

Where a nuisance is created to road users, properties bordering the drive or grazing, and the road infrastructure Council may exercise its powers under the Offences section of this Bylaw.

No person shall regularly drive any stock, including milking stock, along or across any road either between farms or from one part of a farm to another part of that farm, or to a milking shed, except when using a crossing place or race in accordance with a permit issued by the Southland District Council.

Debris on the Road

No person shall permit the depositing of debris on any road.

Gates across the Road

No person shall erect, maintain or use any gate, temporary fence, electric tapes or other device on any road for the purpose of containing or droving stock without first obtaining permission from the Council.

Damage

No person shall drive or lead stock along or across any road unless measures are taken to prevent damage to any public or private property along or adjacent to the road. All barriers erected to prevent damage to any public or private property are to be removed immediately after stock has passed.

7 Parking Restrictions

No person shall park a vehicle in any street, private street or public place in contravention of the prohibitions, limitations or restrictions imposed from time to time by the Council and specified in Appendix 1 to this Bylaw and evidenced by signs erected by Council on or adjacent to the places affected.

8 One-way Roadways

No person shall drive a vehicle or ride a horse or bicycle along any road or parts thereof as specified in Appendix 2 to this Bylaw otherwise in accordance to the direction specified by way of any sign erected by the Council for that purpose.

9 Vehicular Accessways

No person shall install or construct any permanent vehicular accessway on any road for the purpose of access from the roadway to an internal accessway on private property without first obtaining the approval in writing of the Council and such approval may be given on such conditions as Council thinks fit..

10 Heavy Traffic Prohibitions

No person shall drive any heavy motor vehicle except a bus on or along those roads, or parts of roads listed in Appendix 3 of this Bylaw except for the purpose of picking up, or delivering goods, livestock and produce to an address on those roads when alternative access is not available for this purpose.

The prohibition shall not apply to a network utility operator or its authorised agent, or contractor engaged in the provision of, or maintenance of a network utility operation on a road or part of a road specified in Appendix 3.

Dated at Invercargill this XX day of XX 2018.

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

_____ MAYOR

_____ CHIEF EXECUTIVE

Appendix 1: Parking Restrictions

SOUTHLAND DISTRICT COUNCIL ROADING BYLAW 2008 - REVISION 2 2018

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	<u>MARAROA WAIMEA WARD</u>	<u>LUMSDEN TOWNSHIP</u>										
3104	MARIA ST	PLUTO RD	South	161	West	PLUTO RD	South	184	No Stopping At All Times	N	Y	OUTSIDE HIGH SCHOOL
3104	MARIA ST	PLUTO RD	South	161	East	PLUTO RD	South	193	BUS STOP	N	Y	OUTSIDE HIGH SCHOOL
	<u>MARAROA WAIMEA WARD</u>	<u>MOSSBURN TOWNSHIP</u>										
3642	SURREY ST	DEVON ST SH 94	North East	61	South East	DEVON ST SH 94	North East	102	BUS STOP	Y	Y	SCHOOL
	SURREY ST	DEVON ST SH 94	NTH EAST	70	NTH WEST	DEVON ST SH 94	NTH EAST	95	NO STOPPING	N	Y	NO STOPPING 8-9AM & 3-4PM MON - FRI
	<u>WAIATU APARIMA WARD</u>	<u>TUATAPERE TOWNSHIP</u>										
2025	GILLIES ST	MAIN RD SH 99	East	63	North	MAIN RD SH 99	East	100	No Stopping At All Times	Y	N	OPPOSITE FIRE HOUSE
2025	GILLIES ST	MAIN RD SH 99	East	15	STH	MAIN RD SH 99	East	27	No Stopping At All Times	Y	N	OUTSIDE FIRE HOUSE
	<u>MARAROA WAIMEA WARD</u>	<u>BALFOUR TOWNSHIP</u>										
3155	QUEEN ST	KRUGER ST	South West	354	South East	KRUGER ST	South West	412	BUS STOP	Y	Y	ONE SIDE ONLY OUTSIDE SCHOOL
	<u>MARAROA WAIMEA WARD</u>	<u>RIVERSDALE TOWNSHIP</u>										

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
3312	RUTLAND ST	HULL ST	North East	0	South East	HULL ST	North East	9	No Stopping At All Times	Y	N	ALL CHANGED
	RUTLAND ST	HULL ST	North East	9	South East	HULL ST	North East	19	BUS STOP	Y	Y	ALL CHANGED
	RUTLAND ST	HULL ST	North East	19	South East	HULL ST	North East	35	No Stopping At All Times	Y	N	ALL CHANGED
	RUTLAND ST	BERWICK ST	NTH EAST	10	NTH WEST	BERWICK ST	NTH EAST	18	No Stopping At All Times	Y	N	OUTSIDE AMBULANCE SERVICE
	RUTLAND ST	BERWICK ST	NTH EAST	30	NTH WEST	BERWICK ST	NTH EAST	60	No Stopping At All Times	Y	N	OUTSIDE FIRE HOUSE
	<u>MARAROA WAIMEA WARD</u>	<u>WAIKAIWA TOWNSHIP</u>										
3278	LEAMINGTON ST	SWALWELL ST	South East	144	South West	SWALWELL ST	South East	164	BUS STOP	Y	Y	OUTSIDE SCHOOL
	NEWBURN ST	BLAYDON ST	NTH WEST	87	NTH EAST	BLAYDON ST	NTH WEST	110	NO STOPPING	Y	N	FIRE HOUSE
	<u>MARAROA WAIMEA WARD</u>	<u>MANAPOURI TOWNSHIP</u>										
3424	HILLSIDE MANAPOURI RD	WAIKAIWA ST	East	27	South	WAIKAIWA ST	East	83	No Stopping At All Times	Y	N	
3433	HOME ST	HILLSIDE MANAPOURI RD	South West	4	West	HILLSIDE MANAPOURI RD	South West	26	No Stopping At All Times	Y	N	
	WAIKAIWA ST	HILLSIDE MANAPOURI RD	West	200	South	HILLSIDE MANAPOURI RD	West	325	No Stopping At All Times	Y	N	
3431	WAIKAIWA ST	VIEW ST.(West End)	South	20	East	VIEW ST.(West end)	South	270	No Stopping At All Times	Y	N	
	WAIKAIWA ST	VIEW ST.(West End)	East	270	North	VIEW ST.(West end)	East	276	Unlimited Parking	Y	N	

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	WAIATU ST	VIEW ST.(West End)	East	276	North	VIEW ST.(West end)	East	282	No Stopping At All Times	Y	N	
	WAIATU ST	VIEW ST.(West End)	East	282	North	VIEW ST.(West end)	East	298	Unlimited Parking	Y	N	
	WAIATU ST	VIEW ST.(West End)	East	298	North	VIEW ST.(West end)	East	306	No Stopping At All Times	Y	N	
	WAIATU ST	VIEW ST.(West End)	East	306	North	VIEW ST.(West end)	East	338	Unlimited Parking	Y	N	
	WAIATU ST	VIEW ST.(West End)	East	338	North	VIEW ST.(West end)	East	341	No Stopping At All Times	Y	N	
	WAIATU ST	VIEW ST.(West End)	East	341	North	VIEW ST.(West end)	East	354	PARK 60	Y	N	
	WAIATU ST	VIEW ST.(West End)	East	354	North	VIEW ST.(West end)	East	372	BUSES 15 MINUTES ONLY	Y	N	Opposite Real Journeys
	WAIATU ST	VIEW ST.(West End)	East	377	North	VIEW ST.(West end)	East	425	No Stopping At All Times	N	Y	
3431	WAIATU ST	VIEW ST.(West End)	South	103	West	VIEW ST.(West end)	South	263	No Stopping At All Times	Y	N	
3431	WAIATU ST	VIEW ST.(West End)	East	274	South	VIEW ST.(West end)	East	282	No Stopping At All Times	Y	N	
	WAIATU ST	VIEW ST.(West End)	East	282	South	VIEW ST.(West end)	East	354	Unlimited Parking	Y	N	
3431	WAIATU ST	VIEW ST.(West End)	East	354	South	VIEW ST.(West end)	East	425	No Stopping At All Times	N	Y	Commences @ Real Journeys
	MARAROA WAIMEA WARD	TE ANAU TOWNSHIP										
3508	BLIGH ST	MILFORD CRES	North West	0	North East	MILFORD CRES	North West	48	No Stopping At All Times	Y	N	Field note map 2
3508	BLIGH ST	MILFORD CRES	North West	48	North East	MILFORD CRES	North West	61	Bus stop	Y	N	

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
3508	BLIGH ST	MILFORD CRES	North West	0	South West	MILFORD CRES	North West	35	No Stopping At All Times	Y	N	
	BOWEN ST	LUXMORE DRIVE (SH 94)	North East	7	North West	LUXMORE DRIVE (SH 94)	North East	36	No Stopping At All Times	Y	N	24
	BOWEN ST	LUXMORE DRIVE (SH 94)	North East	6	South East	LUXMORE DRIVE (SH 94)	North East	31	No Stopping At All Times	Y	N	
3505	GUNN ST	POMPOLONA ST	South West	76	North	POMPOLONA ST	South West	125	No Stopping At All Times	Y	N	Opposite Kindergarten
3505	GUNN ST	POMPOLONA ST	South West	80	South	POMPOLONA ST	South West	143	No Stopping At All Times	Y	N	Outside Kindergarten
3502	HOWDEN ST	MILFORD RD SH 94	North West	0	North East	MILFORD RD SH 94	North West	102	No Stopping At All Times	Y	N	Outside high school, ref 24
3502	HOWDEN ST	MILFORD RD SH 94	North West	133	North East	MILFORD RD SH 94	North West	217	BUS STOP	Y	N	
3502	HOWDEN ST	MILFORD RD SH 94	North West	217	North East	MILFORD RD SH 94	North West	243	No Stopping At All Times	Y	N	
3502	HOWDEN ST	MILFORD RD SH 94	North West	0	South West	MILFORD RD SH 94	North West	16	No Stopping At All Times	Y	N	Opposite high school, 24
3502	HOWDEN ST	MILFORD RD SH 94	North West	86	South West	MILFORD RD SH 94	North West	102	No Stopping At All Times	Y	N	
3502	HOWDEN ST	MILFORD RD SH 94	North West	0	South West	MACKINNON LOOP	North West	14	No Stopping At All Times	Y	N	24
3502	HOWDEN ST	MILFORD RD SH 94	North West	0	South West	MACKINNON LOOP	South East	13	No Stopping At All Times	Y	N	
3502	HOWDEN ST	MACKINNON LOOP	North West	0	South West	MACKINNON LOOP	North West	14	No Stopping At All Times	Y	N	26
3502	HOWDEN ST	MACKINNON LOOP	South East	0	South West	MACKINNON LOOP	South East	13	No Stopping At All Times	Y	N	
	MACKINNON LOOP	HOWDEN ST	South West	0	North West	HOWDEN ST	North West	10	No Stopping At All Times	Y	N	24
	MACKINNON LOOP	HOWDEN ST	South West	0	South East	HOWDEN ST	South East	9	No Stopping At All Times	Y	N	

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
3502	HOWDEN ST	TOM PLATO DRIVE	North West	0	North East	TOM PLATO DRIVE	North West	17	No Stopping At All Times	Y	N	24
3502	HOWDEN ST	TOM PLATO DRIVE	North West	0	North East	TOM PLATO DRIVE	South East	13	No Stopping At All Times	Y	N	
	TOM PLATO DRIVE	HOWDEN ST	North East	0	North West	HOWDEN ST	North West	18	No Stopping At All Times	Y	N	24
	TOM PLATO DRIVE	HOWDEN ST	North East	0	South East	HOWDEN ST	South East	42	No Stopping At All Times	Y	N	
3502	HOWDEN ST	MATAI STREET	North West	0	South West	MATAI STREET	North West	15	No Stopping At All Times	Y	N	25
3502	HOWDEN ST	MATAI STREET	South East	0	South West	MATAI STREET	South East	18	No Stopping At All Times	Y	N	
	MATAI STREET	HOWDEN ST	South West	0	North West	HOWDEN ST	North West	16	No Stopping At All Times	Y	N	25
	MATAI STREET	HOWDEN ST	South West	0	South East	HOWDEN ST	South East	15	No Stopping At All Times	Y	N	
3519	LAKEFRONT DR	MANAPOURI TE ANAU HWY SH 95	North West	32	South West	MANAPOURI TE ANAU HWY SH 95	North West	440	No Stopping At All Times	Y	N	1
3519	LAKEFRONT DR	TOWN CENTRE	South East	0	South West	TOWN CENTRE	South East	9	No Stopping At All Times	Y	N	28
3519	LAKEFRONT DR	TOWN CENTRE	South East	27	South West	TOWN CENTRE	South East	193	No Stopping At All Times	Y	N	
3519	LAKEFRONT DR	TOWN CENTRE	South East	0	North East	MOKOROA ST	South East	73	No Stopping At All Times	Y	N	29
3519	LAKEFRONT DR	TOWN CENTRE	South East	73	North East	MOKOROA ST	South East	144	PARK 30	Y	N	
3540	MILFORD CRES	LUXMORE DRIVE (SH94)	West & South	0	North	LUXMORE DRIVE (SH94)	West & South	98	No Stopping At All Times	Y	N	2
	MILFORD CRES	BLIGH STREET	West & South	0	North	BLIGH STREET	West & South	28	No Stopping At All Times	Y	N	

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	MILFORD CRES	BLIGH STREET	West & South	79	North	BLIGH STREET	West & South	91	No Stopping At All Times	Y	N	3
	MILFORD CRES	BLIGH STREET	West & South	194	North	BLIGH STREET	West & South	210	No Stopping At All Times	Y	N	
	MILFORD CRES	BLIGH STREET	West & South	219	North	BLIGH STREET	West & South	227	No Stopping At All Times	Y	N	
3540	MILFORD CRES	LUXMORE DRIVE (SH94)	West & South	0	South	LUXMORE DRIVE (SH94)	West & South	43	No Stopping At All Times	Y	N	11
3540	MILFORD CRES	TOWN CENTRE (NE END)	West & South	0	South	TOWN CENTRE (NE END)	West & South	28	No Stopping At All Times	Y	N	13
3540	MILFORD CRES	TOWN CENTRE (NE END)	West & South	36	South	TOWN CENTRE (NE END)	West & South	64	No Stopping At All Times	Y	N	
3540	MILFORD CRES	TOWN CENTRE (NE END)	West & South	74	South	TOWN CENTRE (NE END)	West & South	117	No Stopping At All Times	Y	N	
3540	MILFORD CRES	TOWN CENTRE (NE END)	West & South	159	South	TOWN CENTRE (NE END)	West & South	244	No Stopping At All Times	Y	N	
3540	MILFORD CRES	TOWN CENTRE (NE END)	West & South	259	South	TOWN CENTRE (NE END)	West & South	261	No Stopping At All Times	Y	N	14
3516	MIRO ST	TOWN CENTRE	North West	22	North East	TOWN CENTRE	North West	54	BUS STOP	Y	N	4
3516	MIRO ST	TOWN CENTRE	North West	54	North East	TOWN CENTRE	North West	80	No Stopping At All Times	Y	N	
	MOKONUI ST	TOWN CENTRE	North West	8	North East	TOWN CENTRE	North West	22	No Stopping At All Times	Y	N	5
	MOKONUI ST	TOWN CENTRE	North West	8	South West	TOWN CENTRE	North West	34	No Stopping At All Times	Y	N	7
	MOKONUI ST	TOWN CENTRE	North West	80	South West	TOWN CENTRE	North West	86	No Stopping At All Times	Y	N	

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	MOKONU ST	DUSKY STREET	South East	0	North East	DUSKY STREET	South East	13	No Stopping At All Times	Y	N	26
	MOKONU ST	DUSKY STREET	South East	0	South West	DUSKY STREET	South East	9	No Stopping At All Times	Y	N	
	DUSKY STREET	MOKONU ST	North East	0	South East	MOKONU ST	North East	14	No Stopping At All Times	Y	N	26
	DUSKY STREET	MOKONU ST	South West	0	South East	MOKONU ST	South West	13	No Stopping At All Times	Y	N	
	DUSKY STREET	TE ANAU TCE	North East	0	South East	TE ANAU TCE	North East	4	No Stopping At All Times	Y	N	27
	TE ANAU TCE	DUSKY STREET	South East	0	North East	DUSKY STREET	South East	93	No Stopping At All Times	Y	N	26
	TE ANAU TCE	TOWN CENTRE	North West	0	North East	TOWN CENTRE	North West	36	No Stopping At All Times	Y	N	Map 27
	TE ANAU TCE	TOWN CENTRE	North West	36	North East	TOWN CENTRE	North West	57	BUS STOP	Y	N	
3518	TE ANAU TCE	TOWN CENTRE	North West	64	North East	TOWN CENTRE	North West	103	BUS STOP	Y	N	
	TE ANAU TCE	TOWN CENTRE	North West	103	North East	TOWN CENTRE	North West	113	No Stopping At All Times	Y	N	
	TE ANAU TCE	TOWN CENTRE	North West	113	North East	TOWN CENTRE	North West	170	PARK 60	Y	N	
3518	TE ANAU TCE	TOWN CENTRE	North West	0	South West	TOWN CENTRE	North West	30	No Stopping At All Times	Y	N	Map 28
	TE ANAU TCE	TOWN CENTRE	North West	35	South West	TOWN CENTRE	North West	68	Bus stop	Y	N	
	TE ANAU TCE	TOWN CENTRE	North West	75	South West	TOWN CENTRE	North West	152	PARK 60	Y	N	
3518	TE ANAU TCE	TOWN CENTRE	South East	0	North East	TOWN CENTRE	South east	73	No Stopping At All Times	Y	N	Map 29
3518	TE ANAU TCE	TOWN CENTRE	South East	73	North East	TOWN CENTRE	South east	144	PARK 30	Y	N	Map 29

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	TE ANAU TCE	TOWN CENTRE	South east	0	South west	TOWN CENTRE	North West	9	No Stopping At All Times	Y	N	
	TE ANAU TCE	TOWN CENTRE	South east	27	South west	TOWN CENTRE	North West	193	No Stopping At All Times	Y	N	Map 28
	THE LANE	TOWN CENTRE	North West	12	South West	TOWN CENTRE	North West	34	PARK 60	Y	N	Map 16
	THE LANE	TOWN CENTRE	North West	51	South West	TOWN CENTRE	North West	79	PARK 60	Y	N	
	THE LANE	TOWN CENTRE	North West	21	North East	TOWN CENTRE	North West	47	PARK 60	Y	N	Map 17
	THE LANE	TOWN CENTRE	North West	61	North East	TOWN CENTRE	North West	86	PARK 60	Y	N	
3542	TOWN CENTRE	LAKE FRONT DRIVE	North East	0	South East	LAKE FRONT DRIVE	North East	30	No Stopping At All Times	Y	N	Map 29
	TOWN CENTRE	LAKE FRONT DRIVE	North East	31	South East	LAKE FRONT DRIVE	North East	61	PARK 60	Y	N	
	TOWN CENTRE	LAKE FRONT DRIVE	North East	0	North West	LAKE FRONT DRIVE	North East	10	No Stopping At All Times	Y	N	6
	TOWN CENTRE	LAKE FRONT DRIVE	North East	18	North West	LAKE FRONT DRIVE	North East	29	PARK 60	Y	N	
	TOWN CENTRE	LAKE FRONT DRIVE	North East	37	North West	LAKE FRONT DRIVE	North East	45	No Stopping At All Times	Y	N	
	TOWN CENTRE	LAKE FRONT DRIVE	North East	45	North West	LAKE FRONT DRIVE	North East	67	PARK 60	Y	N	
	TOWN CENTRE	MOKONUI STREET	North East	16	South East	MOKONUI STREET	North East	49	PARK 60	Y	N	8
	TOWN CENTRE	MOKONUI STREET	North East	79	South East	MOKONUI STREET	North East	92	PARK 60	Y	N	
	TOWN CENTRE	MOKONUI STREET	North East	92	South East	MOKONUI STREET	North East	99	PARK 15	Y	N	

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	TOWN CENTRE	MOKONUI STREET	North East	140	South East	MOKONUI STREET	North East	161	PARK 60	Y	N	
	TOWN CENTRE	MOKONUI STREET	North East	171	South East	MOKONUI STREET	North East	180	PARK 60	Y	N	8
	TOWN CENTRE	MOKONUI STREET	North East	194	South East	MOKONUI STREET	North East	204	No Stopping At All Times	N	Y	Outside Mobil service station
	TOWN CENTRE	MOKONUI STREET	North East	223	South East	MOKONUI STREET	North East	236	BUS STOP	Y	N	9
	TOWN CENTRE	MOKONUI STREET	North East	236	South East	MOKONUI STREET	North East	261	No Stopping At All Times	Y	N	9
	TOWN CENTRE	MOKONUI STREET	North East	279	South East	MOKONUI STREET	North East	305	PARK 60	Y	N	10
	TOWN CENTRE	MOKONUI STREET	North East	316	South East	MOKONUI STREET	North East	326	PARK 15	Y	N	
	TOWN CENTRE	MOKONUI STREET	North East	358	South East	MOKONUI STREET	North East	386	PARK 60	Y	N	
	TOWN CENTRE	MOKONUI STREET	North East	390	South East	MOKONUI STREET	North East	419	PARK 60	Y	N	
	TOWN CENTRE	MOKONUI STREET	North East	421	South East	MOKONUI STREET	North East	481	No Stopping At All Times	Y	N	481 at Luxmore Drive intersection
	TOWN CENTRE	MOKONUI ST	North East	16	North west	MOKONUI ST	North East	28	PARK 60	Y	N	Map 5
	TOWN CENTRE	MOKONUI ST	North East	68	North West	MOKONUI ST	North East	88	PARK 60	Y	N	
	TOWN CENTRE	MIRO ST	North East	17	North West	MIRO ST	North East	35	PARK 60	Y	N	Map 4
	TOWN CENTRE	MIRO ST	North East	67	North West	MIRO ST	North East	124	No stopping	Y	N	
	WAIU APARIMA WARD	OREPUKI TOWNSHIP										
1974	DOVER ST	OLDHAM ST	East	7	STH	OLDHAM ST	East	48	No Stopping At All Times	Y	N	OUTSIDE GARAGE/WORKSHOP

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Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	DOVER ST	OLDHAM ST	EAST	0	NTH	OLDHAM ST	EAST	7	No Stopping At All Times	Y	N	OUTSIDE TAVERN
	DOVER ST	OLDHAM ST	WEST	0	NTH & STH	OLDHAM ST	WEST	38	No Stopping At All Times	Y	N	OUTSIDE FIRE HOUSE
	OLDHAM ST	DOVER ST	NORTH	0	WEST	OLDHAM ST	NORTH	25	No Stopping At All Times	Y	N	OUTSIDE FIRE HOUSE
	OLDHAM ST	DOVER ST	NORTH	0	EAST	OLDHAM ST	NORTH	5	No Stopping At All Times	Y	N	OUTSIDE TAVERN
	WAIATU APARIMA WARD	THORNBURY TOWNSHIP										
	FOSTER RD	BRODERICK ST	West	67	North	BRODERICK ST	West	76	No Stopping At All Times	Y	N	OUTSIDE FIRE HOUSE
	WAIATU APARIMA WARD	RIVERTON TOWNSHIP										
1861	BAY RD	OREPUKI RIVERTON HWY.SH 99	South	0	East	OREPUKI RIVERTON HWY.SH 99	South	542	No Stopping At All Times	Y	N	
1861	BAY RD	OREPUKI RIVERTON HWY.SH 99	South	17	West	OREPUKI RIVERTON HWY.SH 99	South	104	No Stopping At All Times	Y	N	
1861	BAY RD	DALLAS ST	South	35	West	DALLAS ST	South	191	No Stopping At All Times	Y	N	
1832	JETTY ST	PALMERSTON ST.SH 99	South	4	East	PALMERSTON ST.SH 99	South	50	No Stopping At All Times	Y	N	AROUND CNR ONTO SH99
1812	LEADER ST	PRINCESS ST	South West	99	WEST	PRINCESS ST	South West	109	BUS STOP	Y	N	OUTSIDE SCHOOL
1812	LEADER ST	PRINCESS ST	South West	10	East	PRINCESS ST	South West	105	No Stopping At All Times	Y	N	ACROSS ROAD FROM SCHOOL
1812	LEADER ST	NAPIER ST	South West	58	East	NAPIER ST	South West	113	No Stopping At All Times	Y	N	
	NAPIER ST	NGARIMU ST	South East	71	East & West	NGARIMU ST	South East	92	No Stopping At All Times	N	Y	AT END OF CUL-DE-SAC / NO EXIT

Southland District Council

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
1886	ROCKS HWY	HAMLET ST	South East	14	STH EAST	HAMLET ST	South East	39	No Stopping At All Times	Y	N	
1886	ROCKS HWY	HAMLET ST	South East	81	South West	HAMLET ST	South East	109	No Stopping At All Times	Y	N	
1886	ROCKS HWY	ROY ST	South East	21	South West	ROY ST	South East	255	No Stopping At All Times	Y	N	
1886	ROCKS HWY	ROY ST	South East	196	STH EAST	ROY ST	South East	276	No Stopping At All Times	Y	N	
1886	ROCKS HWY	LEX ST	South East	10	South West	LEX ST	South East	125	No Stopping At All Times	Y	N	
1886	ROCKS HWY	IVY ST	South East	5	South West	IVY ST	South East	63	No Stopping At All Times	Y	N	
	ROCKS HWY	IVY ST	South East	116	South West	IVY ST	South East	142	No Stopping At All Times	Y	N	
	ROCKS HWY	IRWIN ST	South East	6	South West	IRWIN ST	South East	176	No Stopping At All Times	Y	N	
	ROCKS HWY	LIONEL ST	South East	32	North East	LIONEL ST	South East	118	No Stopping At All Times	Y	N	
	ROCKS HWY	EVELYN ST	South	22	West	EVELYN ST	South	325	No Stopping At All Times	Y	Y	
	ROCKS HWY	EVELYN ST	STH	50	EAST	EVELYN ST	STH	200	No Stopping At All Times	Y	N	
	ROCKS HWY	KAUANGO ST	South	2	East	KAUANGO ST	South	268	No Stopping At All Times	N	N	
	WAIATU APARIMA WARD	RURAL										
1781	RIVERTON OTAUTAU RD	WILSON RD	South	319	East	WILSON RD	North	23	No Stopping At All Times	Y	N	AT BRIDGE
1781	RIVERTON OTAUTAU RD	WILSON RD	South	23	West	WILSON RD	South	319	No Stopping At All Times	Y	N	AT BRIDGE
1781	RIVERTON OTAUTAU RD	WILSON RD	North	14	West	WILSON RD	North	113	No Stopping At All Times	Y	N	AT BRIDGE

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Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	<u>WAIKOU APARIMA WARD</u>	<u>NIGHTCAPS TOWNSHIP</u>										
2194	EVAN ST	HIGH ST EAST	East	36	South	HIGH ST EAST	East	54	No Stopping At All Times	Y	Y	SCHOOL
2194	EVAN ST	HIGH ST EAST	East	54	South	HIGH ST EAST	East	113	BUS STOP	Y	Y	SCHOOL
	<u>WAIKOU APARIMA WARD</u>	<u>OTAUTAU TOWNSHIP</u>										
2256	ALDERLY ST	KING ST	East	24	South	KING ST	East	58	No Stopping At All Times	Y	Y	OUTSIDE FIRE HOUSE
2255	HULME ST	KENDAL ST	East	3	South	KENDAL ST	East	17	No Stopping At All Times	N	N	NO MARKINGS HEADING EAST FROM KENDAL
2255	HULME ST	KENDAL ST	East	3	North	KENDAL ST	East	21	No Stopping At All Times	N	N	NO MARKINGS HEADING EAST FROM KENDAL
	HULME ST	KING ST	WEST	Railway Line	NTH	KING ST	WEST	28	No Stopping At All Times	Y	N	AT RAILWAY CROSSING
	HULME ST	KING ST	WEST	Railway Line	STH	KING ST	WEST	20	No Stopping At All Times	Y	N	AT RAILWAY CROSSING
2276	KENDAL ST	KATRINE ST	North	2	East	KATRINE ST	North	85	No Stopping At All Times	Y	Y	
2276	KENDAL ST	KATRINE ST	South	8	South West	KATRINE ST	North	5	No Stopping At All Times	N	Y	
2276	KENDAL ST	HULME ST	North	4	East	HULME ST	North	119	No Stopping At All Times	Y	Y	MARKINGS FADED OUT FROM 5M
	KING ST	ALDERLY ST	STH	0	EAST	ALDERLY ST	STH	7	No Stopping At All Times	Y	N	AROUND CNR FROM FIRE HOUSE
2241	LIEMEN ST	MAIN ST	East	19	North	MAIN ST	East	200	No Stopping At All Times	N	N	APPEARS A SEAL WIDENING DONE, NOT REQ'D
2285	SLAUGHTERHOUSE RD	KENDAL ST	West	0	North	KENDAL ST	West	32	No Stopping At All Times	N	Y	MARKINGS FADED OUT

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	<u>WINTON WALLACETOWN WARD</u>	<u>MAKAREWA WORKS</u>										
1647	BRANXHOLME MAKAREWA RD	McLEAN RD	South East	375	North East	McLEAN RD	South East	1032	No Stopping At All Times	N	Y	SIGNS UP OUTSIDE FREEZING WORKS BUT NOT VERY VISIBLE
	<u>WINTON WALLACETOWN WARD</u>	<u>WAIANIWA TOWNSHIP</u>										
2459	ARGYLE OTAHUTI RD	WAIANIWA OPORO RD	South	18	East	WAIANIWA OPORO RD	South	45	BUS STOP	Y	Y	SCHOOL
	<u>WINTON WALLACETOWN WARD</u>	<u>RURAL</u>										
2852	CENTRE BUSH OTAPIRI RD	BLANK RD	East	1054	South	BLANK RD	East	1064	BUS STOP			
2614	HOKONUI SCHOOL RD	BRAINTRA RD	South	429	West	BRAINTRA RD	South	448	BUS STOP			
2891	SOUTH HILLEND DIPTON RD	GEORGE ST	South	77	West	GEORGE ST	South	99	BUS STOP			
2891	SOUTH HILLEND DIPTON RD	GEORGE ST	South	65	East	GEORGE ST	South	110	BUS STOP			
	<u>WINTON WALLACETOWN WARD</u>	<u>WINTON TOWNSHIP</u>										
2753	BUTE ST	PARK ST	East	4	South	PARK ST	East	15	No Stopping At All Times	Y	N	BUTE ST MARKING SEALED OVER
	BUTE ST	PARK ST	East	4	North	PARK ST	East	41	No Stopping At All Times	Y	N	BUTE ST MARKING SEALED OVER
2756	EGLINTON ST	GREAT NORTH RD SH 6	West	22	North	GREAT NORTH RD SH 6	West	77	BUS STOP	N	Y	OUTSIDE SCHOOL

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Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
2756	EGLINTON ST	GREAT NORTH RD SH 6	West	80	NTH	GREAT NORTH RD SH 6	West	108	No Stopping At All Times	Y	N	AT PEDESTRIAN CROSSING
2756	EGLINTON ST	GREAT NORTH RD SH 6	West	80	STH	GREAT NORTH RD SH 6	West	104	No Stopping At All Times	Y	N	AT PEDESTRIAN CROSSING
	ESSEX ST	PARK ST	EAST	0	NTH & STH	PARK ST	EAST	12	No Stopping At All Times	Y	N	AROUND CNR FROM PARK ST INTO ESSEX
	GRANGE ST	DURHAM ST	WEST	35	STH	DURHAM ST	WEST	51	No Stopping At All Times	Y	Y	ACROSS FROM HILLARY ST
2711	GRANGE ST	HILLARY ST	WEST	0	NTH	HILLARY ST	WEST	44	No Stopping At All Times	Y	Y	ENTRANCE TO SCHOOL & TURNING INTO MACKENZIE ST
2711	GRANGE ST	MACKENZIE ST	EAST	0	SOUTH	MACKENZIE ST	EAST	37	No Stopping At All Times	Y	Y	CNR OF MACKENZIE TURNING INTO GRANGE
2754	JOHN ST	PARK ST	West	3	South	HILLARY ST	West	123	No Stopping At All Times	Y	N	EXTENDED INTO CARPARK
2754	JOHN ST	PARK ST	West	3	North	PARK ST	West	12	No Stopping At All Times	Y	N	CNR
2725	MACKENZIE ST	HOME ST	North	68	East	HOME ST	North	118	No Stopping At All Times	Y	Y	ACROSS FROM BUS STOP & AT PEDESTRIAN CROSSING TO SCHOOL
2725	MACKENZIE ST	HOME ST	North	90	West	HOME ST	North	102	BUS STOP	Y	Y	
2718	MELDRUM ST	GREAT NORTH RD	West	7	South	GREAT NORTH RD	West	51	No Stopping At All Times	Y	N	
2718	MELDRUM ST	GREAT NORTH RD	West	66	South	GREAT NORTH RD	West	73	No Stopping At All Times	Y	N	
2718	MELDRUM ST	GREAT NORTH RD	West	115	South	GREAT NORTH RD	West	129	No Stopping At All Times	Y	N	MELDRUM/PARK ST INTERSECTION AROUND CNR

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Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
2718	MELDRUM ST	GREAT NORTH RD	West	117	North	GREAT NORTH RD	West	129	No Stopping At All Times	Y	N	MELDRUM/PARK ST INTERSECTION AROUND CNR
2718	MELDRUM ST	PARK ST	West	7	South	GREAT NORTH RD	West	18	No Stopping At All Times	Y	N	MELDRUM/PARK ST INTERSECTION AROUND CNR
2718	MELDRUM ST	PARK ST	West	7	North	GREAT NORTH RD	West	22	No Stopping At All Times	Y	N	MELDRUM/PARK ST INTERSECTION AROUND CNR
2723	PARK ST	ESSEX ST	North	4	West	ESSEX ST	North	122	No Stopping At All Times	N	Y	NO MARKING. SIGNS UNCLEAR AS 2 POSTED BUT EACH DIFFERENT
2723	PARK ST	JOHN ST	North	5	West	JOHN ST	North	86	No Stopping At All Times	Y	N	
2723	PARK ST	JOHN ST	North	0	West	JOHN ST	STH	7	No Stopping At All Times	Y	Y	
2723	PARK ST	BUTE ST	North	7	East	BUTE ST	North	36	No Stopping At All Times	Y	N	
2723	PARK ST	BUTE ST	North	0	East	BUTE ST	STH	20	No Stopping At All Times	Y	N	
2723	PARK ST	MELDRUM ST	North	5	East	MELDRUM	North	11	No Stopping At All Times	Y	N	CNR
2723	PARK ST	MELDRUM ST	STH	0	East	MELDRUM	STH	16	No Stopping At All Times	Y	N	CNR
2723	PARK ST	MELDRUM ST	North	5	WEST	MELDRUM	North	41	No Stopping At All Times	Y	N	CNR
2723	PARK ST	MELDRUM ST	STH	0	WEST	MELDRUM ST	STH	22	No Stopping At All Times	Y	N	CNR
	WEMYSS ST	PARK ST	East	6	North	PARK ST	East	73	No Stopping At All Times	Y	N	FIRE HOUSE
	WEMYSS ST	PARK ST	WEST	0	STH	MELDRUM ST	WEST	12	No Stopping At All Times	Y	N	CNR

Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	WINTON WALLACETOWN WARD	EDENDALE TOWNSHIP										
	FERRY RD	NORTH RD SH 1	East	32	North	NORTH RD SH 1	East	67	No Stopping At All Times	Y	N	RAILWAY CROSSING
	SEAWARD RD	HUNTER ST	STH	11	WEST	HUNTER ST	STH	35	No Stopping At All Times	Y	Y	FIRE HOUSE
	SEAWARD RD	FERRY RD	STH	25	EAST	FERRY RD	STH	35	No Stopping At All Times	Y	N	PEDESTRIAN CROSSING
	SEAWARD RD	FERRY RD	STH	Railway Line	WEST	FERRY RD	STH	45	No Stopping At All Times	Y	N	PEDESTRIAN CROSSING
	WAIHOPAI TOETOES WARD	RURAL										
1117	TOKANUI GORGE ROAD HWY	MIDDLETON RD SOUTH	West	89	North	MIDDLETON RD SOUTH	West	203	No Stopping At All Times	Y	N	
1117	TOKANUI GORGE ROAD HWY	MIDDLETON RD SOUTH	West	89	South	MIDDLETON RD SOUTH	West	203	No Stopping At All Times	Y	N	
	WAIHOPAI TOETOES WARD	WYNDHAM TOWNSHIP										
1412	FLORENCE ST	FERRY ST	East	0	North	FERRY ST	East	42	No Stopping At All Times	Y	N	SCHOOL
1412	FLORENCE ST	FERRY ST	East	42	North	FERRY ST	East	97	BUS STOP	Y	Y	SCHOOL
1412	FLORENCE ST	FERRY ST	East	97	North	FERRY ST	East	148	No Stopping At All Times	Y	N	SCHOOL
1412	FLORENCE ST	FERRY ST	East	148	North	FERRY ST	East	240	BUS STOP	Y	Y	SCHOOL
1412	FLORENCE ST	FERRY ST	East	240	North	FERRY ST	East	270	No Stopping At All Times	Y	N	SCHOOL
1412	FLORENCE ST	FERRY ST	East	110	STH	FERRY ST	East	148	No Stopping At All Times	Y	N	PEDESTRIAN CROSSING ACROSS FROM SCHOOL
	WAIHOPAI TOETOES WARD	WOODLANDS TOWNSHIP										

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Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	WOODLANDS MORTON MAINS RD	WOODLANDS SOUTH RD	East	76	South	WOODLANDS SOUTH RD	East	88	BUS STOP	Y	Y	SCHOOL
	WAIHOPAI TOETOES WARD	RURAL										
1220	RIMU RD	WOODLANDS SOUTH RD.(North Leg)	East	17	North	WOODLANDS SOUTH RD.(North Leg)	East	87	No Stopping At All Times	Y	Y	CHURCH ON CNR OF INTERSECTION
	STEWART ISLAND RAKIURA WARD	OBAN TOWNSHIP										
	ARGYLE ST	MAIN RD	South West	10	North West	MAIN RD	South West		No Stopping At All Times			
	AYR ST	ELGIN TERRACE	South West	0	North West	ELGIN TERRACE	South West		No Stopping At All Times			
	AYR ST	ELGIN TERRACE	South West	79	North West	ELGIN TERRACE	South West		Handicap Parking At All Times			
	ELGIN TERRACE	WHARF	West	0	North	WHARF	West	100	No Stopping At All Times			
	ELGIN TERRACE	HORSESHOE BAY RD	South	10	East	Ayr Street	South		No Stopping At All Times			
	ELGIN TERRACE	WHARF	West	4	South	WHARF	West	16	No Stopping At All Times			
	ELGIN TERRACE	WHARF	West	16	South	WHARF	West	21	P30 Loading Zone, 7am to 7pm, all days			
	ELGIN TERRACE	WHARF	West	21	South	WHARF	West	26	No Stopping At All Times			
	ELGIN TERRACE	WHARF	West	26	South	WHARF	West	60	P30 Loading Zone, 7am to 7pm, all days			
	ELGIN TERRACE	WHARF	West	60	South	WHARF	West	76	No Stopping At All Times			

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Rd No	Road Name	Start Location From	Direction	Distance (m)	Side of Road	End Location From	Direction	Distance (m)	Restriction	ROAD MARKING	SIGN POSTED	NOTES
	ELGIN TERRACE	WHARF	West	76	South	WHARF	West	100	P30 Loading Zone, 7am to 7pm, all days			
	ELGIN TERRACE	MAIN RD	South East	25	South West	MAIN RD	South East		P15 Loading Zone, 7am to 7pm, all days			
	ELGIN TERRACE	MAIN RD	North	5	West	MAIN RD	North		P30, 7am to 7pm, all days			
	ELGIN TERRACE	AYR ST	South East	15	South West	AYR ST	South East		P30, 7am to 7pm, all days			
	MAIN RD	ELGIN TERRACE	West	10	North	ELGIN TERRACE	West		No Stopping At All Times			

Appendix 2: One-way Roads

As detailed in the Southland District Council Roding Bylaw 2008 these roads have been declared by Council resolution to be one-way roadway.

Situated at Riverton

Leader Street: Restricted to traffic in a south-westerly direction only from Princess Street to Napier Street.

Towack Street: Restricted to traffic in an easterly direction only from Bates Street west end to Bates Street east end.

Situated at Manapouri

Waiau Street: Restricted to traffic in an easterly direction only from a point 380 metres measured south-easterly generally, along Waiau Street from View Street west end, easterly to its junction with View Street east end.

Situated at Te Anau

Off Milford Crescent: Restricted to traffic in a north-easterly direction only from Milford Crescent to The Lane.

Off the Lane: Restricted to traffic in a south-westerly direction only from Milford Crescent to The Lane.

The Lane: Restricted to traffic in a north-westerly direction only from Town Centre to Milford Crescent.

Town Centre: Restricted to traffic in a south-westerly direction only from Milford Crescent to The Lane.

Situated at Ohai

Birchwood Road: Restricted to traffic in an easterly direction only.

Situated at Winton

Niddy Crescent: Restricted to traffic in a westerly direction only.

Waterford Drive Loop 1: Restricted to traffic in an easterly direction only.

Waterford Drive Loop 3: Restricted to traffic in a southerly direction only.

Situated at Stewart Island

Rankin Street: Restricted to traffic in a westerly direction only.

Appendix 3: Heavy Traffic Prohibitions

Council has by resolution prohibited any heavy traffic on the roads listed in this Appendix.

Yorke Road, Winton Wallacetown Ward from Hedgehope Rakahouka Road to State Highway 96.

Railway Street, Winton Wallacetown Ward from Springford Street to State Highway 6.

Stewart Road, Waihopai Toetoes Ward - full length.

Appendix 4: Stock Droving Procedure

10.1 Objective

The objective of this Procedure is to provide for the orderly droving of stock on roads within the District, with particular regard to traffic safety, and damage to roads.

10.2 Purpose

The purpose for this Procedure is to set conditions that will enable the stock to be driven in a safe manner, and ensure the appropriate safeguards are in place during the exercise.

10.3 Procedure

Permits for Droving

A permit for all droves over 10 kilometres or through urban areas is required. All droving is to be in accordance with this Procedure and any associated Best Practice Guidelines developed to clarify the requirements.

Where any person intends to drive stock further than 10 kilometres through or within the District then before that drove commences and any stock enters the District the person in charge of the drove shall apply to the Council for a permit to drive.

Where any person intends to drive stock along or across any road in an urban area within the District then before that drove commences the person in charge of the drove shall apply to the Council for a permit to drive.

The applicant shall state:

- (a) Stock owners name and address and contact telephone number.
- (b) Head drovers name and address.
- (c) Number of stock.
- (d) Types of stock.
- (e) Identification marks of stock.
- (f) Number of drovers and dogs.
- (g) Intended route through the District, including Types 1, 2 and 3 roads.
- (h) Statement of daily stages and holding paddocks.
- (i) Details of Bovine TB Status Cards.
- (j) Public Liability Insurance details.
- (k) The date and time of the proposed droving.

Every applicant for a permit must state the route of the drove and each permit issued shall be subject to the conditions set out below.

Conditions for Drove

- (a) No person shall drive lead or ride any stock along or across any roadway during the hours of darkness except for the purpose of returning any stock which have escaped to the nearest secure area or for an emergency or complying with the conditions of a permit issued by Southland District Council.
- (b) No drove shall commence when visibility is less than 250 metres.

- (c) The number of animals in any one mob shall not exceed 600 head of cattle or 3000 head of sheep.
- (d) Each mob shall be accompanied by a minimum of one competent drover and as many other competent assistants as is necessary to control the animals where the number of cattle is less than 100, or the number of sheep is less than 500, and by a minimum of two competent drovers and as many other competent assistants as is necessary to control the animals for any number exceeding 100 cattle or 500 sheep.
- (e) Where there are two or more drovers one shall be in front and one shall be behind the mob at all times, for the purpose of alerting traffic.
- (f) Every drover shall wear a bright coloured reflective jacket, vest or similar for visibility.
- (g) The stock shall at all times be kept under control.
- (h) The drover or drovers shall keep the animals moving along the road at all times so as to make progress towards the destination at an average rate of not less than eight kilometres per day.
- (i) The roadway shall be kept clear of debris and other matter that may cause danger or inconvenience to other road users.
- (j) The owner of any stock involved in a drove and the drover in charge are responsible for providing adequate warning for traffic. At all times appropriate warning signs or flashing lights shall be displayed and be clearly visible for a distance of 250 metres.
- (k) The Council may prescribe such other conditions as it deems necessary.

Fees

Each application shall be accompanied by the prescribed fee and bond as set out in the Council's Schedule of Fees and Charges.

Road User Safety

- (a) Stock is to be driven in such a manner as will ensure that potential danger and inconvenience to other road users will be minimised. Delays to road traffic shall be limited to only that which is reasonable for the type of road. Drovers shall facilitate the passing of vehicles through a mob.
- (b) No road shall be closed for the droving of stock except that, if in the reasonable opinion of the Council the droving of any stock would be likely to:
 - i. Constitute a danger to road users or
 - ii. Constitute a nuisance or
 - iii. Cause damage to any road.
- (c) If applicant fails to comply with the conditions set out for the drove they shall be responsible for public safety or any damage to public or private property, which may arise from any stock droving activity. To protect their liability for damage to third parties, the applicant shall arrange and keep in force Public Liability Insurance to the minimum value of \$1,000,000. Evidence of this insurance shall be required before any permit is issued.
- (d) The Council may, by public notice given generally or by notice in writing to an individual person or persons, prohibit for such a reasonable period and upon such conditions as the Council may prescribe the droving of stock along any road.

Legislation and References

- Traffic Regulations 1976.
- Land Transport Act 1998.
- Land Transport Rule: (Road User) Rule 2004.
- Land Transport Rule: Traffic Control Devices 2004.
- TNZ Code of Practice for Temporary Traffic Management and approved supplements.
- Southland District Council Roading Policy.

South District Council Submission - Exposure Draft Natural and Built Environment Bill

Record no: R/22/2/4105

Author: Margaret Ferguson, Resource management planner

Approved by: Matt Russell, Group manager infrastructure and environmental services

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To approve the attached submission which relates to the latest consultation on the Resource Management Act Reform.

Executive summary

- 2 The Resource Management Act 1991 (RMA) is New Zealand's main resource management legislation and is the overarching Act that the Council's District Plan and Resource Management processes are governed by.
- 3 A review of the RMA has culminated in the recommendation to repeal the existing RMA and to replace it with three new pieces of legislation, one of which is the proposed Natural and Built Environments Act.
- 4 The exposure draft of the Natural and Built Environments Bill was released by parliament in 2021 and is currently in the process of consultation and development. The first round of consultation occurred August 2021 of which Southland District Council was a submitter.
- 5 Following that initial consultation and submission process, the select Environment Committee held an inquiry into the Natural and Built Environments Bill and released a report in November 2021 with its findings.
- 6 The Ministry for Environment is now consulting on the findings from the Select Environment Committee inquiry and it is this consultation which is the subject of the attached submission.
- 7 Council's submission in general supports the overarching principles of the exposure draft and the findings of the Select Environment Committee. However the submission notes that there has already been significant investment in the implementation of the current resource management system. Therefore strong leadership, clear guidance for interpretation, and funding support are but just a few key components to transition to the new legislative framework. Further, there are still elements of uncertainty as to how the proposed changes will affect Council given that the exposure draft is not yet the full Bill. These points have been raised in the submission.

Recommendation

That the Council:

- a) **receives the report titled “Southland District Council Submission – Exposure Draft Natural and Built Environments Bill.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees to give delegated authority to the General Manager of Infrastructure and Environmental Services to incorporate comments and feedback from Te Ao Marama into the attached submission.
- e) agrees to approve the submission on the exposure draft Natural and Built Environments Bill (attached as attachment A).

Background

- 8 Resource Management in New Zealand is undergoing a process of legislative reform. The Resource Management Act 1991 is being repealed and set to be replaced with three new pieces of legislation being the Natural and Built Environments Act (NBA); the Strategic Planning Act (SPA) and the Climate Adaptation Act (CAA).
- 9 The exposure draft of the Natural and Built Environments Bill has been developed and is now going through the full consultation process, having already completed the first round of public consultation.
- 10 Following the public consultation and submission process, the Select Environment Committee held an inquiry on the parliamentary paper on the Natural and Built Environments Bill 2021 and released its findings in November 2021.
- 11 Based on the findings of the Select Environment Committee, the Ministry for Environment has now released the latest consultation document for consideration and submission titled *‘Ministry for Environment 2021, Transforming Aotearoa New Zealand’s resource management system: Our Future resource management system – materials for discussion’*. The ministry is now seeking targeted consultation with Local Government.

Issues

- 12 The submission focuses on the key issues that are considered to affect Southland District Council and the Southland District.

- 13 Submissions are due by 28 February 2022. At time of writing this report feedback had not yet been received or incorporated from Te Ao Marama. As such, it is requested that the delegated authority is provided to the GM Infrastructure and Environmental Services to receive and incorporate feedback on either council's submission or the exposure draft, if received, from Te Ao Marama prior to close of submissions.

Factors to consider

Legal and statutory requirements

- 14 The proposed Natural and Built Environment Act will have the potential to significantly affect the manner in which Council undertakes its planning processes. It is important that Council provides feedback to the proposed new legislation given the implications for its processes and wider community.
- 15 The development of new legislation provides for comments (submission) on what is proposed, these comments are due 28th February 2022.

Community views

- 16 This is targeted consultation with Local Government specifically. The submission process provides Council with an opportunity to input into this legislative review on behalf of its communities.

Costs and funding

- 17 Costs associated with drafting the submission relate to staff time only. However, there will be cost implications arising once the full Bill has passed into legislation.

Policy implications

- 18 At this stage the overall full implications are unknown. A comprehensive assessment will be made once the full bill has passed into legislation.

Analysis

Options considered

- 19 The Council has two options regarding making a submission. The first is to submit as per the attached document. The second is to rely solely on other Councils and their respective submissions.

Analysis of Options

Option 1 – Make a submission

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Enables Southland District Council to highlight general concerns and be active within the bill development process.• Enables Southland District Council to highlight specific concerns that relate specifically to the Southland District ie locally identified issues.	<ul style="list-style-type: none">• None

Option 2 – Not make a submission

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• None	<ul style="list-style-type: none">• Southland's unique context with regard to matters will not be highlighted.• Southland District Council's knowledge and experience in relation to implementing current resource management legislation is not heard.

Assessment of significance

- 20 The approval of a submission on the exposure draft of the Natural and Built Environment is not a decision that will have a major or longer term effect on an individual town, or the district, cultural impact or level of service.

Recommended option

- 21 Option 1 – make a submission as per the attached.

Next steps

- 22 The closing date for submissions is 28 February 2022.

Attachments

- A Draft Southland District Council Submission - Our Future Resource Management System - MfE consultation February 2022 [↓](#)

Resource Management Reform 2021

Introduction

Southland District Council (SDC) thanks the Ministry for the opportunity to comment on the following document *“Ministry for Environment 2021. Transforming Aotearoa New Zealand’s resource management system: Our future resource management system – materials for discussion”*.

Council acknowledges the significant amount of work, that has gone into the new legislative system which includes to date:

- Draft exposure for the Natural and Built Environments Act released and referred by Parliament to a select committee inquiry – June 2021.
- Select Environment Committee inquiry on the Natural and Built Environment held September – November 2021.
- Select Environment Committee report *‘Inquiry on the Natural and Built Environments Bill: Parliamentary Paper’* - released November 2021.
- Ministry for the Environment *‘Transforming Aotearoa New Zealand’s resource management system: Our future resource management system – materials for discussion’* consultation document on the findings of the select Environment Committees report – released 29 November 2021.

Overall position

SDC has put significant investment into implementing the current resource management system, at the same time as delivering other Council associated legislative requirements e.g. implementation of the Local Government Act. Investments in the synergy of all council services is ongoing and likely to continue throughout the transition to the new resource management legislative system. Accordingly, SDC seeks clarification the RM reform is also viewed within the context of other legislative reforms that are currently under various stages of development e.g. health reform, local government reform and 3 waters reform.

Wherever possible, SDC seeks assurance that strong leadership, implementation support and guidance, along with funding is at the heart of the transition to avoid the possibility of high legal costs to Council associated with defining/interpreting new legislation.

Finally, SDC strongly supports the full inclusion of te ao Māori into all aspects of the new Resource Management system.

How to read this submission

Each question posed in the ‘materials for discussion’ document has been answered and is laid out in the tables below. Certain issues are considered to have more immediate relevance to Southland and therefore warranted a more in depth comment. However, this is not be interpreted by the Ministry that Southland District Council considers a question or issue to have any lesser relevance and / or value to the District.

1. National Planning Framework

Question	Comment
What role does the National Planning Framework (NPF) need to play to resolve conflicts that currently play out through consenting?	<p>SDC expects the NPF to clearly and without ambiguity:</p> <ul style="list-style-type: none"> - identify key issues facing Aotearoa and how they are relevant for the regions (answering the big picture question ‘why’ are we doing this?). SDC is further conscious of ensuring local issues are integrated into plan development - identify the objectives and policies to address key issues. - new system needs to recognize regional variability as Southland is quite different to other regions across Aotearoa. If limited input by Local Government then how do we know we are ‘getting it right’ for the regions. - determine the environmental outcomes, targets and limits to ensure objectives and policies are met. - provide guidance on the rules, methods, to be included in plans - direct spatial plan development. - direct roles and responsibilities for all those involved in plan making process. - detail how to resolve conflict between competing outcomes or limits and take the pressure off local and regional level to deal with the conflicts. SDC does consider legal intervention will always be within the realm of resource management process, so clear direction on dealing with issues that face legal challenge should be outlined at NPF level. - No risk of ‘reading between the lines’
How would we promote efficiency in the Board of Inquiry process while still ensuring its transparency and robustness?	<ul style="list-style-type: none"> - Ensuring there is full ability for all to engage and understand drivers for decisions and how that has tailored outcomes. Full disclosure and plain language explanations.

How often should the NPF be reviewed, bearing in mind the relationships between the NPF, regional spatial strategies and Natural and Built Environments Act plans?	<ul style="list-style-type: none"> - Given the NPF dictates the direction of lower level plans, it is imperative that it is kept current. Therefore, every five years in order to account for changing environmental issues as well as changing social/economic landscapes.
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2. Regional Spatial Strategies

Question	Comment
To what degree should regional spatial strategies (RSSs) and implementation agreements drive resource management change and commit partners to deliver investment?	<ul style="list-style-type: none"> - In theory SDC considers strategic planning is important to ensure natural resources are managed effectively and efficiently across local government and regional government boundaries. - A holistic, regional view to managing the environment, would seem practical and efficient. - However, the success of a RSS, will be dependent on clear identification of roles and responsibilities of those participating in the RSS development process. - It will be essential that an implementation agreement is created to ensure transparency, fairness, equity, especially at the start of the transition period. - SDC seeks clarification on the outcomes anticipated by a RSS eg infrastructure and community benefits combined and the actual implementation process itself
How can appropriate local issues be included in RSSs?	<ul style="list-style-type: none"> - SDC expects that the mandate of the regional committee will be to ensure local issues are incorporated into the RSS. - SDC expects the Regional joint committee to discuss closely with the Natural and Built Environment joint committee to ensure local issues are taken into consideration. - Terms of references need to be drawn up and entered into to ensure there is a clearly defined process for communication of 'local issues'. SDC queries, could one joint Committee do everything (NBA and RSS) to ensure consistency?

	<ul style="list-style-type: none"> - The elimination of any perception or risk of ambiguity will be critical.
With regional and unitary council boundaries proposed for RSSs, how should cross-boundary issues be addressed?	<p>SDC considers cross boundary issues are to be dealt with through:</p> <ul style="list-style-type: none"> - Clearly defined terms of agreement for both Joint Committees and Natural and Built Environment Committees to deal with potential cross boundary conflict, so that it doesn't matter which region you are in, the procedure for conduct is similar, if not the same. SDC seeks clarification on what a terms of agreement could potentially contain to comment further. - Early and ongoing engagement with all relevant parties. Investment in engagement at all levels is critical for building trust and relationships across regional boundaries. - Joint regional hearings and joint decision making.

3. Natural Built Environment Plans

Question	Comment
Do you agree with the Randerson Panel's recommendation to have one combined Natural and Built Environments Act (NBA) plan per region?	<ul style="list-style-type: none"> - Yes, if there is to be a regional spatial strategy, SDC considers it sensible and efficient to have one regional environment plan, but which takes full account of district level issues ie the local voice is embedded. SDC notes this reform sits within the other mandated responsibilities eg implementing local democracy and the significant work undertaken by Community Boards within the District to understand and deliver on local issues. - In theory one NBA plan does have the potential to ensure consistency with managing regional wide issues ie issues that are shared across and between Districts.
Would there be merit in enabling sub-regional NBA plans that would be incorporated into an NBA plan?	<ul style="list-style-type: none"> - SDC considers there might be an opportunity for sub-regional plans which would ensure specific localised issues are accounted for. However, there would need to be very clear direction set at regional level so that all sub-regional plans deal with their identified issues in a consistent manner to avoid having a catalogue of sub plans with different

	<p>issues/processes that potentially conflict. SDC queries instead of sub-regional plans could there be different 'regional zones' within an NBA?</p> <ul style="list-style-type: none"> - SDC seeks clarification on how sub-regional plans would be created, by whom and what would be the processes.
What should the role of local authorities and their communities be to support local place-making and understanding of local issues in NBA plans?	<ul style="list-style-type: none"> - SDC considers the local authorities will play a pivotal role in engaging with their communities to assist the identification of 'local' issues, and then to facilitate the actual plan making process. - SDC considers investment is required in engagement processes and seeks clarification on what exactly would be the role of a supporting local authority. - Local authorities should be the active conduit between central government policy and local community.
Will the proposed plan-making process be more efficient and effectively deliver planning outcomes?	<p>SDC considers there is opportunity for efficient and effective planning outcomes if the plan making process adheres to:</p> <ul style="list-style-type: none"> - Early engagement with the Community and stakeholders and invests time in this part of the process. - Includes mana whenua in plan making process from outset to include all phases of planning development. - Encourages and facilitates the gathering of a diverse range of community feedback ie undertake engagement that talks to those people who 'aren't' currently at the table. - Makes the plan relatable ie deals with not just national issues, but interprets them in a localised manner. - Uses an independent hearings panel. This removes any potential conflict of interest or perception of conflict of interest. - Address environmental issues consistently within a district, and across regions. - Ensure strategic 'big picture goals' are realized by being outcome focused.

	<ul style="list-style-type: none"> - Provide certainty for community and stakeholders, if plans clearly detail outcomes, limits and corresponding rules. To remove the ambiguity that has evolved within the current planning system.
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4. RSS and NBA Joint Committees

Question	Comment
How could a joint committee model balance effective representation with efficiency of processes and decision-making?	<p>SDC considers that for the joint committee model to be effective:</p> <ul style="list-style-type: none"> - First generation plans need to have representation from all LG authorities on Committees eg RSS and NBA (regional and sub regional plans). - There must be a clear nationally directed terms of reference for membership for RSS and NBA committees. - Potential for common membership across committees to ensure consistency with translating issues from NBA level to RSS level. - Iwi membership on committee is mandatory - Joint committees can have full autonomy of decision making as long as representative from all LG sits on the Committees. At least for the 'first generation' plan. - Potential for a sub-committee to give effect to local 'voice' reporting back to the joint committee - Some form of support (secretariat) is required for Committees. Would be drawn from LG authorities. Note, if the LG authorities sit within the secretariat and are therefore able to ensure that local community voice is 'at the plan development table', then there may not be a requirement to have LG representative on every Committee itself. SDC seeks further clarification on the potential role and responsibility of a secretariat. - Have full communication with iwi as to whether existing governance arrangements, as determined by Treaty settlements can be adopted and upheld within the new system.

How could a joint committee provide for local democratic input?	<p>SDC seeks further clarification on the process of developing a joint committee, but on the face of it, SDC considers that democratic input could be provided for within the joint committee as long as:</p> <ul style="list-style-type: none"> - Members are elected and not selected - There must be a clear nationally directed terms of reference for membership for RSS and NBA committees. - A fair transparent process for plan development is clearly evident and engagement is invested in. - And independent hearings commissioner runs the hearing.
How could a joint committee ensure adequate representation of all local authority views and interests if not all local authorities are directly represented?	<ul style="list-style-type: none"> - Whilst SDC considers there may be a role for the secretariat, for the first generation plan, to ensure local representation during the transition to the new system all local authorities need to be represented on any committee.
Are sufficient accountabilities included in the proposed new integrated regional approach to ensure the strategies and plans can be owned and implemented by local authorities?	<ul style="list-style-type: none"> - SDC considers there is insufficient information to categorically determine if there is accountability within the proposed new system. However, if there is clear direction within the NPF as to 'who does what', and 'by when', then it should provide a component of accountability. - Monitoring and compliance will play a part in accountability. - The Committees will be another avenue whereby accountability can be defined.
How should joint committees be established?	<ul style="list-style-type: none"> - SDC considers a dedicated secretariat is a requirement to effectively establish and maintain a committee. This cannot be left for regions to 'figure out'. - Terms of reference created between all parties involved in the process. SDC considers this part of the process to be very important and there needs to be sufficient time allocated for the process to create the committees. There can't be any risk that the committee making the final decision does not fully represent everyone within the region.

5. Consenting

Question	Comment
Will the proposed future system be more certain and efficient for plan users and those requiring consents?	<ul style="list-style-type: none"> - SDC considers that plans that clearly outlines expectations (eg limits and outcomes, behaviours) have a greater ability to provide certainty to plan users. - The consenting process should not be used to manage major resource management conflicts. All conflicts should already be resolved and the consenting process is the method of implementation/delivery, not decision making per se. - SDC specifically queries whether affected party approval is sufficient enough to consider no consent would be required. What is the criteria for identifying affected parties accurately and who would be responsible for this part of the process? Would affected parties be identified within the plan so as to rule out the potential for arbitrary identification of affected parties? - Also, would an affected party know all the relevant issues when they made a decision to sign a proposal?

6. Compliance, Monitoring and Enforcement

Question	Comment
Do you agree with the proposed changes to compliance, monitoring and enforcement provisions and tools?	<ul style="list-style-type: none"> - SDC considers investment in compliance, monitoring and enforcement is essential to good resource management. - SDC considers education a critical tool to deliver compliance, monitoring and enforcement. This is considered 'the cheapest form of compliance'. This also sits with the values of SDC to work with our community to resolve issues before taking a litigious stance.

	<ul style="list-style-type: none"> - Compliance and monitoring is difficult for Council's to fulfil, financially and human resource wise, and as such compromises Council's ability to deal with poor behaviour by a consent holder. - SDC considers that any costs associated with poor consent holder behavior should be borne by the offending consent holder and not the rate payer, either directly or indirectly. - A separate CME regional hub could be beneficial as long as there were strong relationships between the consenting authority and the enforcement authority to make sure that both agencies worked together in the process rather than against each other. <p>In general, SDC agrees with:</p> <ul style="list-style-type: none"> - Broadening cost recovery - Independence for compliance and enforcement decision making where proven appropriate. - Increase in financial penalties - Removal of the ability to obtain insurance for infringements - Alternative methods of enforcement e.g. removal of consent.
How practical will the proposals be to implement?	<p>SDC considers the proposals potentially viable subject to the following:</p> <ul style="list-style-type: none"> - Guidance and support on implementation of each new tool. No ambiguity. - Funding provided to Local Authorities to staff themselves to deliver implementation - Consistency of enforcement processes is maintained nationwide.

7. Monitoring and System Oversight

Question	Comment
Will these proposals lead to more effective monitoring and oversight of the system?	SDC considers the proposals for monitoring have the potential to promote effective monitoring and oversight of the new system, subject to the following:

	<ul style="list-style-type: none"> - If tools are outlined in the NBA, these must be clearly articulated with no opportunity for ambiguity. - Funding and support is provided to local authorities to deliver the level of monitoring that will be required. - Clarification is sought on non-compliance of a region ie if they are unable to provide the level of service the changes promote. - Funding and support is provided to manawhenua to enable iwi to actively participate and partner in the monitoring process. - Clarification on what the mechanisms will be to test if the system is giving effect to the principles of Te Tiriti o Waitangi. - Guidance for implementing the amended monitoring system must be made available to local authorities in a clear and concise manner. - Clear communication of the role of central government in the monitoring process. Whilst it is stated that Local Authorities are largely responsible for undertaking monitoring, the proposal indicates that central government is going to have 'regulatory' stewardship; ability to respond to national level reports; intervention powers. Clearly defining roles will be important.
<p>Will the system be able to adequately respond and adapt to changing circumstances?</p>	<p>SDC considers the system has the potential to respond to changing circumstances because of the requirement for:</p> <ul style="list-style-type: none"> - Regular reporting on the performance of the new system. - Requirement for central government to respond to reporting. - Central government keeping an overall strategic view on the functioning of the system. - Accountability requirements. <p>However, to understand if the proposals will be successful, SDC would require more detailed information on the following:</p>

	<ul style="list-style-type: none"> - Clarification on the exact roles of central government and local government and independent bodies in the process. - How regular will national reporting be undertaken on system performance? - How much power will a minister have to intervene and direct the system? What will be the impact on the system of a change in government? - What support will be provided to regions for reporting?
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8. Role of local government in the future system

Question	Comment
What does an effective relationship between local authorities and joint committees look like?	<p>SDC considers an effective relationship to be:</p> <ul style="list-style-type: none"> - Transparent with clear lines of communication and accountability by both parties. This allows trust to build. - SDC considers Community Boards to play a significant role in the relationship between joint committees and local authorities. - Formalised agreement on roles, responsibilities, code of conduct. - Local Government will have a continued seat on all committees for the first generation plan(s). - Transparency about local authorities ability to direct workloads and priorities will be critical to understand. -
What other roles might be required to make the future resource management system effective and efficient?	<p>SDC considers roles are required in:</p> <ul style="list-style-type: none"> - Community communications roles that are strictly planning related. Full investment engagement is required and this includes roles designed specifically for this task. Engagement is critical in the new system to: <ul style="list-style-type: none"> o Develop plans that authentically capture local and community input.

	<ul style="list-style-type: none"> ○ Build trust within the communities. ○ Facilitate accountability.
What might be required to ensure the roles and responsibilities of local authorities can be effectively and efficiently delivered?	<ul style="list-style-type: none"> - A formalized agreement with roles and responsibilities clearly stated. - Funding - Central government guidance and support

9. National Māori Identity

Question	Comment
What functions should a national Māori entity have?	<ul style="list-style-type: none"> - SDC considers the determining of any functions of a national Māori entity should be made by mana whenua and not local government. - SDC strongly encourages central government to talk directly to Te Ao Marama, who represent the four runanga of Murihiku, to understand potential functions of a national Māori entity.
What should the membership and appointments process be for the entity?	<ul style="list-style-type: none"> - SDC considers that membership and appointments process for a national Māori entity can only be determined by iwi.
How can appropriate local issues be included in RSSs?	<ul style="list-style-type: none"> - SDC considers the inclusion of iwi values and issues within RSS can only be determined by mana whenua. - SDC strongly encourages central government to talk directly to Te Ao Marama, who represent the four runanga of Murihiku to understand how to include iwi issues and values within any RSS.
With regional and unitary council boundaries proposed for RSSs, how should cross-boundary issues be addressed?	<ul style="list-style-type: none"> - By partnering with iwi at the outset of the plan development process, in the same way partnering will occur between neighbouring councils to address cross boundary issues. SDC considers iwi to be partners in any planning process.

	<ul style="list-style-type: none"> - SDC strongly encourages central government to talk directly to Te Ao Marama, who represent the four runanga of Murihiku, to understand how best to address cross boundary issues from a Te Ao Māori worldview.
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10. Joint Committee composition

Question	Comment
Should parties in a region be able to determine their committee composition?	<ul style="list-style-type: none"> - Yes, there needs to be clearly defined parameters for selection and agreed terms of agreement. This will ensure fairness and equity.
What should be the selection and appointments processes for joint committee members?	<ul style="list-style-type: none"> - Whilst SDC considers that Māori should have an automatic seat, we do not have the expertise to know exactly what that process would be. SDC considers mana whenua most qualified to answer questions relating to Māori representation on committees.
How do we best provide for existing arrangements (eg, Treaty settlement or other resource management arrangements)?	<ul style="list-style-type: none"> - SDC does not have sufficient expertise to comment on this process. SDC considers this question is best answered by iwi who live and work within the existing arrangements.

11. Enhanced mana whakahono ā rohe arrangements, integrated with transfers of powers and joint management agreements

Question	Comment
How could an enhanced Mana Whakahono ā Rohe process be enabled that is integrated with transfers of powers and joint management agreements?	<ul style="list-style-type: none"> - SDC does not have sufficient expertise to comment on this process. SDC considers this question is best answered by iwi who live and work within the existing arrangements.

What should be covered in the scope of an enhanced Mana Whakahono ā Rohe and what should be mandatory matters?	- SDC does not have sufficient expertise to comment on this process. SDC considers this question is best answered by iwi who live and work within the existing arrangements.
What are the barriers that need to be removed, or incentives added, to better enable transfers of powers and joint management agreements?	- SDC does not have sufficient expertise to comment on this process and considers this question is best answered by iwi who live and work within the existing arrangements.

12. Funding in the future system

Question	Comment
How should funding be distributed across taxpayers, ratepayers and individuals?	<p>SDC considers the management of natural resources to be of national benefit.</p> <ul style="list-style-type: none"> - 70% taxes – environmental management is a national benefit. - 10% ratepayers – projects associated with public infrastructure could have a proportion of costs paid by the ratepayer. - 20 % user pays system. Anyway deriving economic benefit from development on private property should bear the planning costs in full.
How should Māori participation be supported at different levels of the system?	<p>SDC considers that effective support of iwi consists of:</p> <ul style="list-style-type: none"> - Upskilling of LG staff to fully understand Te Ao Māori worldview and how it relates to their work - Systems viewed and developed through a Māori lens, and recognition that currently the systems are predominately within a pakeha worldview. - Acknowledgement of Mātauranga Māori as expertise. - Central government funding support provided to build capacity within iwi to respond to changing RM systems.

Draft significant forecasting assumptions for the 2022/2023 Annual Plan

Record No: R/22/2/4337

Author: Jason Domigan, Corporate performance lead

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To review and adopt the draft significant forecasting assumptions to be used to support the 2022/2023 Annual Plan, which will be adopted in June 2022.

Executive summary

- 2 To develop the 2022/2023 Annual Plan, a number of significant forecasting assumptions have to be made in regards to the future in order to develop the financial forecasts.
- 3 Council staff used the assumptions adopted as part of the Long Term Plan (LTP) as the base and have since reviewed to consider any significant changes to those assumptions.
- 4 As a result of that review, Council staff are recommending the following change to the assumptions:
 - increasing the interest rate on external and internal loans from 2% to 3% to reflect the actual cost of borrowing from the Local Government Funding Authority (LGFA), and the increase in market interest rates since the LTP was adopted.
- 5 The effect of increasing the interest rate on external and internal loans from 2% to 3% is a \$746,767 increase in interest expenditure. This is partially offset by a \$307,917 reduction in principal repayments due the loan calculation automatically reducing the portion of principal. The net impact is \$438,850 which is a 0.81% increase in rates.
- 6 Council staff are recommending no change to the remaining forecasting assumptions adopted as part of the LTP. A list of these is attached in Attachment A.
- 7 On 11 February 2022, the Finance and Assurance Committee reviewed the significant forecasting assumptions. The Committee resolved to endorse and recommend the assumptions presented to Council for adoption. The Committee noted however, that the current environment had uncertainties that were difficult to quantify due to the effects of Covid-19, inflation, levels of service, potential fluoridation of drinking water supplies, three waters reform, and the local government reform and that we needed to keep a watching brief on these and consider if any changes to the assumptions are required before adoption of the final Annual Plan 2022/2023 in June 2022.
- 8 The significant assumptions if adopted by Council as part of the Annual Plan 2022/2023 process but can still be amended or updated up until the Annual Plan is adopted in June 2022.

(i)

Recommendation

That the Council:

- a) **Receives the report titled “Draft significant forecasting assumptions for the 2022/2023 Annual Plan” dated 17 February 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) Adopt the significant forecasting assumptions from the Long Term Plan 2021-2031 (attachment A) including the proposed change below:
 - i) Increase the interest rates on borrowing from 2% to 3%.

Background

- 9 All councils are required by legislation to adopt an Annual Plan. The plan sets out Council’s activities, projects and budgets for the year from 1 July 2022 to 30 June 2023 and updates the information in year 2 of the LTP.
- 10 As such, it is appropriate that the significant forecasting assumptions for the Annual Plan are based on the assumptions adopted as part of the LTP, updated as necessary for any relevant changes deemed appropriate.
- 11 To assist the Council, staff prepare this report and outline for their consideration and review any recommendations for change and make comment on any areas they believe the Council needs to be aware of.
 - (j) Issues
 - (k) Significant forecasting assumptions**
- 12 Significant forecasting assumptions are the building blocks of LTP strategies, policies and activity management plans and provide a baseline of ‘assumptions’ to develop plans for long term planning.
- 13 In preparing forecasts, both financial and non-financial, assumptions can address uncertainties of the future. This provides an understanding of the basis from which financial information has been prepared, a way to explain differences that will likely occur between actual results and what was forecast, and ensuring that risks and challenges faced by Council in the future have been appropriately identified and assessed.
- 14 The identified assumptions include the following strategic and financial issues:
 - demographics

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- tourism
- climate change
- significant, unplanned adverse events
- environmental standards, resource consents and land use
- general economic growth trends
- useful lives of significant assets
- cost estimates and price level changes
- asset revaluation
- Waka Kotahi subsidies for roading
- interest rates on borrowing
- level of service
- technology
- resource constraints.

15 On 11 February 2022, the Finance and Assurance Committee reviewed the significant forecasting assumptions. The Committee resolved to endorse and recommend the assumptions presented to Council for adoption. The Committee noted however, that the current environment had uncertainties that were difficult to quantify due to the effects of Covid-19, inflation, levels of services, potential fluoridation of drinking water supplies, three waters reform, and the local government reform and that we needed to keep a watching brief on these and consider if any changes to the assumptions are required before adoption of the final 2022/23 Annual Plan in June 2022.

16 After reviewing the LTP significant forecasting assumptions as part of the Annual Plan 2022/2023 process, Council staff found the following three financial assumptions require further guidance from the Finance and Assurance Committee:

- interest rates on borrowing
- interest rate on investments/reserves
- price level changes (inflation)

Interest rate on borrowing

17 As part of the LTP, Council decided to move from funding internal loans from reserves to borrowing from the Local Government Agency (LGFA) in order to achieve a lower cost of debt.

18 The LTP forecasted Council would need to borrow \$79,862,628 in 2022/2023 as shown in the table below:

RECONCILIATION	AMOUNT
Forecast opening loan balance (1 July 2022)	66,926,989
Drawdowns 2022/2023	16,433,720
Principal repayments 2022/2023	(3,498,081)
Amount required to borrow 2022/2023	79,862,628
Add LGFA Bonds (1.6%)	1,333,772
Add repayments in LGFA reserve (year 1 and 2)	6,516,460
Total borrowings as per the LTP (30 June 2023)	87,712,860

- 19 The proposed interest rate on borrowing assumption included in the LTP 2031 of 2% was based on LGFA long term fixed rates for up to 17 years (current maximum term) for an unrated guarantor as at June 2021.
- 20 To meet Councils Revenue and Financing Policy, a mix of floating and fixed rate debt is required along with varied maturities. Council staff have been working with its advisors to through the approach utilising the LGFA funding. Based on the recent calculation, the average LGFA interest rate is now 3%, reflecting the increase in interest rates since the LTP was adopted.
- 21 The effect of increasing the interest rate on external and internal loans from 2% to 3% is a \$746,767 increase in interest expenditure. This is partially offset by a \$307, 917 reduction in principal repayments due the loan calculation automatically reducing the portion of principal. Similar to a home loan, the calculation allocates the interest portion first, and the remainder of the total repayment is allocated to principal. One of the effects of increasing the interest has been the rephrasing of the principal repayments even though the total principal repayments and the term of the loan has remained the same. The net impact is \$438,850 which is a 0.81% increase in rates.
- 22 If Council were to retain the interest rate at 2% for the 2022/23 Annual Plan and if the actual interest rates was 3%, there would be a \$438,850 shortfall in funding. This shortfall would need to be funded from either a relevant reserve or a short term loan, repayable by the relevant rate increase. Staff believe it prudent to change the rate to 3% based on current rates and indications of future increasing rates.

Recommendation

- 23 Staff recommend changing the external and internal interest rate assumption from 2% to 3% in the Annual Plan 2022/2023 to reflect the increase in market interest rates.

Interest rate on investments/reserves

- 24 Council staff also reviewed the interest rate on investments assumption. Council agreed as part of the review of the Investment and Liability Policy to separate its borrowings from its reserves, resulting in the decision to seek a balanced managed fund to invest in. During the LTP process Council staff approached its advisors to provide some guidance on what the potential five-year return investment in a balanced managed fund could generate. This indicated a total average return of 6.4% based on historic returns. However, a degree of conservatism was applied and recommended 5.5%. This was, in part, due to the strong returns over the past few years and the uncertainty whether this would continue in a post Covid-19 world, as well as the low interest rate environment that existed and was expected to remain for a significant period of time.
- 25 The 5.5% was made up of 1.7% income return and 3.8% capital return, based on a five-year term. Fund management fees of approximately 1.1% per annum are also required to be paid on the capital balance, resulting in a net return of 4.4%. Council were provided with options on how to distribute the net return income. This resulted in the Council agreeing to allocate \$750,000 to offset rates, provide a 4.4% return on restricted reserves, 2% on local and roading reserves with any surplus/deficit flowing through to the district ops reserve. There would need to be an increase in the interest rate on investments and therefore an increase in the net return, in order to be able to increase the percentage return on reserves. This linkage is why there is a combined interest rate on investments/reserves assumption.

- 26 Since the LTP, strong capital returns have continued and interest rates have increased. As a result, Council staff have considered whether it would be financially prudent to remove the conservative approach taken in establishing the return on investment assumption in the LTP and whether the expected return on investments should increase from 5.5% to 6.4%. Then considering if the increase to the surplus should flow through to the district ops reserve, increase return on reserves, or offset rates even further.
- 27 In considering whether to make a change, Council staff considered the original guidance received from Council's investment advisers, it was emphasised that financial forecasts, by their nature, are uncertain. Inevitably, they will not materialise in exactly the same way and unanticipated events and circumstances are likely to occur. Therefore, actual results in the future will vary from the forecasts provided and these may be material. This makes keeping a degree of conservatism financially prudent. Council staff also looked at the five year average returns for investments on 48 balanced funds on sorted.org website and the average was 5.6%, very similar to our current assumption of 5.5%.

Recommendation

- 28 Council staff recommend that the interest on investment assumptions remain the same at 5.5%. This therefore means the interest paid on restricted reserves remain at 4.4%, and local and roading remain at 2%.

Prices level changes (Inflation)

- 29 As part of the LTP process, Council is required to include a level of price level changes (inflation). The inflation rates currently being used are those rates established by Business and Economic Research Limited (BERL) in October 2020 and adopted as part of Council's Long Term Plan 2021-2031.
- 30 BERL updates its forecasts on an annual basis and the inflation rates are reviewed during Annual Plans. In previous Annual Plans, the change has been minimal, therefore it was decided not to change the BERL assumption.
- 31 The forecast percentages produced by BERL in October 2021 for 2022/2023 are lower than those in the LTP as summarised below.

2022/2023	PLANNING & REGULATION	ROADING	TRANSPORT	COMMUNITY	WATER & ENVIRONMENT	SALARY AND WAGES LOCAL GOVT SECTOR
BERL used in LTP	2.5%	3.1%	2.6%	2.7%	3.5%	2.4%
Updated BERL	2.4%	2.3%	2.4%	2.1%	2.5%	2.2%
Variance	(0.1%)	(0.8%)	(0.2%)	(0.6%)	(1.0%)	(0.2%)

- 32 The actual results will always vary from those budgeted, however, the risk the budget is now slightly overstated is mitigated by the increased costs forecast as a result of difficulties with supply chains caused by Covid-19.

- 33 Although the inflation rates are used as a basis on increase on the previous year, as part of preparing Councils draft Annual Plan, budget managers also make necessary adjustments to budgets to reflect existing contracts and known changes, this mitigates the impact of potential changes not made.

Recommendation

- 34 Staff propose keeping the BERL assumption rates the same for the Annual Plan.

Factors to consider

Legal and statutory requirements

- 35 Section 95 of the Local Government Act 2002 requires the Council to prepare and adopt an Annual Plan for each financial year. Each annual plan should also be prepared in accordance with the principles and procedures that apply to the preparation of the financial statements and funding impact statement included in the LTP.
- 36 Section 111 of the Local Government Act states that any information to be prepared must be in accordance with generally accounting practice where the information is of a form or nature for which generally accepted accounting practice has developed standards.

Community views

Costs and funding

- 37 The net effect of increasing the interest rate on external loans to 3% (\$746,811 increase in expenditure).

Policy implications

- 38 The significant forecasting assumptions create the building blocks that are used in the financial and infrastructure strategies.
- 39 Significant forecasting assumptions are also incorporated into the development of the activity management plans so that consistency is applied across Council in consideration to the future delivery of Council activities and how they will be managed. The activity management plans provide the levels of service and the key performance indicators for the Long Term Plan.

Analysis

Options considered

Analysis of options

Option 1 – Adopts the assumptions with any amendments from this meeting for use in preparation of the Annual Plan 2022/2023.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">assumptions are consistent with 2021-2031 LTPsimplified more efficient approachthe Annual Plan can continue to be prepared in line with the planned timetable.	<ul style="list-style-type: none">risk of change in assumptions and flow on impact to financial forecasts and rates

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Option 2 – Do not recommend the assumptions as presented

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• changes can be made to the assumptions to incorporate the Council's views.	<ul style="list-style-type: none">• more complex approach for potentially minimal benefit• different approach to 2021-2031 LTP• the Annual Plan process may be delayed depending on the time needed to provide the necessary information

Assessment of significance

- 40 In terms of Council's Significance and Engagement Policy, the assumptions which form part of the Annual Plan are not considered significant.

Recommended option

- 41 Option 1 – Adopts the assumptions with any amendments from this meeting for use in preparation of the Annual Plan 2022/2023.

Next steps

- 42 The assumptions (incorporating any changes agreed at this meeting) will be used in preparation of the Annual Plan 2022/2023.

Attachments

- A Annual Plan 2022 2023 Draft Significant Forecasting Assumptions - 22 Feb 2022 [↓](#)

Significant Forecasting Assumptions

Key Strategic Assumptions

'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
Demographics: <ul style="list-style-type: none"> population - population growth affects the demand for Council's services and infrastructure, as well as the ability to cover the cost of services and infrastructure. ageing - a significantly ageing population has implications for the viability and wellbeing of communities within the District. immigration - The District's population is growing at a slower rate than New Zealand population as a 	<p>The estimated resident population of the District in 2017 was 30,300.</p> <p>This is projected to grow to 36,700 by 2043 (source: BERL Detailed Southland population projections).</p> <p>Te Anau and Winton will see the largest growth in total population between 2013 and 2043, with each township growing by between 400 and 500 people.</p> <p>Monowai, Nightcaps, Riversdale, Tokanui, and Otautau are projected to either maintain their 2013 population through to 2043 or see a small decline.</p> <p>The population projections show that between 2013 and 2043 all townships will see an increase in people aged over 65. In addition, a number of townships will see a decline in those aged under 15 and people aged 15 to 64 years of age.</p> <p>There is projected to be a significant tightening of the labour market</p>	Very low			No change

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
whole is growing, which is partly due to the Southland District having a lower rate of international immigration.	between 2018 and 2033, to a point where demand for labour demand exceeds the entire population aged from 15 to 64 years old (BERL Stage 3 report). The rate of volunteering is also expected to decrease.				
Tourism Provision of appropriate visitor infrastructure and increase range of tourism related opportunities.	There will increased impacts on services such as libraries and public toilets which can be met within the scope of the planned infrastructure upgrades within this LTP. Alternatively, environmental quality and the visitor experience in parts of the District declines due to lack of appropriate infrastructure. Whilst Milford Sound is one of NZ's most important attractions, currently the local economy does not harness the full potential from the flow of visitors to this location. Visitor numbers to Milford Sound have almost doubled in the past 5 years from 556,000 in 2014 to 932,000 in 2018. The assumption is that these numbers will continue to increase.	High	MEDIUM There may be a need to accelerate infrastructure upgrades.	<i>Continuing support for regional development initiatives.</i>	No change as the assumption is focused on increase impacts from tourism demand. The impact on tourism across the District due to covid-19 border restrictions is noted.

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
	<p>The increase in visitors to Stewart Island/Rakiura will put corresponding pressure on jetties and infrastructure on the Island.</p> <p>The ongoing impact of Covid-19 on tourism has created significant uncertainty in the sector and the wider business sector as whole. The biggest impact will be as a result of the border closure effectively ceasing international tourism overnight. Given the global impact of Covid-19 this may be in place for some time to come.</p>				
<p>Climate change</p> <p>Planning may not adequately account for climate change impacts.</p>	<p>Sea level rise progressively impacts low lying coastal areas affecting ecology and settlements. Water availability in some areas becomes scarce, extreme weather events are larger and more frequent, communities become more resilient to climate change. Transition to a low carbon future</p> <p>Changes and associated impacts such as risk based insurance will influence investment in built development (ie. coastal and flood plain development) and types of farming.</p>	Moderate	<p>MEDIUM</p> <p>A 2018 NIWA report projects increases for all of Southland in sea level, temperature, overall precipitation and the frequency of dry days.</p> <p>There is an increasing likelihood of sea surge, coastal inundation, drought and large severe weather events.</p>	<p><i>LIDAR flights are currently being undertaken and is expected to be completed within 12 months depending on weather. Once the data outlined above has been captured, LIDAR modelling will be undertaken to enable the flood modelling to be run.</i></p> <p><i>There is proposed funding outlined in the</i></p>	No change

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
	<p>Climate change will have a significant impact on the coastal settlements within Southland District. It is known that areas of Colac Bay, Orepuki, Fortrose and Stewart Island/Rakiura are subject to coastal processes that are causing erosion resulting in loss of land and council roading infrastructure.</p> <p>Sea level rise is expected to be between 0.2-0.3 m above present levels by 2040 and increasing to 0.4-0.9 m by 2090.</p> <p>The projected Southland temperature changes increase with time and emission scenario. Future annual average warming spans a wide range: 0.5-1°C by 2040, and 0.7-3°C by 2090.</p> <p>Floods are expected to become larger across the District.</p> <p>The central-northern part of the Southland Region is projected to experience the largest increases in drought.</p> <p>The occurrence of heat waves will double by 2040.</p>			<p><i>LTP for a specific role within the Policy Planning team to lead the next stage of our climate change analysis.</i></p>	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
<p>Significant, unplanned adverse events</p> <p>Significant earthquakes, flooding, tsunami and other hazards outside of expected risk assessments.</p> <p>Assume that none of these events will occur but we need to be prepared.</p>	<p>Borrowing 'headroom' to fund Council's share of a rebuild in relation to a 'maximum probable loss' scenario is provided for within Council's Financial Strategy.</p> <p>There will be community disruption and displacement as well as localised infrastructure and facilities damage.</p> <p>The next severe earthquake on the Alpine Fault is likely to occur within the lifetime of most of us or our children. We are assuming that it will not occur within the ten years covered by this LTP.</p> <p>Under almost every climate change scenario, storms and therefore flooding will become more frequent and intense and communities will feel the effects more regularly and intensively. It is assumed that these events can be managed within current budgets.</p>	Low		<p><i>All of these natural disasters highlight the importance of robust emergency management systems and Business Continuity Planning (BCP). These include:</i></p> <ul style="list-style-type: none"> <i>-Alpine Fault Magnitude 8; a South Island wide project to save lives by planning and preparing a coordinated response across the South Island after a severe earthquake on the Alpine Fault.</i> <i>-Environment Southland's flood warning system and Group Tsunami Plan</i> <i>- Emergency Management Southland</i> <p><i>Any new development should be undertaken with a view to mitigating exposure to natural disasters.</i></p>	No change

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
<p>Environmental standards, resource consents and land use</p> <p>Council may be required to undertake significant capital works in relation to drinking, stormwater and wastewater.</p>	<p>Changing delivery models and increasing standards impacts Council's regulatory, monitoring and infrastructure requirements. This poses uncertainty to service delivery in this area.</p> <p>There will be a change to the regulatory standards for drinking water and a new regulatory agency has been formed Allowance has been made for meeting the expected new standards. It is assumed that Council will continue to be responsible for the delivery of its existing range of water, wastewater and stormwater services.</p> <p>The Proposed Water and Land Plan for Southland and the Freshwater National Policy Statement will have a continuing impact on the regulatory environment for agricultural land use. This may alter the way that investment decisions are made and therefore the land use changes that will occur.</p> <p>Land use changes as a result of climate change (e.g. flood plain zone changes).</p>	Low		<p><i>New and revised consenting requirements set by Land and Water Plan are reflected in the proposed works programme. Council will continue to work closely with ES and other relevant agencies that may be formed in the future.</i></p> <p><i>Asset management plans are updated.</i></p>	No change but potential implications are noted due to national discussions regarding the potential fluoridation of drinking water supplies.

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
	The amendment to the Climate Change Response (Zero Carbon) Bill may alter the delivery of Council activities. This may impact land use and transport across the District.				
<p>General economic growth trends</p> <p>Long term economic growth may not continue to be consistent with trends.</p> <p>Potential for significant downturn in global dairy prices as well as other primary sector goods.</p> <p>Changes to the primary sector occurring at a faster rate than businesses in the District (automation, niche products, synthetic alternatives to meat and milk products, etc).</p>	<p>The economy maintains current prospects.</p> <p>The median personal income in the Southland District is growing at a faster rate than the median income across NZ.</p> <p>There is an enduring trend that local businesses in the District hire smaller numbers of people (compared the rest of New Zealand).</p> <p>Home ownership rates in the District are falling.</p> <p>Half of the businesses operating in Southland District are in the primary sector.</p> <p>98% of these primary sector businesses operate in the industries of agriculture or forestry (BERL – Compendium Report 2018). BERL estimate that 18.3% of total employment (measured in Full-time Equivalents) in the District is in dairy farming.</p>	Moderate			No changes but notes the impacts on some industries and incomes from covid-19.

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
Legislative Changes New/amended legislation or government policy comes into force that has a significant impact on Council to respond or impact on cost to administer by Council; or results in a change to the services delivered by the Council.	It is assumed there will be no major legislative changes or change in government policy that will significantly impact Council aside from the legislative changes identified under the Environmental Standards, Resource Consents and Land Use assumption. Given the recent three waters reform announcements, this plan assumes the delivery of the three waters activities will remain with Council at the same level of service as currently provided.	Moderate	MEDIUM Legislative or government policy changes are expected to have a medium effect on Council's finances and/or levels of service.		No change but potential implications are noted due to national discussions regarding the potential fluoridation of drinking water supplies, three waters and resource management reforms.
Technology Changes in technology will impact the delivery of our key activities.	It is assumed there will be increased access to fibre connectivity will mean more use of online digital services.	Low			No change

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
	<p>There may be less demand for face-to-face customer service as technology provide alternative methods for answering questions and resolving issues.</p> <p>It is assumed automated technology and artificial intelligence alters the way that council delivers its service.</p> <p>Chorus will have rolled out full internet connectivity throughout the district by the end of 2021.</p>				
<p>Resource Constraints</p> <p>Ability to find procure contractors and resources will be diminished due to other work underway across the district.</p> <p>40% of the Southland District Council workforce are born between 1943 and 1966 and are likely to retire in the next 10 years. This may result in the loss of staff resource and knowledge to deliver projects.</p>	<p>It is assumed that due to increased work across the district (e.g. Invercargill city centre development, Dunedin Hospital build, etc) there will be a shortage of workers and resources across the lower South Island.</p> <p>The retirement of the ageing workforce of Southland District Council will impact the delivery of the LTP work programme.</p>	Moderate	<p>MEDIUM</p> <p>Resource constraints may disrupt delivery of the Long Term Plan work programme and meeting the established levels of service.</p>		<p>No change but notes the ongoing challenges for contractors and legislative impacts on staff resources.</p>
<p>Three Waters Reforms</p> <p>In July 2020 the government released its three waters</p>	<p>An overarching regulator, Taumata Arowai, will oversee the sector, and is proposing a small number of larger regional entities providing these</p>	High		<p><i>The community will need three waters services whether the council delivers them or not.</i></p>	<p>No change but notes the ongoing challenges for contractors and</p>

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
reform, a three-year programme to change the way drinking water, wastewater and stormwater are delivered to improve public health, environmental and economic outcomes.	<p>services rather than the 67 individual councils that currently do.</p> <p>At the same time, a multi-million-dollar stimulus funding package was announced to maintain and improve three waters infrastructure and support the introduction of the reform programme. Funding has been given to councils that agreed to participate in the programme's first stage, including Southland District Council. Our share is being used to carry out pipe replacement and improve treatment across the District as well as carry out condition assessments of sewerage and stormwater assets.</p> <p>There is still a lot of information to come about what the reforms mean for Southland before we have to decide whether to opt in or out of the process later this year.</p> <p>It is assumed that the council will deliver these services over the life of the LTP.</p>			<p><i>These activities are reflected in the financial, strategy and the infrastructure strategy and other information that is included in the CD and supporting information.</i></p> <p><i>The purpose of this is to present the community with as a complete and accurate a set of information on the medium-term and long-term for those activities.</i></p>	legislative impacts on staff resources as part of three waters reforms.
Covid-19 The Covid-19 pandemic has created a lot of change and economic uncertainty	The Southland economy has weathered the storm relatively well because of its base of food production.	High	Moderate Council may need to prioritise works should economic	<i>Council is consulting over changes to its rates remission and postponement policy to have greater flexibility to</i>	No change but note the impact of covid-19 on the ability of some to pay rates

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies	Annual Plan review notes
<p>nationwide in the past year. In Southland District, Fiordland has been impacted most by the closure of New Zealand's borders as international tourists are its main source of income. This affects more than just tourism businesses – it has brought financial hardship to the whole community. Domestic visitors have had a cushioning effect on other destinations such as Stewart Island/Rakiura and the Catlins.</p>	<p>It is assumed that this should continue as long as international exports continue and we're able to receive imported components like pipes for our own capital works. Given that much of this plan is about investing in infrastructure to maintain our services over the long term, that work still needs to progress despite Covid-19.</p>		<p>conditions worsen and affect the capacity of our communities to pay rates.</p>	<p><i>provide relief from rates during unexpected events.</i></p>	<p>and potential flow on effect to rates income.</p>

Key Financial Assumptions

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
Price level changes Inflation may vary significantly than that allowed for in the Long Term Plan.	Inflation is included using projections prepared by Business and Economic Research Limited (BERL), which are based on October 2020 published values, as summarised in Appendix 1.	Low	MEDIUM Inflation is affected by external economic factors and therefore actual inflation increases will vary from those used in developing this plan. The result of any variation (up or down) will result in a higher or lower rates requirement, and may therefore also impact on the levels of service, particularly in relation to roading, water, wastewater and stormwater.	No change but notes the minor risk with budget being slightly overstated but offset by increased costs from supply chains.
Cost estimates Cost of operating and maintenance contracts as well as major capital works costs may vary significantly from costs estimated in this plan	When contracts are renewed there are no significant variations allowed for and any annual cost adjustment is in line with the relevant BERL inflation percentage, except for the specific matters listed below: Water – based on inflation, except for a potential increase in the renewal of the operations and maintenance contract. Wastewater – based on inflation, except for a potential increase in the renewal of the operations and maintenance contract as well as additional allowance for any	Low	MEDIUM Greater than anticipated cost increases, especially in construction, capital works and contracting rates, increase the overall cost of the capital and maintenance programs, in turn having an impact on debt servicing costs and rates.	No change but monitoring cost increases in capital works.

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Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
	<p>new/upgraded schemes (Te Anau and Winton).</p> <p>Waste management - based on inflation, except for a potential increase in waste disposal costs to recover waste disposal levy increases, as well as a potential increase for the waste disposal contract.</p> <p>Community facilities – mowing and other contract increases are based on approved contracts. Where new contracts are not currently in place at September 2020, the prices received through the direct negotiation process have been used which include a level of increase in addition to inflation.</p>			
<p>Useful lives of significant assets</p> <p>The useful life of assets determines when an asset is expected to be renewed and the calculation of depreciation. This will impact on the timing of replacements and the amount of rates collected for funding depreciations.</p>	That the useful life of significant assets will be the same as set out in the accounting policies of Council.	High	<p>MEDIUM</p> <p>The timing of renewal projects is inaccurate and will need to be completed earlier/later as required. This will change the timing of funding requirement as shown in Council's revenue and financing policy (including rates).</p> <p>The amount of depreciation being inaccurate will impact on either over/under collecting rates in the relevant years due to the funding of depreciation.</p>	No change

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
			The financial impact of a 1% change in depreciation would result in a change in depreciation of \$272,126 in 2021/2022 to \$382,440 in 2030/2031.	
Vested assets Vested assets are assets that are gifted/donated to Council and as a result associated operating costs and future asset replacement costs become the responsibility of Council.	No significant vested assets are forecast across the 10 years of this plan.	Moderate	MEDIUM The level of vested assets fluctuates from year to year and is unpredictable. Historical levels have not been material. The recognition of vested assets is non-cash in nature and therefore have no effect on rates. However receipt of any vested assets will increase depreciation and operating costs in future years and therefore may also result in additional rates.	No change
Infrastructural asset revaluation Asset revaluation may be higher or lower than estimated.	In the LTP, Council has revalued its significant infrastructural assets on a yearly basis in line with the relevant BERL inflation rate taking into account planned additions.	Very high		No change

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
Forestry assets Fluctuations in the forestry asset revaluation and returns.	Council has forecast the revaluation of forestry assets and operating results on a yearly basis taking into account planned harvesting and replanting.	Moderate	MEDIUM The recognition of forestry assets is non-cash in nature and therefore has no effect on rates. However fluctuations in operating results may impact rates.	No change
Emission Trading Scheme Fluctuation in the value of Council's investment in emission trading units.	Council will retain its investment in the Emission Trading Scheme (105,632 units) at a value of \$32.10 per unit across the 10 years of the plan.	Moderate		No change
Investments in other entities Fluctuation in the value of Council's investment in other entities, joint ventures and associates. This includes Milford Sound Tourism Ltd, Civic Assurance, WasteNet, Southland Regional Development Agency, Emergency Management Southland and Southland Regional Heritage Committee.	Council will retain its investment in these entities and associates at the current level and will assume an annual dividend across the 10 years of the plan where there is a history of dividends. No income from associates is forecast.	Moderate		No change
Funding of future replacement of significant assets	We have assumed that Council will continue to incrementally increase funding depreciation of the following	Low	MEDIUM The level of depreciation being funded is inaccurate and will result in either	No change

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
Due to the large amount of ageing infrastructure, funding renewals through reserves or loans is inconsistent with good practice. In the 2015-2025 LTP Council commenced a phasing in depreciation funding to build up funds for replacement of assets whilst maintaining affordable rates increases.	<p>assets classes: roading, water, wastewater, council buildings, information technology, wheelie bins, public toilets and solid waste.</p> <p>Funding depreciation of these activities (except water and wastewater) will be phased over the next 10 years as follows:</p> <p>2021/2022 70%</p> <p>2022/2023 80%</p> <p>2023/2024 90%</p> <p>2024/2025 onwards 100%</p> <p>Funding depreciation of water and wastewater activities will be phased over the next 10 years as follows:</p> <p>2021/2022 65%</p> <p>2022/2023 70%</p> <p>2023/2024 75%</p> <p>2024/2025 80%</p> <p>2025/2026 85%</p> <p>2026/2027 90%</p> <p>2027/2028 95%</p> <p>2028/2029 onwards 100%</p> <p>Motor vehicles and SIESA assets are funded 100% for the 10 years of the plan.</p>		over/under collecting rates in the relevant years. Additionally any shortfalls will need to be funded by other sources (such as rates, reserves or loans) which may also result in additional rates.	
<p>Subsidies for roading</p> <p>Waka Kotahi NZ Transport Agency (Waka Kotahi) has announced its indicative</p>	Through this LTP we have identified a programme of work necessary to maintain the assets and levels of service for our roading network.	Very High		No change but note change in work programme with additional

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
investment levels for years 1 - 3 of the Long Term Plan. The funding levels indicated are less than those requested by SDC. Sufficient funds may not be available to pay for the planned increase in capital projects and operational/maintenance costs in years 4 - 10 of the Long Term Plan.	<p>Waka Kotahi has very recently outlined the proposed/indicative funding levels for the first three years allocated to SDC. The level proposed by Waka Kotahi is at 85% of the funding level requested.</p> <p>It is assumed Waka Kotahi will be able to meet the requested funding needs of proposed works from Years 4 to 10 of the LTP.</p> <p>It is assumed that the level of financial assistance received from Waka Kotahi will be 52% for the period of the LTP.</p> <p>It was assumed Waka Kotahi funding will be awarded for three-year periods and that the following seven years will be funded in a similar manner.</p> <p>Funding assistance for large capital transport works would be achieved on a case by case basis with Waka Kotahi.</p>			funding provided for years 2 and 3 following the Waka Kotahi funding announcement in August 2021.
Sources of funds That sources of funds are not achievable.	Sources of funds (being user fees/charges, grants, subsidies and borrowings) for both operating and capital expenditure are obtained in	Low	MEDIUM If revenue sources are not achievable, the levels of service may be reduced or an alternate funding source required to	No change

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
	accordance with the Revenue and Financing Policy.		maintain those levels. This may include setting additional rates.	
Return on investment/reserves Return on investments may vary from the amount included in the ten year plan.	Return on financial investments has been calculated at 5.5% per annum, for funds invested externally for the life of the plan. This is on the basis of a balanced managed fund with approximately 50/50 investment in income and growth assets. Fund administration costs associated with these investments are calculated at 1.10% per annum and are deducted from the fund capital. The first \$750,000 of return on investments is used to offset rates requirements. Interest on reserves is allocated as follows: Restricted reserves 4.4% per annum Local reserves 2.0% per annum Strategic asset reserve 2.0%	Moderate	MEDIUM A decrease in investment interest rates may require Council to collect more rates to cover the shortfall of interest used to offset rates.	No change with 5.5% rate of being assessed as the appropriate return.
Interest rates on borrowing The interest rates paid on borrowing will vary over the 10 year period.	Interest on new and existing internal and external borrowings is allowed for at 2.0% 3.0% per annum over the term of the borrowing.	Moderate	MEDIUM An increase in interest rates may require Council to collect more rates to cover the additional interest payments.	Recommend changing the external and internal interest rate assumption from 2% to 3% in the Annual Plan 2022/2023 to reflect the increase in

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
				market interest rates.
Local Government Funding Agency (LGFA) Guarantee Each of the shareholders of the LGFA is a party to a Deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and the guarantee obligations of the other participating local authorities to the LGFA, in the event of default.	Council believe that the risk of the guarantee being called on and any financial loss arising from the guarantee is low and therefore nothing has been included in the forecasts for the term of the plan.	Low		No change
External borrowing All external borrowing will be sourced from LGFA.	The borrowings are interest only. Repayments collected from rates will be held in a restricted reserve until the end of the loan term. The term of all borrowings are planned to exceed the term of the LTP.	Low	Medium In the event that Council are unable to borrow from LGFA, Council may be required to borrow from other external lenders with the risk of higher interest rates and different repayment terms.	No change
Capital expenditure delivery Programmes and projects are assumed to be delivered on time.	The Long Term Plan assumes that the timing and cost of capital projects and associated operating costs are as determined through the Council's activity management planning process.	High	Medium There is a risk that capital projects may not be delivered as planned. This could be due to a variety of factors as outlined below: <ol style="list-style-type: none"> 1. Further Covid-19 lockdowns 2. Capacity of local market to deliver due to <ol style="list-style-type: none"> a. Lack for resources 	No change

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
			<ul style="list-style-type: none"> b. Lack of skilled resources for specialist works c. Demand on other local projects in Southland d. Local and International supply chain constraints <p>3. High demand on contractors resulting in higher project costs and need to rescope causing delays to spending</p> <p>4. High demand on consultancy services</p> <p>5. Demand on councils to complete resource and building consents affecting project delivery.</p> <p>Delays/deferrals on the level of capital works completed on time will impact future depreciation (which is, in most instances, funded by rates). Funding of capital works is typically by reserves and loans, therefore will impact future interest and principle repayments, which are funded by rates.</p> <p>There may also be an increase in maintenance costs as a result of any delay of delivering capital works, which will also have an impact on rates.</p>	

R/21/2/5200

Financial issue/risk	Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	Annual Plan review notes
			<p>A 1% change in the capital programme ranges from \$452,000 in 2021/2022 to \$458,000 in 2030/2031.</p> <p>If \$1 million of capital works is delayed, there would be a \$50,000 saving per annum in future loan repayments (assuming 30 year term), and accordingly rates, however this saving may potentially be consumed with additional maintenance costs from extending the asset past its useful life.</p>	

Assumption	Uncertainty Description	Description	Likelihood of the risk occurring if the assumption is incorrect
	Very high uncertainty	A very low level of information/confidence in the assumption	Highly likely
	High uncertainty	A poor level of information/confidence in the assumption	Likely
	Moderate uncertainty	A moderate level of information/confidence in the assumption	Possible
	Low uncertainty	A good level of information/confidence in the assumption	Unlikely
	Very low uncertainty	A very good level of information/confidence in the assumption	Rare

R/21/2/5200

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Highly likely		Medium			
Likely		Medium			
Possible		Medium	Medium		
Unlikely			Medium	Medium	
Rare					

Risk thresholds

	Insignificant	Minor	Moderate	Major	Catastrophic
Strategic	No significant adverse public comment No impact on achievement of LTP objectives Key stakeholder relationships unaffected	Adverse comment in local or social media Letters to CEO, complaints to Crs May slow achievement of LTP objectives Minor impact on key stakeholder relationships	National media coverage Will impact achievement of one or more LTP objectives Negative impact on key stakeholder relationships	National media coverage 2-3 days Will significantly impact the achievement of multiple LTP objectives Significant impact on multiple key stakeholder relationships	Coverage in national media 3+ days Commission of Inquiry/ Parliamentary questions Stakeholder relations irreparably damaged Cannot deliver on most LTP objectives
Operational	No loss of operational capability Minimal change to service levels Minimal loss of internal capacity	Loss of operational capability in some areas Some disruption to service levels Internal capacity lost for up to 1 week	Serious loss of operational capability for over 6 weeks and/or Disruption to service levels for 4-6 weeks Loss of internal capacity 1-3 weeks	Serious loss of operational capability for over 8 weeks and major disruption to service levels and/or Loss of internal capacity 4-6 weeks	Serious loss of operational capability for 3-4 mths and serious disruption to service levels and Loss of internal capacity for more than 6 weeks
Financial	No impact on financial targets	Up to 1% impact on financial targets	Up to 5% impact on financial targets	Up to 10% impact on financial targets	More than 10% impact on financial targets

R/21/2/5200

Appendix 1: BERL inflation rates for Long Term Plan 2031

Year	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Property maintenance	2.90%	2.50%	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.60%
Roading	3.10%	3.00%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Property capital	3.00%	2.60%	2.60%	2.70%	2.60%	2.80%	2.80%	2.90%	2.70%
Energy	2.90%	2.50%	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.60%
Water	3.50%	2.60%	2.70%	2.90%	2.80%	3.20%	3.30%	3.40%	3.10%
Other	2.90%	2.50%	2.50%	2.60%	2.50%	2.60%	2.70%	2.70%	2.60%
Staff costs	2.40%	1.50%	1.70%	2.00%	2.20%	2.30%	2.40%	2.60%	2.70%

R/21/2/5200

Three-yearly District revaluation

Record no: R/22/2/4465
Author: Nicole Taylor, Finance development co-ordinator
Approved by: Anne Robson, Chief financial officer

☐ Decision ☐ Recommendation ☒ Information

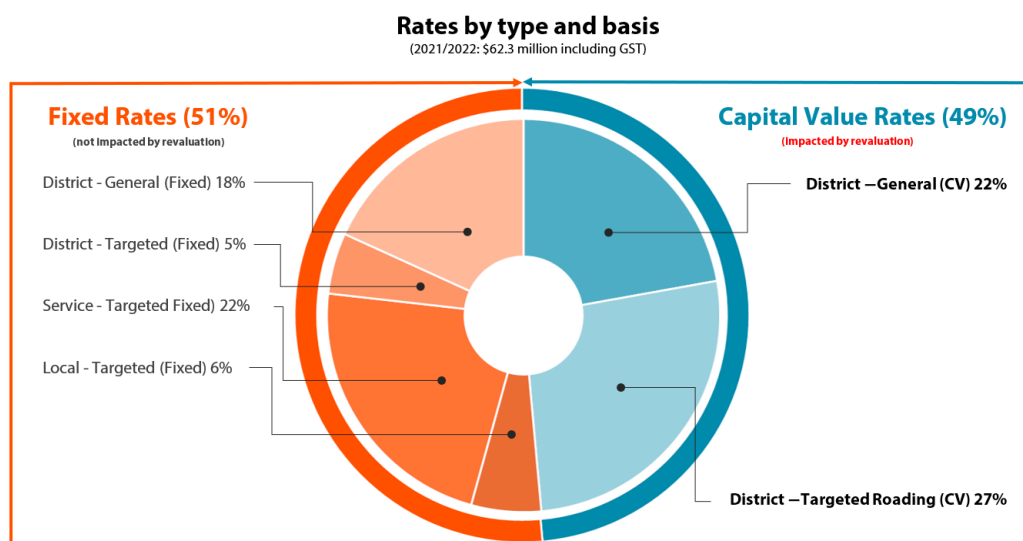
Overview

- Section 9(1) of the Rating Valuations Act 1998 requires Council to revise its District Valuation Roll (the Roll) at intervals of not more than three years. To this end, Quotable Value Limited (QV), Council's valuer, have re-valued all rateable properties in Southland District. This has been audited by the Office of the Valuer General.
- The key changes occurring as result of the 2021 revaluation compared to the 2018 revaluation are shown in the table below. More information about the reasons for the changes and general trends are detailed in the summary in attachment A.

Sector	No. Assets	2022 CV	CV % Change	2022 LV	LV % Change
Dairy & Pastoral	3,942	\$15,221,871,100	2.5%	\$12,606,628,700	2.2%
Arable, Horticultural & Specialist	236	\$532,335,000	5.8%	\$406,353,000	4.5%
Forestry	544	\$501,279,000	35.6%	\$483,059,100	37.2%
Lifestyle	3,341	\$1,839,287,300	36.9%	\$890,496,000	50.7%
Mining	23	\$14,197,000	1.5%	\$10,506,500	1.1%
Residential	9,555	\$3,688,807,650	49.4%	\$1,645,520,500	72.4%
Commercial	530	\$420,066,700	15.4%	\$173,092,800	37.7%
Industrial	425	\$439,597,200	20.5%	\$117,323,000	63.5%
Other	1,245	\$1,493,950,600	7.4%	\$1,329,506,800	6.6%
Utilities	107	\$1,300,523,400	1.3%	\$29,590,800	9.7%
TOTAL	19,948	\$25,451,914,950	10.9%	\$17,692,077,200	9.9%

- These revised values will be deemed to be the value as at 1 August 2021 and will be effective in our District Valuation Roll ("DVR") from 5 February 2022. These values will be used for rating from 1 July 2022 and will be used as the basis for Council's 2022/2023 rates.
- Notices informing property owners of changes in the assessed values for their properties will be sent on the 16 February, with owners having the opportunity to object to the values assessed. Details on how to object are included within the information sent and must be received by Quotable Value by the 24 March 2022.
- The graph below outlines how Council's rates are collected. 51% of Council's rates are set using a fixed amount per property which means the revaluation will not impact these rates. However rates that are set using capital value will be impacted.
- Southland District Council has two rates that are set as a rate in the dollar on capital value - the General rate and targeted roading rate which collectively make up around 49% or \$30.2 million (including GST) of total 2021/2022 rates. With the roading rate, it is also important to note that

there are a number of factors in the roading rate model which contribute to determining the rate in the dollar, not solely capital value.



- 7 An increase in value won't necessarily mean that a property's rates will increase, it will depend on how the increase for that property compares to others. Overall, Council doesn't collect any more rates because the values have increased. However, the new values can impact how the total rates are shared out amongst properties.
- 8 Generally those properties with values that go up more than average are more likely to see an increase, while those with an increase below the average could pay less. The summary table on the previous page shows that the average capital value percentage change across the district was 10.9%. In the latest revaluation residential, lifestyle, forestry, industrial and commercial capital values have increased at a faster rate than other sectors (above the average of 10.9%).
- 9 Please note that Council does not use land value to set any of its rates.
- 10 Key revaluation dates to note are:

EVENT	DATE
Revaluation date	1 August 2021
Date of effect in District Valuation Roll	5 February 2022
Date of public notice:	10 February 2022
Date owners' notices posted:	16 February 2022
Objection closing date:	24 March 2022
2022/2023 rates are set	1 July 2022

Recommendation

That the Council:

- a) **receives the report titled "Three-yearly District revaluation" dated 15 February 2022.**

Attachments

A Southland District Revaluation 2021 - Summary Information [↓](#)

Southland District Final Revaluation 2021



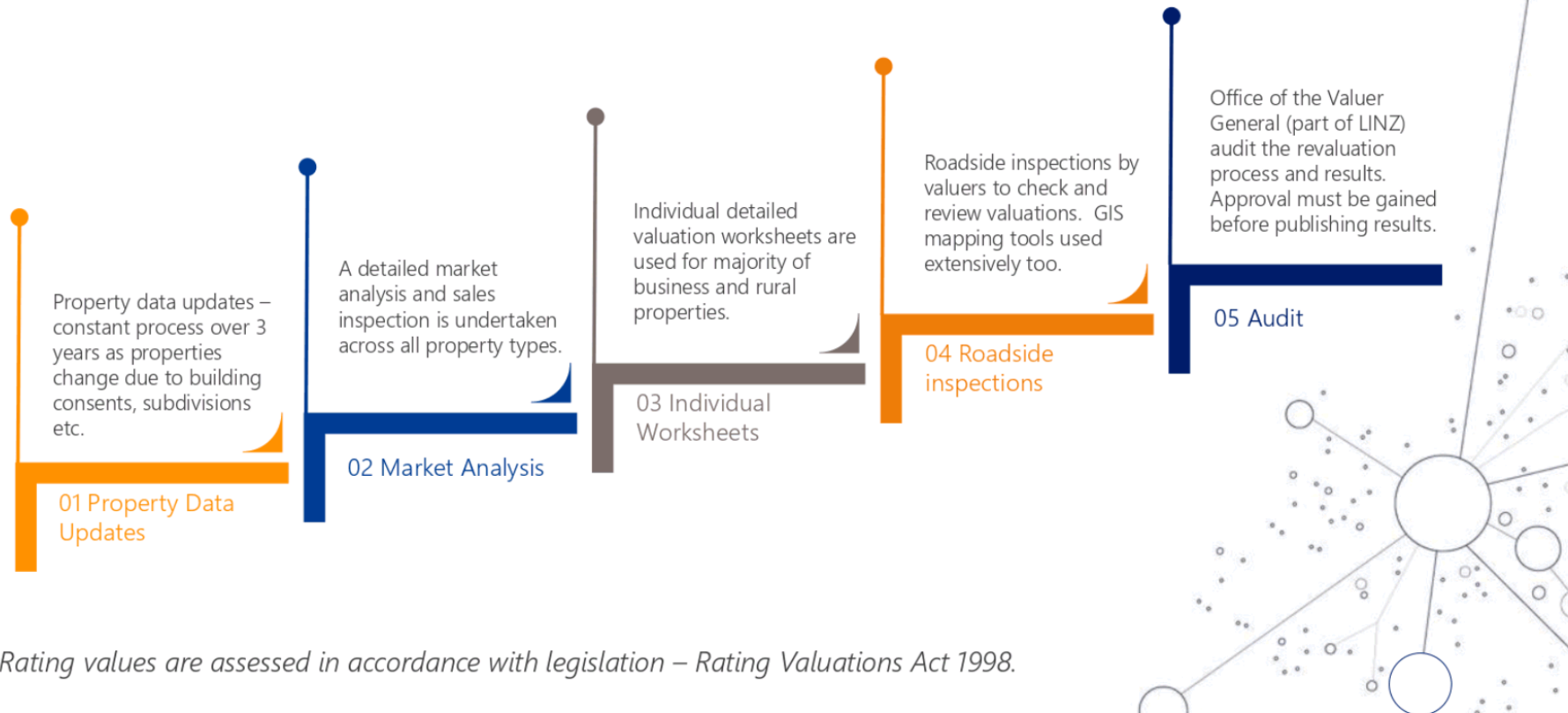
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Key Dates

- Effective date of valuation: 1st August 2021
- Approved by Valuer General: 3rd February 2022
- Values implemented: 5th February 2022
- Owners notices posted from 16th February 2022
- Last day objections: 24th March 2022
- Used for rating purposes from 1 July 2022



Process



Rating values are assessed in accordance with legislation – Rating Valuations Act 1998.

Rating Values vs. Market Values



Rating values are a 'snapshot' of the market at a single point in time

If market prices change, a rating valuation cannot be expected to represent the market value for an extended period

Rating values do not include plant and chattels, or tree worth

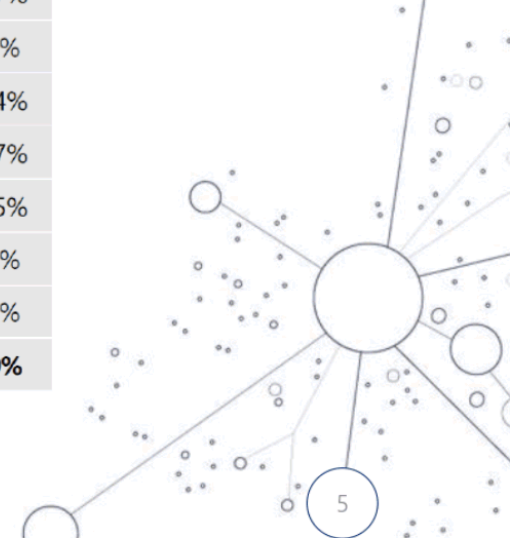
The community and market set property value levels
– QV interprets this to form rating values



Revaluation summary



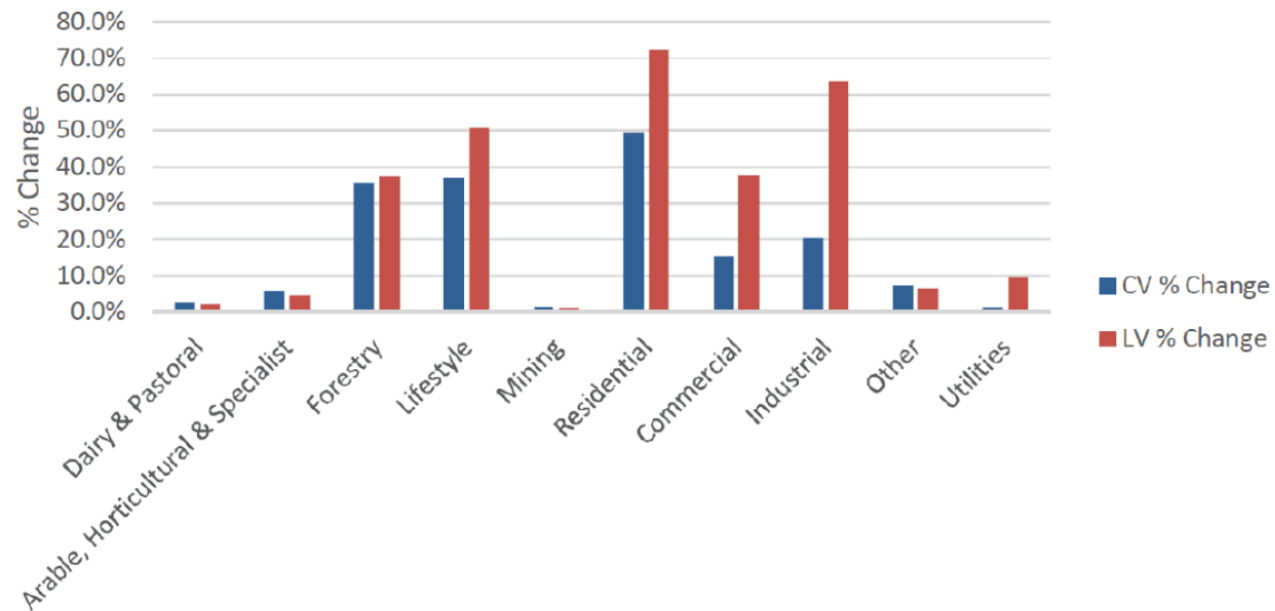
Sector	No. Assets	2022 CV	CV % Change	2022 LV	LV % Change
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Utilities	107	\$1,300,523,400	1.3%	\$29,590,800	9.7%
TOTAL	19,948	\$25,451,914,950	10.9%	\$17,692,077,200	9.9%



Revaluation overview



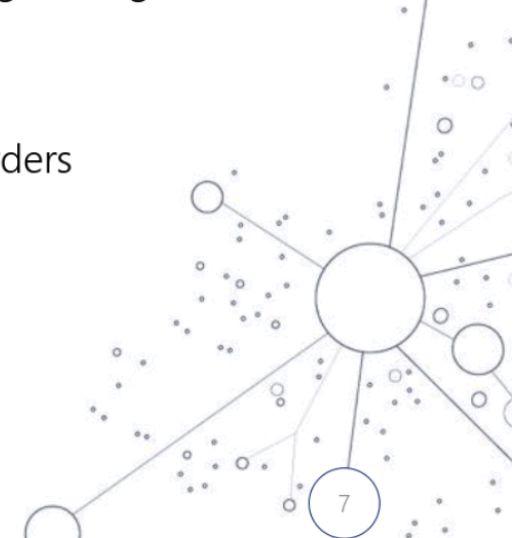
Southland District 2022 - Capital & Land Value Changes by Category



Key messages



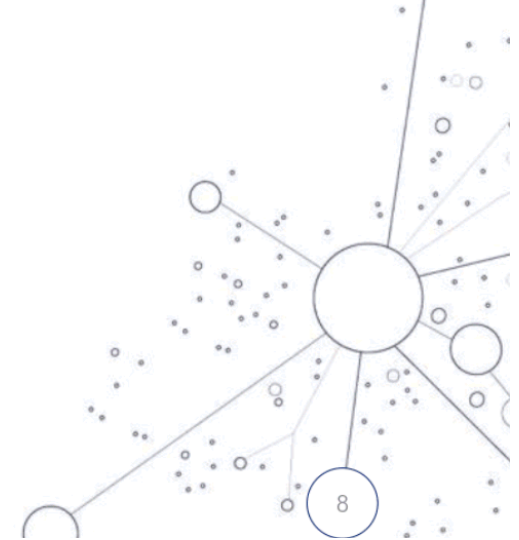
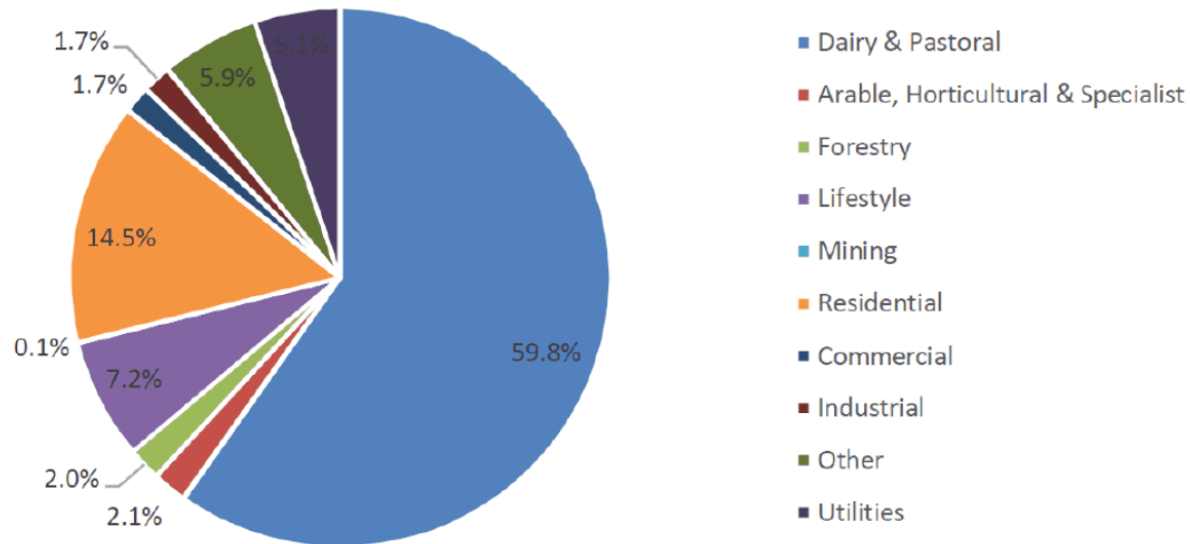
- Large increase in all residential values
- Increased demand in smaller provincial centre's
- Greater demand for residential development sites due to overall residential demand and value growth
- Residential investment property seeing good rental growth and lower expected yields from investors
- Lower expected yields for Commercial and Industrial properties reflecting value growth
- Industrial high value growth within smaller provincial areas
- Commercial values within Te Anau, Winton & Riverton steady
- Motel & hotel values reduced due to impact of closed international borders
- Forestry underpinning value increase within some hill country areas
- Some recent value growth on smaller well located pastoral units
- Recent value growth noted within Dairy generally at 2018 levels
- Lifestyle value growth mirroring the demand within residential sector
- Good lifestyle value growth noted throughout the district



2021 capital value by sector



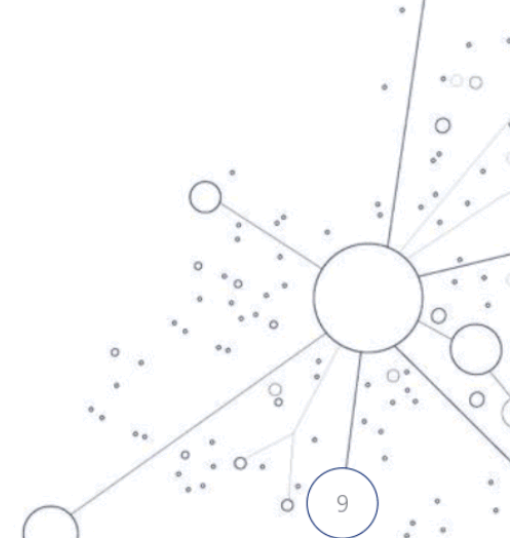
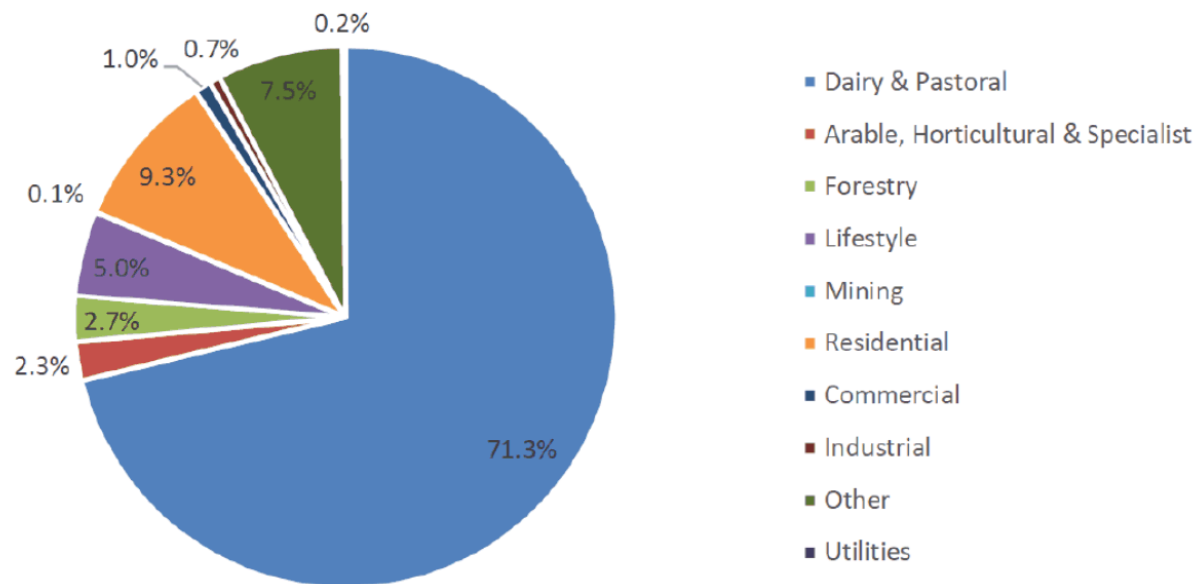
Southland District 2022 - Capital Value by Sector



2021 land value by sector



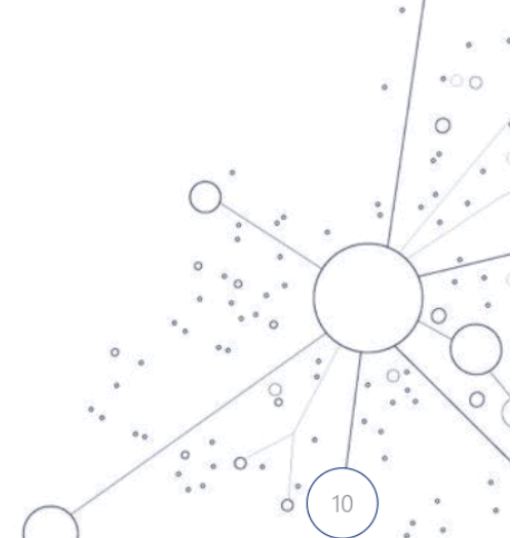
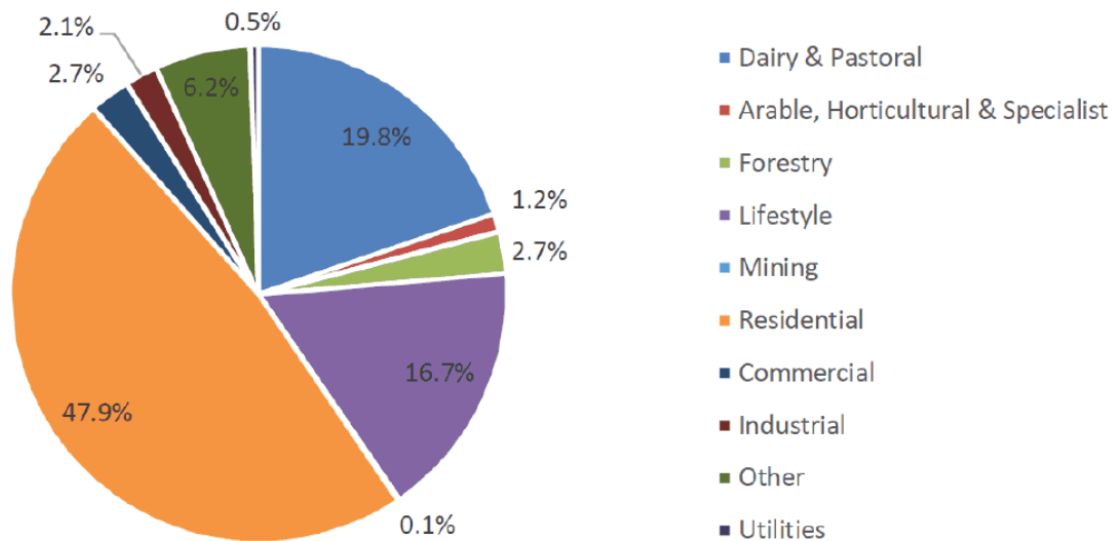
Southland District 2022 - Land Value by Sector



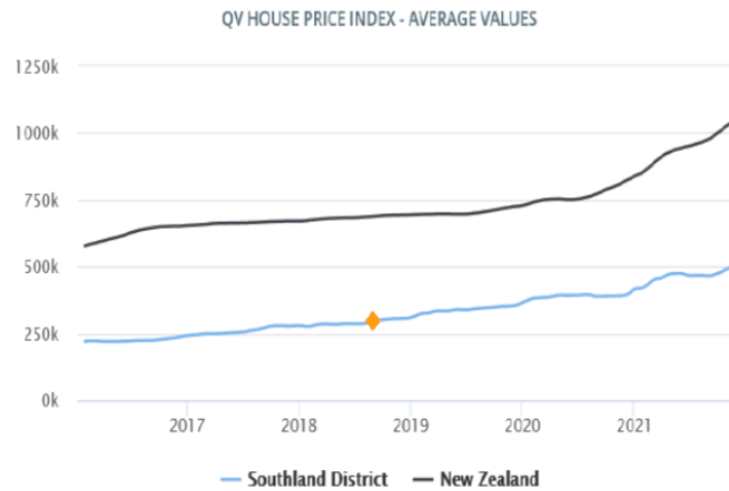
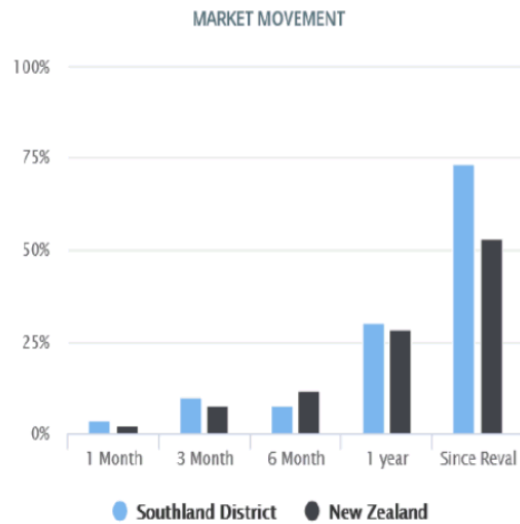
Property Mix



Southland District 2022 - Property Mix (by Number of Properties)



Southland District house value market movement



Residential market

- Overall value change for houses is a 46% lift in capital value and 67% lift in land value. The average house is now worth \$441,000 and average house land value \$172,000
- Significant growth across the whole residential sector
- Presently a “sellers’ market” with minimal stock/listings for sale.
- Greatest value growth within entry level stock and the small townships.



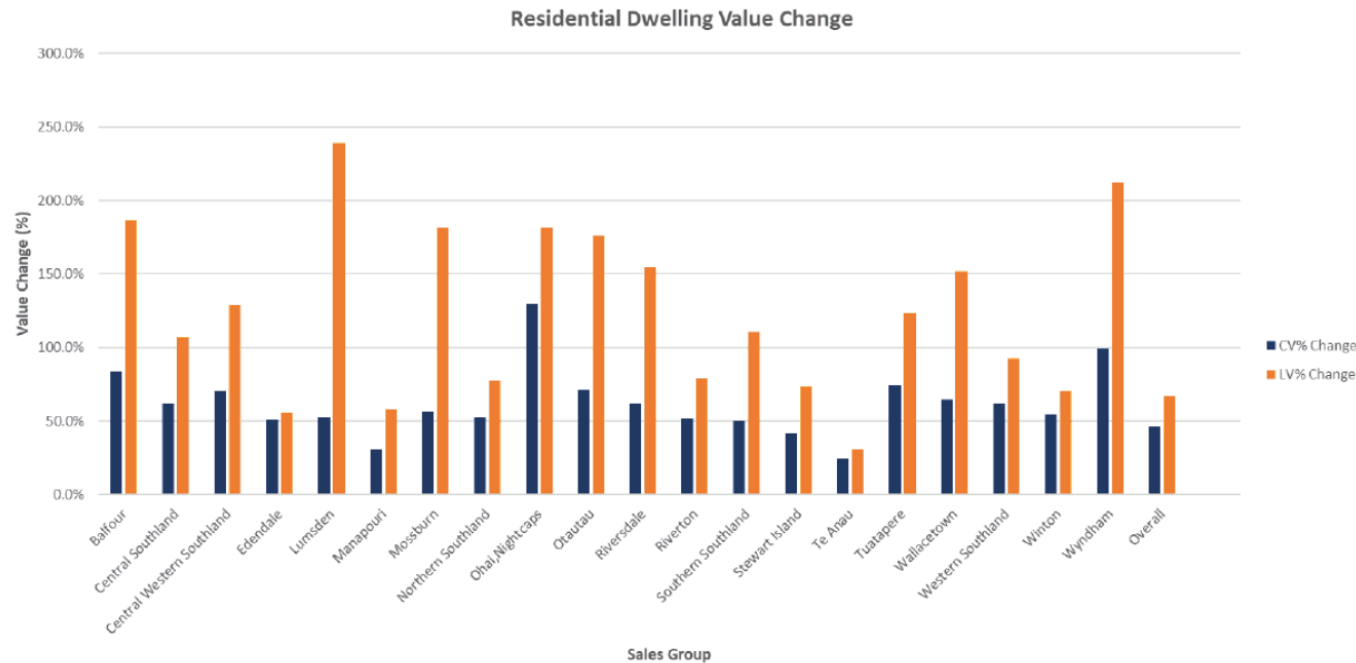
Residential market

What is driving the change?

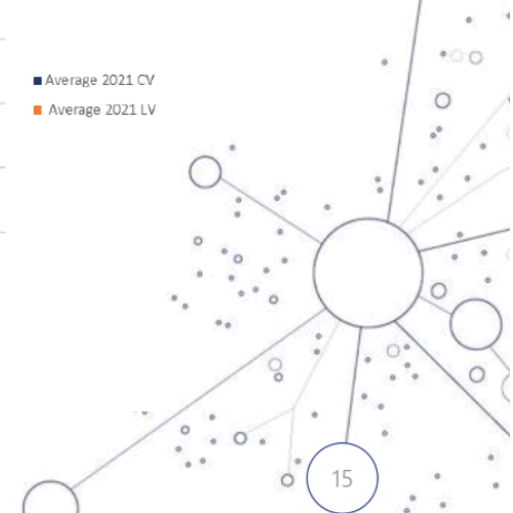
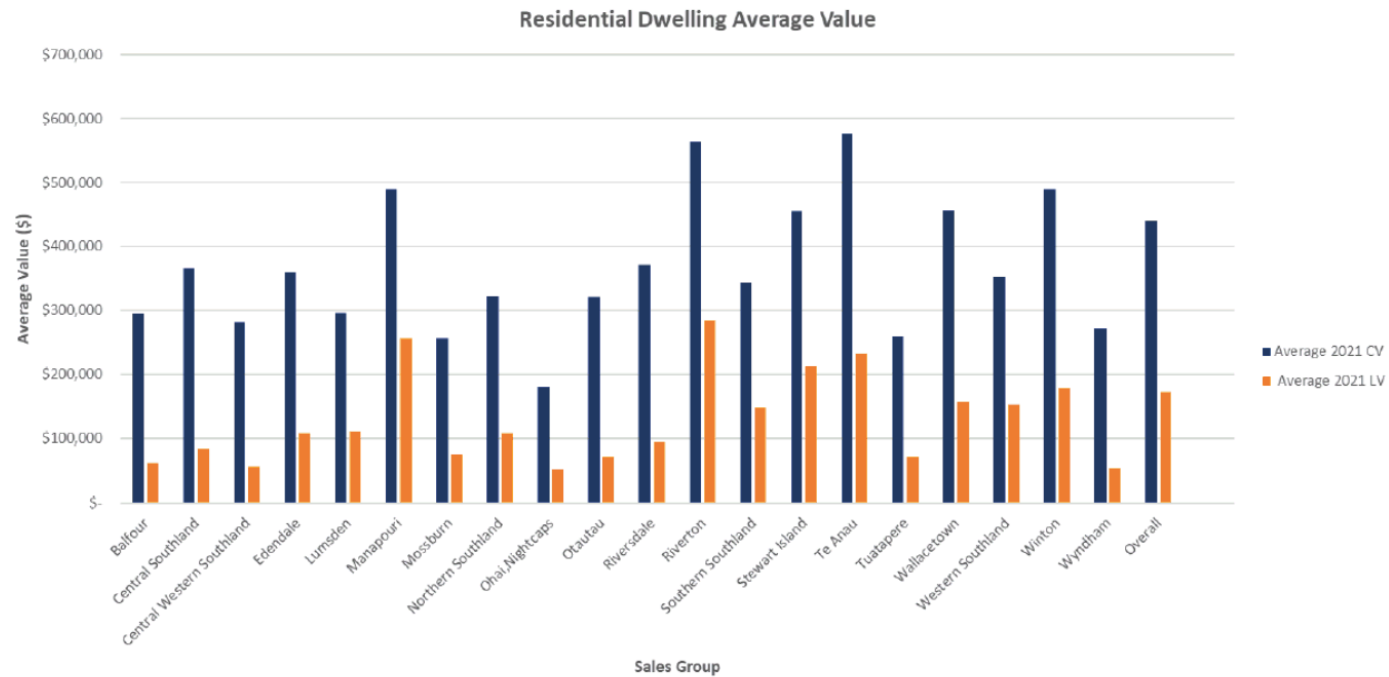
- Low interest rates means more buyers are actively looking to purchase
- A low level of available housing stock means buyers are having to compete against one another, pushing values up
- Increased demand from buyers from outside of the District
- Phased removal of interest deductibility from October 2021 for residential investment property



Residential dwelling values change 2021



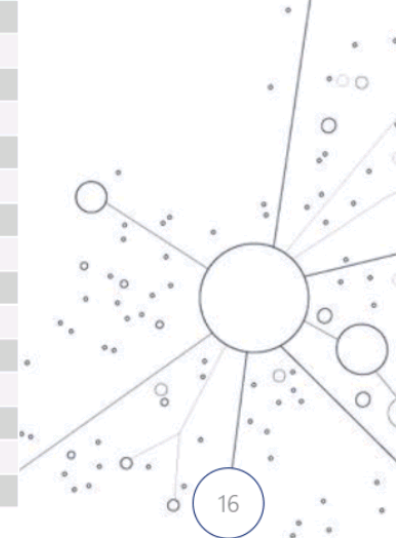
Residential dwelling average values 2021



Residential overview



Sale Group	No. of Assets	Average 2021 CV	Average 2021 LV	CV% Change	LV% Change
Balfour	58	\$293,879	\$62,914	84%	187%
Central Southland	320	\$365,813	\$85,372	62%	107%
Central Western Southland	152	\$281,184	\$57,895	70%	129%
Edendale	209	\$359,057	\$107,943	51%	56%
Lumsden	213	\$296,408	\$109,728	52%	239%
Manapouri	239	\$488,996	\$255,879	30%	58%
Mossburn	82	\$256,293	\$76,183	56%	182%
Northern Southland	244	\$322,561	\$106,996	52%	78%
Ohai, Nightcaps	293	\$180,014	\$54,137	130%	182%
Otautau	320	\$320,922	\$72,931	71%	176%
Riversdale	181	\$371,022	\$94,923	62%	155%
Riverton	1008	\$563,170	\$283,883	52%	79%
Southern Southland	183	\$342,770	\$148,470	50%	110%
Stewart Island	298	\$455,403	\$212,577	42%	74%
Te Anau	1543	\$575,914	\$232,352	25%	31%
Tuatapere	237	\$259,030	\$72,814	74%	123%
Wallacetown	255	\$455,922	\$157,569	65%	152%
Western Southland	241	\$352,660	\$151,838	62%	93%
Winton	987	\$489,595	\$178,925	55%	70%
Wyndham	228	\$272,079	\$54,890	99%	212%
Overall	7291	\$441,210	\$171,983	46%	67%

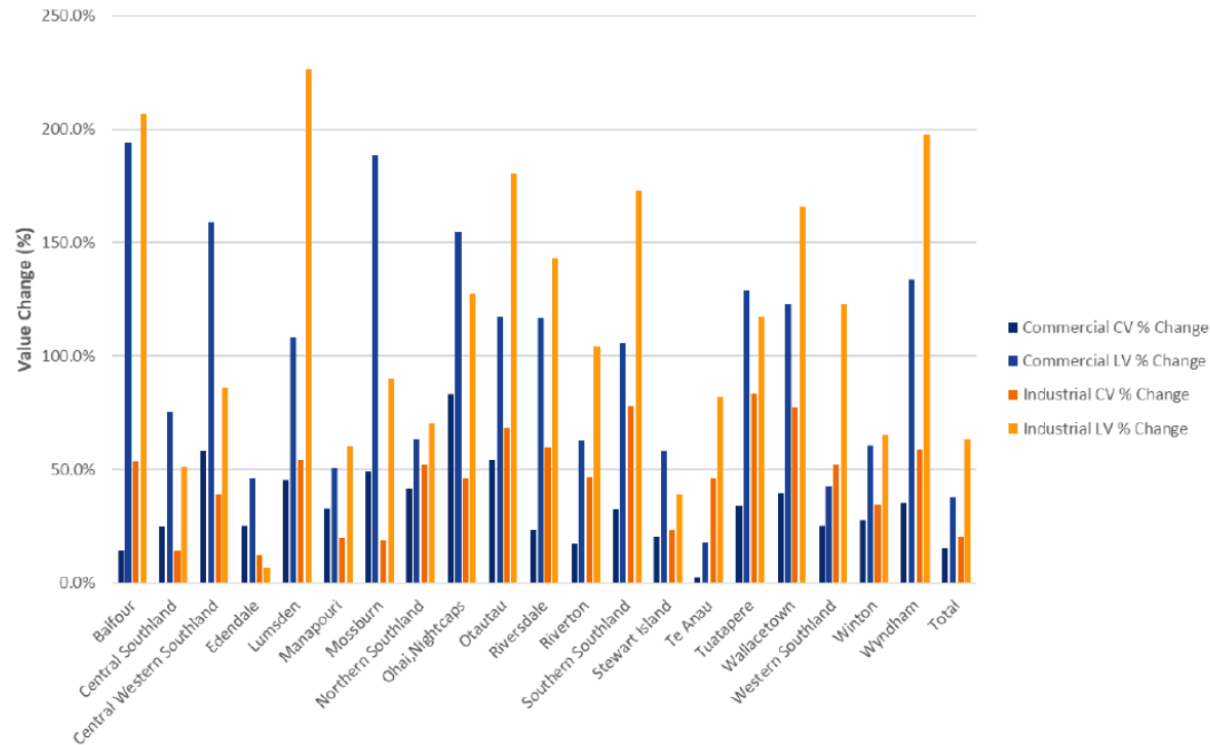


Business properties

- Retail and office properties have seen lower increases in value than the residential property market, but they have still increased well off the back strengthening yields with Te Anau the exception.
- Good value growth noted for sound industrial buildings in more remote locations and smaller townships driven by underlying land growth.
- Business property capitalisation rates have dropped with good modern premises in the 6.5% - 7.5% range and older or larger premises 7.5% to 9.0%
- In general greater growth within Industrial categories as investors deem less risk when compared to commercial.



Business movement

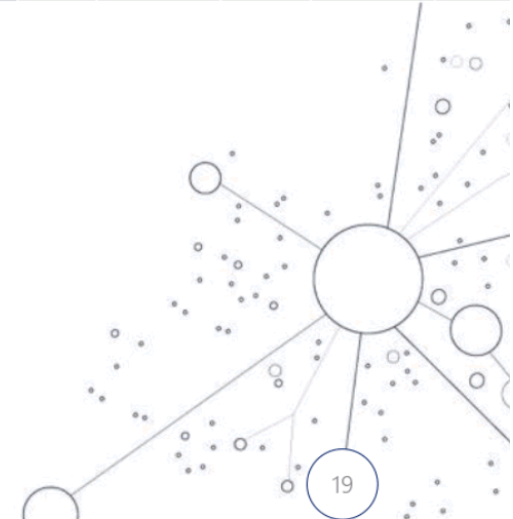


Business overview



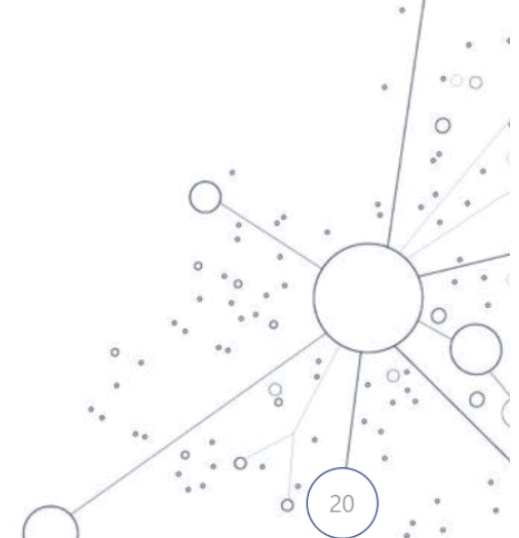
Sale Group	Average Commercial 2021 CV	Average Commercial 2021 LV	Commercial CV % Change	Commercial LV % Change	Average Industrial 2021 CV	Average Industrial 2021 LV	Industrial CV % Change	Industrial LV % Change
Balfour	\$362,500	\$73,500	14%	194%	\$142,250	\$72,000	54%	206%
Central Southland	\$656,800	\$150,133	25%	75%	\$1,821,846	\$478,449	14%	51%
Central Western Southland	\$158,920	\$60,600	58%	159%	\$295,385	\$100,346	39%	86%
Edendale	\$404,636	\$113,091	25%	46%	\$27,047,286	\$1,989,429	12%	7%
Lumsden	\$216,065	\$50,419	46%	108%	\$283,133	\$136,400	54%	226%
Manapouri	\$911,923	\$595,385	33%	51%	\$281,000	\$280,000	20%	60%
Mossburn	\$520,600	\$113,900	49%	189%	\$284,727	\$105,727	19%	90%
Northern Southland	\$550,000	\$231,667	42%	64%	\$418,467	\$141,533	52%	70%
Ohai, Nightcaps	\$150,600	\$50,700	83%	155%	\$192,086	\$89,857	46%	128%
Otautau	\$222,721	\$57,231	54%	117%	\$223,650	\$128,450	68%	181%
Riversdale	\$371,615	\$87,077	24%	117%	\$241,579	\$138,211	60%	143%
Riverton	\$493,404	\$165,745	17%	63%	\$244,885	\$177,154	47%	104%
Southern Southland	\$653,333	\$263,889	32%	105%	\$192,278	\$68,889	78%	173%
Stewart Island	\$707,962	\$314,077	21%	58%	\$957,000	\$335,167	23%	39%
Te Anau	\$1,581,302	\$697,379	2%	18%	\$586,691	\$393,456	46%	82%
Tuatapere	\$297,423	\$101,731	34%	129%	\$147,400	\$110,000	84%	117%
Wallacetown	\$365,000	\$228,000	39%	123%	\$224,429	\$162,857	78%	166%
Western Southland	\$2,398,793	\$984,483	25%	43%	\$380,077	\$195,385	52%	123%
Winton	\$516,646	\$233,605	28%	60%	\$478,877	\$280,406	35%	65%
Wyndham	\$247,240	\$61,760	35%	134%	\$150,458	\$68,625	59%	198%
Total	\$792,579	\$326,590	15%	38%	\$1,034,346	\$276,054	21%	64%

Sector	No. Assets	2021 CV	% Change	2021 LV	% Change
Commercial Overall	530	420,066,700	15%	173,092,800	38%
Commercial Accommodation	99	164,738,000	5%	69,464,000	32%
Commercial Elderly	4	15,700,000	7%	1,970,000	117%
Commercial Childcare	7	8,950,000	25%	1,745,000	90%
Industrial Overall	425	439,597,200	21%	117,323,000	64%

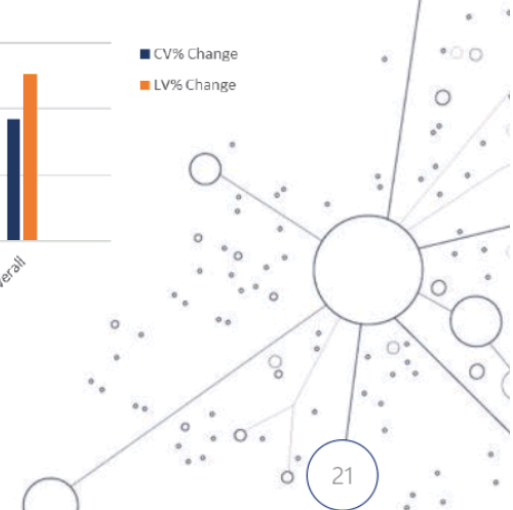
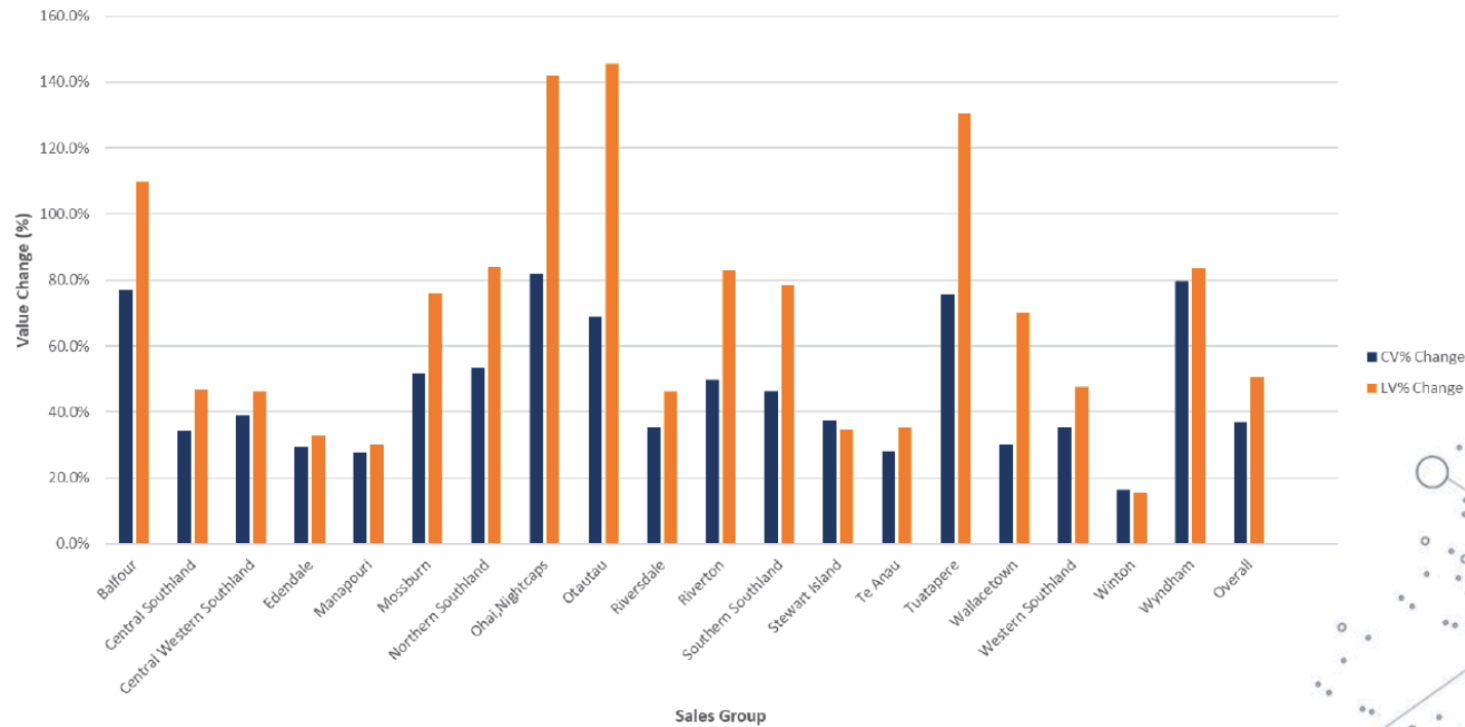


Lifestyle

- Lifestyle value growth mirroring the demand within residential sector
- Good lifestyle value growth noted throughout the district.
- Greater value growth in entry level property



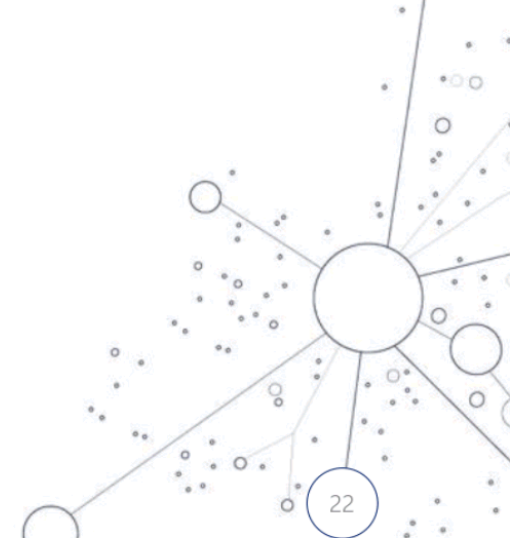
Lifestyle Movement



Lifestyle overview

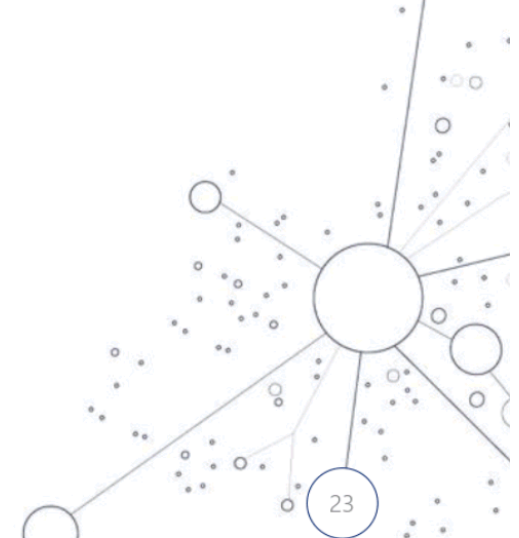


Sector	No. Assets	Average 2021 CV	Average 2021 LV	CV % Change	LV % Change
Balfour	10	\$220,100	\$137,000	77%	110%
Central Southland	1610	\$601,891	\$264,857	34%	47%
Central Western Southland	305	\$375,474	\$158,823	39%	46%
Edendale	54	\$446,796	\$249,648	29%	33%
Manapouri	3	\$445,000	\$295,000	28%	30%
Mossburn	6	\$334,000	\$208,500	52%	76%
Northern Southland	282	\$500,433	\$264,223	53%	84%
Ohai, Nightcaps	28	\$231,036	\$134,679	82%	142%
Otautau	12	\$477,250	\$194,167	69%	146%
Riversdale	5	\$622,000	\$172,400	35%	46%
Riverton	31	\$469,655	\$292,581	50%	83%
Southern Southland	176	\$321,219	\$164,290	46%	78%
Stewart Island	132	\$415,780	\$271,750	37%	35%
Te Anau	21	\$1,090,000	\$549,048	28%	35%
Tuatapere	37	\$296,514	\$181,351	76%	131%
Wallacetown	2	\$865,000	\$302,500	30%	70%
Western Southland	619	\$652,880	\$359,465	35%	48%
Winton	5	\$610,000	\$260,000	16%	16%
Wyndham	3	\$292,667	\$221,667	80%	84%
Overall	3341	\$550,520	\$266,536	37%	51%



Rural Properties

- Forestry underpinning value increase within some hill country areas
- Some recent value growth on smaller well located pastoral units
- Recent value growth noted within Dairy generally at 2018 levels



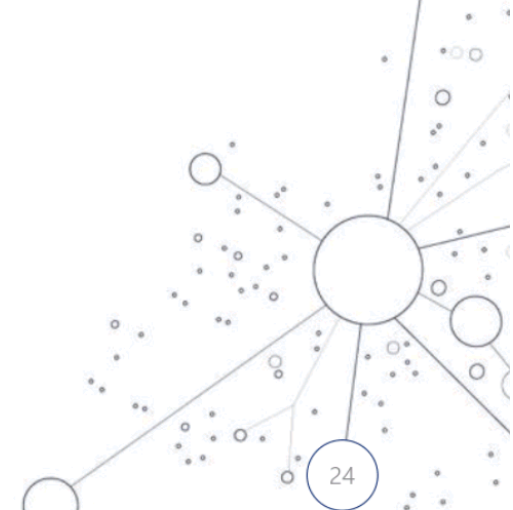
Rural Movement



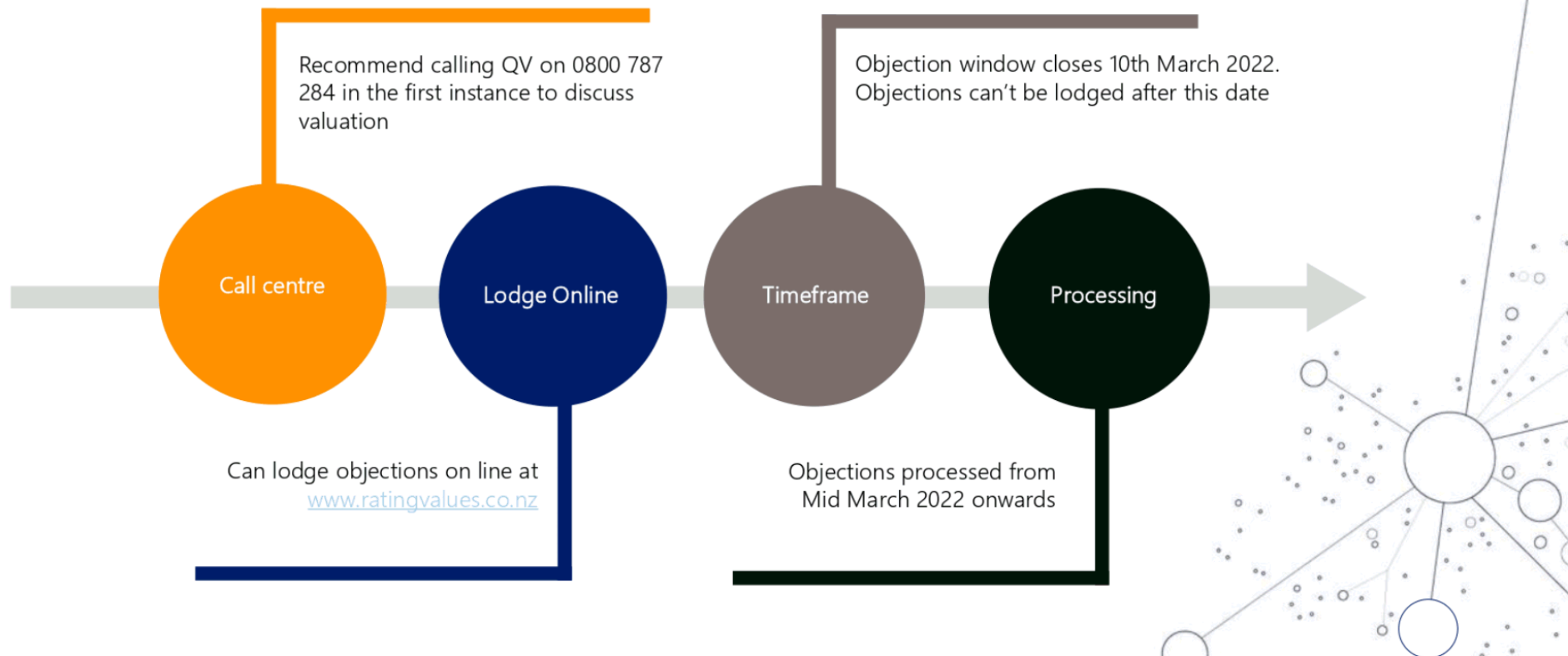
Sector	No. Assets	% Change Capital Value	% Change Land Value
Dairy	893	-0.2%	-0.2%
Pastoral	3,049	4.4%	3.7%
Horticulture	14	13.8%	17.2%
Forestry	544	35.6%	37.2%
Mining	23	1.5%	1.1%

Note

The next revaluation 2024 may see highest and best use of hill country pastoral land being forestry. That would result in these properties holding a forestry category.



Objections





Mokoreta Redan Centennial Memorial Hall - transfer of ownership

Record no: R/21/12/67027

Author: Theresa Cavanagh, Property advisor

Approved by: Nick Hamlin, Group manager programme delivery

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To transfer ownership of the Mokoreta Redan Hall property from Council to the Mokoreta Redan Centennial Hall Society Incorporated (Society).

Executive summary

- 2 In October 2020, following ongoing discussions, Council received a letter from the Society stating... *'The committee took all the information to our AGM and it was passed that we proceed with the investigation of the purchase of the land that the Mokoreta Redan Centennial Hall sits on. Please accept this letter as our formal intention to do so.'*
- 3 The land for the hall was gifted to the Southland County Council in 1959. Council ownership was a requirement from the Centennial Association in order to receive a subsidy, which helped partially fund the building of the hall in 1960.
- 4 The Society was established in 1959, and they raised a portion of the funds to construct the hall, and have managed the hall on a day to day basis since it was built over 60 years ago.
- 5 Although records show significant input by the Society into the building and management of the hall, no clear proof of ownership of the building exists. Legal advice from a similar situation confirms that in the absence of clear proof, that the building belongs to the landowner.
- 6 The Waihopai Toetoe Community Board at their meeting on 14 December 2021, *'recommends to Council that the ownership of the land and building associated with the Mokoreta Redan Hall (Lot 1 DP 5491 held in SL211/41) is transferred to the Mokoreta Redan Centennial Hall Society Incorporated for \$1.*

Recommendation

That the Council:

- a) **receives the report titled “Mokoreta Redan Centennial Memorial Hall - transfer of ownership” dated 3 February 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) Resolves to transfer the Mokoreta Hall property, being Lot 1 DP 5491 held in SL211/41, to the Mokoreta Redan Centennial Hall Society Incorporated for \$1.
- e) Agrees that the chief executive be given delegated authority to enter into an Agreement for Sale and Purchase with Mokoreta Redan Centennial Hall Society Incorporated.

Background

- 7 The Mokoreta Redan Hall is located at 1713 Wyndham Mokoreta Road (Lot 1 DP 5491 held in SL211/41). The land is owned by Council and the hall is managed by the Mokoreta Redan Centennial Hall Society Incorporated (Society).
- 8 The land was gifted to Council by Norman Duncan McKenzie McRae in 1959. A hall was built the following year and the Society have undertaken ongoing management of the hall since it was built, with financial support from a hall levy.
- 9 In October 2020, following ongoing discussions, Council received a letter from the Society stating... *‘The committee took all the information to our AGM and it was passed that we proceed with the investigation of the purchase of the land that the Mokoreta Redan Centennial Hall sits on. Please accept this letter as our formal intention to do so.’*
- 10 The ownership of the hall is not explicitly clear in Council’s files. The hall building is on Council’s balance sheet as well as the Society’s balance sheets, albeit at a nil value. Historical financial records show that the hall building had a book value of \$2,894 on the Society’s Fixed Asset Register in 2003. Subsequent financial records show it as a fixed asset with a nil value.
- 11 The original intent of building ownership is also unclear as the rules for the Society, which were established at the time of incorporation, indicate that a lease was proposed for the land for the intention of building a hall, but the ownership of the hall was not specified:

Clause 2 – *‘The objects of the Society shall be to control and if possible to take on lease from the Chairman Councillors and Inhabitants of the County of Southland all that piece of land situated in the Mokoreta District containing... on which it is proposed to erect a hall known as the Mokoreta-Redan Centennial Memorial Hall’.*

- 12 The building of the hall was undertaken by the Society in 1960 with contributions from the residents and the Centennial Fund as confirmed by:
- Letter dated 8 October 1959 stating... *the residents have all worked hard and willingly and have contributed generously in cash to the new hall which is still going to cost more than we have at present at hand.*
 - Letter dated 31 October 1960 from the hall society stating... *the committee also wish to thank Council for their help and co-operation during the last two years. This included the granting of the Centennial Subsidy, the assistance with the supply and cartage of gravel when the building was commenced; all factors which have helped to make the building of the new hall possible.* The criteria for the granting of a Centennial Subsidy was that the 'project' must be located on land owned by Council.
- 13 Legal advice in a similar situation confirms that if there is no clear proof of ownership of the building, *'the hall and the additions to it are the property of the Council by reason of its ownership of the land on which they are built.'*
- 14 Although no clear proof of ownership exists, anecdotally staff consider that the asset belongs to the Society. This proposed transfer will resolve the issue, and merge the land and the building under the ownership of one entity.
- 15 The Society is well established and has, along with past and present residents, made significant financial and resource contributions to the building of the hall, as well as the ongoing management for over 60 years. They wish to retain this investment and continue to use the facility for the community.

Issues

- 16 There are no issues identified at this point.

Factors to consider

Legal and statutory requirements

- 17 Section 40 of the Public Works Act 1981 (PWA) governs the disposal of land no longer required for public work. This states that the local authority may dispose of land by way of a private treaty provided the rights of the former owner have been considered. Council's chief executive under his statutory authority of the PWA 1981 has received and approved a report that determined that offer back to the former owner is not required.
- 18 As a result of the chief executive's determination, Council can now consider the request from the Society.

Community views

- 19 The Waihopai Toetoe Community Board at their meeting on 14 December 2021, recommended to Council that the ownership of the land and building associated with the Mokoreta Redan Hall is transferred to the Society.
- 20 The views of the community board are considered to represent those of the wider community. Note that the Society has requested this action following their AGM held in 2020 where it was resolved they would like to take over the ownership of the hall.

Costs and funding

- 21 There will be standard legal costs to effect the transfer.
- 22 If the transfer is approved by Council, this facility will then be considered a non-Council hall and as such will continue to collect the hall rate and the funds will be transferred to them, as happens with many non-Council halls in the district.
- 23 The book value of the Mokoreta Redan Hall Assets included in Council's Fixed Asset Register at 30 June 2021 was \$19,396. This comprised of land (\$500) and buildings (\$18,896) with no improvements. As above, staff are aware that the Society's Fixed Asset Register also includes an entry for the hall building.
- 24 The transfer of these assets to the Society will result in a book loss on sale for Council of \$19,396 however this may vary depending on when settlement occurs.

Policy implications

- 25 None identified at this stage.

Analysis

Options considered

- 26 Resolve to approve/decline the transfer.

Analysis of Options

Option 1 – Approve transfer of the Mokoreta Hall property to the Mokoreta Redan Centennial Hall Society Incorporated

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">allows the community, through a formal society, to own and manage an asset they:<ul style="list-style-type: none">- raised a portion of funds to construct in the 1960s.- have managed for a significant period of time.	<ul style="list-style-type: none">none identified by Council.

Option 2 – Decline transfer of the Mokoreta Hall property to the Mokoreta Redan Centennial Hall Society Incorporated

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">no advantage to Council in retaining the asset when a local community, through a formal society, is willing to own and operate the hall.	<ul style="list-style-type: none">Council may invoke a negative reaction from the Mokoreta Redan community by retaining ownership of assets that they have actively funded and taken pride in.

Assessment of significance

- 27 Not significant.

Recommended option

- 28 Option 1 – Approve transfer of the Mokoreta Hall property to the Mokoreta Redan Centennial Hall Society Incorporated.

Next steps

- 29 Notify the Society of the decision and complete transfer.

Attachments

- A Mokoreta Redan Hall Maps [↓](#)



Management report

Record No: R/22/1/119
Author: Dianne Williams, Mayoral Support
Approved by: Cameron McIntosh, Chief executive

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council:

- a) **Receives the report titled “Management report” dated 17 February 2022.**

Chief executive update

- The recent period has been dominated by the response to the Omicron variant of Covid-19.
- The organisation has implemented the advice from government and has adjusted operations with a view to maintaining service delivery. While it is anticipated that the Omicron peak will put significant pressure on the organisation and our community we are also looking forward to better times when the peak has passed and Southland can go back to some form of normality.

Water and waste operations

- Several mains burst, some of which have required significant repairs including rural water supply.
- Compliance at treatment plants are performing well, with good compliance results.
- Water shortages, restrictions were in place for a short time over the holiday period, but supplies had improved by the end of January.
- The Stimulus project work continues to be delivered at good speed.
- The Te Anau waste water project had final commissioning in late December and is now live. Well done on a great team effort from SDC and contractor Downer.
- The Ramparts water consent will not go to a Hearing as DOC have withdrawn their submission. The consent will be issued with reasonable conditions that are acceptable to SDC and manageable.

Project delivery team

- Two vacancies exist in the project delivery team (replacement of an internal promotion position plus an assistant project manager).
- External resources are being utilised to manage the stimulus funded projects, and the bridging packages.

- The team has made good progress on the TIF project funding prerequisite requirements with an extension of time granted. MBIE understand the impact of the Covid lockdown, the complexity of the consultation requirements and the building/ resource consents for this work.

Community facilities

- There are a number of packages of work that have been or are in the process of being put out to market. The toilet contract has been awarded to Permaloo. Staff are now working with Permaloo to get these projects delivered as quickly as possible. The investigation project tenders were received and evaluated prior to Christmas. All tenderers have been contacted and contracts will be awarded in January.
- The team is finding that it is difficult to attract contractors to carry out the smaller value projects and although there was interest from contractors at the drop-in sessions the one-off projects do not appear to be of interest to them. Either we aren't getting any responses from the market or the prices submitted exceed the budget. With 81 projects to deliver this is something that needs to be highlighted as a risk to our ability to deliver all of these projects this financial year. Staff are working with the project delivery team to see if there are alternative ways to market these projects so that they are more palatable to potential contractors.
- Staff have completed a number of projects and an update on progress of all of the projects will be delivered to services and assets committee at the next available time.
- Work is progressing well in the open space's arena. Staff are working on preparing information that will form a works programme that will be funded by the open spaces project budget over the remainder of the Long Term Plan. This will be presented to the Services and Assets Committee in January.
- Mowing is in full swing throughout the district with Delta and McDonough working on their new areas. Growth has started to slow down with the hotter weather that we have had over the Christmas break. There will be some variations to the existing contracts due to some areas that were not identified on the mowing maps now needing to be included.
- The office and toilet cleaning contract with OCS have seen two of the contract administrators leave the company and staff are now working with the company and the new administrators to bring them up to speed with the requirements of the contract. There has been no drop in the level of service throughout the process.
- The Fiordland town maintenance contract is working well.
- The Tuatapere gardening contract is still to be finalised. Getting the incumbent contractor up to date with the traffic management requirements has proved to be too difficult. Staff have worked with the contractor and the community board to offer them a portion of the garden contract that is not within the road corridor and this will be finalised in January.
- Working within the road corridor and complying with the traffic management requirements is proving to be the biggest hurdle to get the local contractors approved. The availability of

traffic management courses and the changes that have been introduced recently are proving to be onerous and we are receiving push back from incumbent contractors.

- This is a risk to the ability for Council to engage locals as contractors, especially when they are required to work within the road corridor.

District wide roading programme

- The reviewed footpath programme has been agreed with all the respective community boards. Council has also approved associated unbudgeted expenditure for those boards who have elected to self-fund any shortfall in Waka Kotahi funding.
- Engagement with Kiwi Rail about Waianiwa Bridge on Argyle Otahuti Road has reached a point where in principle Kiwi Rail are support of council's approach but require a design to be able to formally sign off on a new bridge.
- Bridge contracts have been awarded for the seasons replacement programme and physical works have also commenced.
- Resurfacing programme is well underway and on track to be completed by 30 March.
- Pavement rehabilitation site as part of this year's programme is also tracking well.

Around the Mountains Cycle Trail

- 38 official partners signed up for this season.
- Around the Mountains Cycle Trail Trust established, and initial meetings held.
- Charter trips on Kingston Flyer available.
- New event – Race the Train was successfully held on 15 January.
- New product - Air Milford – Fly to Mt Nic, bike 32km, dine at Walter Peak and Earnslaw back to Queenstown.

Property

- Rent review and renewal of Riverton Harbour Endowment farming leases still ongoing, awaiting Lessees valuations– happens every 21 years.
- Finalising details to start processing disposal of residue Luxmore development land.
- Progressing the arrangements for emergency helipads on Council land at Lumsden and Stewart Island.
- At differing stages of disposal out of Council ownership four halls.
- Significant number of internal and external enquiries regarding property issues.

Environmental health

- Camping ground inspections are now able to be completed electronically on our devices, a significant efficiency. This platform will be rolled out across some of our other inspection types alcohol, health, and dog control.

- The Alcohol Regulatory and Licensing Authority (ARLA) will hear the appeal to Council's District Licensing Committee's decision to decline the off-licence for a proposed off licence in Riverton. Written submissions from the respondents are due to ARLA by 2 March 2022, after which ARLA can hold the hearing in Invercargill.
- Great strides have been taken in the development of online alcohol applications.
- The traffic light system has come into effect, and the team has a work plan covering current operations and contingencies. Operations are largely as normal.

SDC holiday programme 2022

- The SDC holiday programme, run by Active Southland was done a little differently this year due to Covid-19 restrictions. It was held for three days in Te Anau on 18, 19, 20 January and for three days in Winton on 25, 26, 27 January. It was well supported and like always the kids had a great time. A full report from Active Southland will go to Council in March or April. 265 kids participated in the holiday programme over the six days.

Community pool water treatment course 2021

- A community pool water treatment course was held in Edendale on Friday 3 December 2021 and was facilitated by Sarah Creswell from Wai Skills. Twelve people attended from various pools around the district. The change of location for the course from Invercargill to out in the district was supported by some but not by others – this year we will look at holding the course in either a different Southland location (eg central or western Southland) or back in Invercargill.

Welcoming Communities

- Welcoming Communities is an initiative that brings together local government and communities to make the community a more welcoming place for everyone to live in. It was developed in recognition of the fact that communities are healthier, more vibrant, happier and more productive when those new to the area are welcomed into the community. A strong, vibrant community is one that enables all members of the community to participate in its economic, civic and social life. A plan is being developed for Southland District. Community engagement via workshops with representative groups of newcomers is planned as soon as COVID restrictions allow.
- It is expected that the plan will also feed into the population and people workstream of the Just Transitions plan for Murihiku.

Bylaws and policies

- Several bylaws and policies are being reviewed, including:
- The Stewart Island/Rakiura Visitor Levy Bylaw and Policy – draft to be presented to the Stewart Island/Rakiura Community Board, Community and Strategy Committee and Council in February 2022.

- Alcohol Control Bylaw – feedback has been sought from community boards and Council will seek wider community input on how Council should proceed, as the bylaw is due to be reviewed in 2022.
- Contract Management Policy – a draft has been developed and will be adopted by the executive team in 2022.
- Privacy Policy – a draft policy has been developed and staff are both assessing and looking to implement, any required changes to operational practice.

Corporate performance

- Annual Plan – community board direction setting meetings have been completed. Financial information and the Draft Annual Plan documentation are being developed for Council in February 2022.
- Annual Report - the Annual Report was adopted by Council in December, following Audit NZ's sign off. This is now available on our website and copies of the full document and summary will be distributed to our offices across the district.
- Great South's statement of intent – Council is required to give input to Great South's direction and general priority areas for the statement of intent 22/23. Feedback to the draft statement of intent will be sought from Council in February 2021 after which it will be incorporated into a joint shareholder response drafted by the mayoral forum.

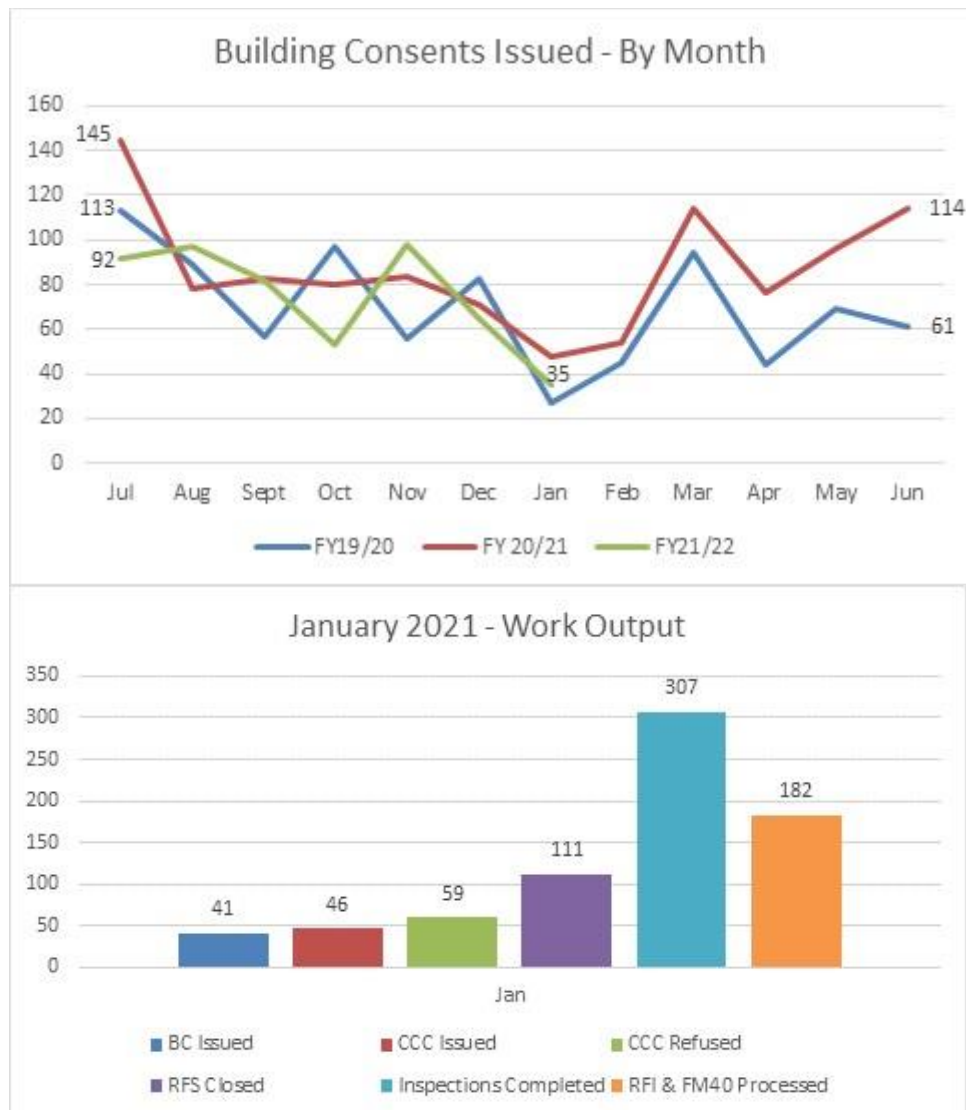
Customer support

- 2380 calls average wait 26 secs.
- Only three staff now working in office – the rest are working from home. This will give most options for business continuity in the event of widespread sickness.

Building consents

- The team issued 35 building consents in January 2021 (100% within statutory timeframe) and made 67 CCC decisions (98% within statutory timeframe).
- Only one decision exceeded timeframes and this related to human error.
- Council continue to receive a higher volume of consents than average with 54 consents received during January 2022 (80% more than January 2021).
- 163 building consents are currently being processed by Council (85 of those waiting for Further Information). In January 2021 69% of consents received by Council required further information prior to being issued. This is an improvement from 76% as reported for October.
- Inspection volumes reduced slightly with 215 inspections completed in January 2021 at a pass rate of 81%, also an improvement from October's report.
- 13% of all Building Warrant of Fitness Audits have been completed to date (the same as reported in October). Team continue to be on track to achieve the annual target of 20%.

- A summer pool safety campaign has been the successful focus of the Compliance team in the past two months with the fail rate of inspections decreasing from 66% in December 2021 to 53% in January 2022. SDC received positive media coverage regarding swimming pool safety which supported this campaign, enabling Council to reach a wider population with our important safety message.
- The team will be undergoing a remote IANZ Accreditation Assessment mid-February 2022.

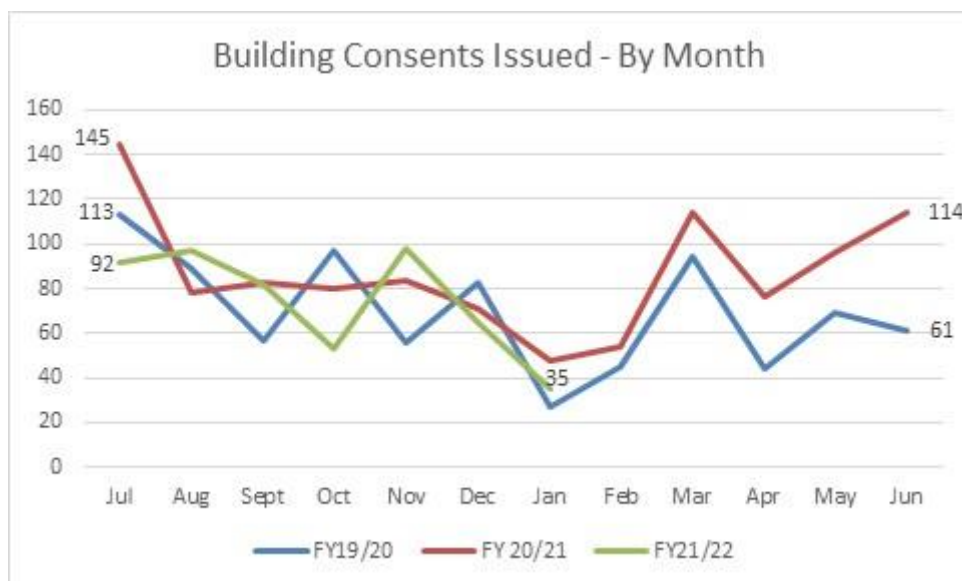


October 2022 – Building Consents Received (by ward)

Primary Property Hk Ey → Property Ward	Count	Sum of Application Value
Mararoa Waimea	16	NZ\$2,412,500.00
Oreti	13	NZ\$2,713,550.00
Stewart Island Rakiura	3	NZ\$431,000.00
Waiau Aparima	9	NZ\$1,995,222.00
Waihopai Toetoe	13	NZ\$1,411,000.00

January 2021 – Building Consents Received (by ward)

Primary Property Hk Ey → Property Ward	Count	Sum of Application Value
Mararoa Waimea	9	NZ\$248,500.00
Oreti	5	NZ\$517,500.00
Stewart Island Rakiura	1	NZ\$35,000.00
Waiau Aparima	5	NZ\$970,700.00
Waihopai Toetoe	10	NZ\$412,560.00

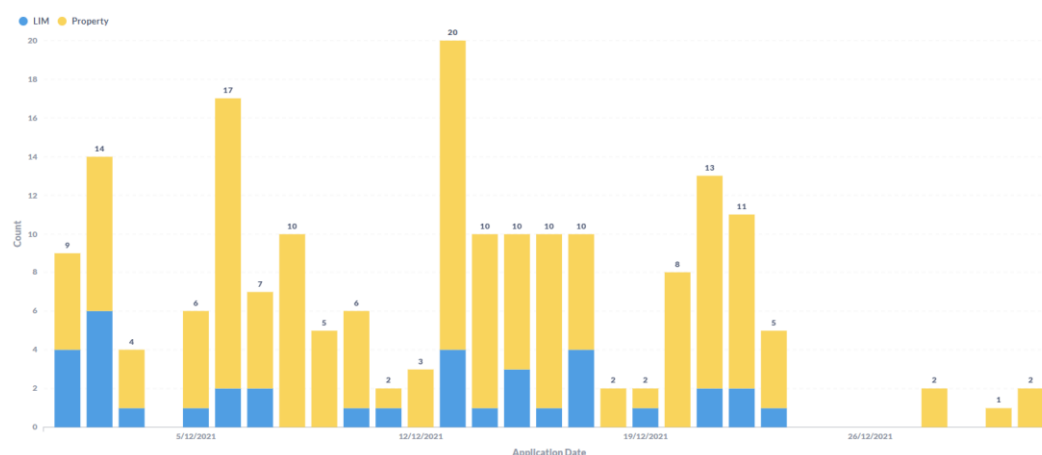




Libraries

- The RIFD project continues to move along. All libraries bar Stewart Island have had the tagging process completed. The books from the Winton library have been moved out of storage and back into the library where we will now begin to assess and tag them in preparation for the shelving to arrive in the library as part of the refurbishment. We have received the first self-checkout unit as a test device which we are now working with the IT team to setup on the network and will soon begin to train staff on its functionality. We are also close to being able to roll out RFID scanners to all libraries to allow them to check item in and out via the RFID tag.
- The Winton library refurbishment is on track to be completed in April, though this may be affected by the Omicron outbreak. All structural work has been completed, with all walls now lined and jibed. There are some services still be connected and the majority of the building to be painted, windows to be replaced with double glazing and flooring laid. We are still awaiting completed designs for our new reception area and ETA's for delivery of furniture.

LIM and property file requests



Document Management Record Types – New Records

Record Type	28/11/2021	5/12/2021	12/12/2021	19/12/2021	26/12/2021	Row totals
E-mail Message	319	470	561	481	5	1,836
Electronic Document	676	918	1,030	813		3,437
InfoCouncil Record	24	18	40	43		125
Pathway Attachment	84	194	122	128	1	529
Pathway Document	714	965	1,183	904	19	3,785
SDC Inwards Mail	120	203	184	94	9	610
Grand totals	1,937	2,768	3,120	2,463	34	10,322

Service desk

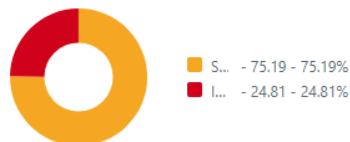
Recieved Tickets	Resolved Tickets	Backlog Tickets	Reopens	Reassigns	SLA %	FCR
391	331	60	24	51	81.07%	63.43%

Average Response Time
7.59 Hours

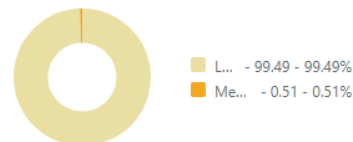
Average First Response
7.36 Hours

Average Resolution Time
13.09 Hours

Ticket by Type



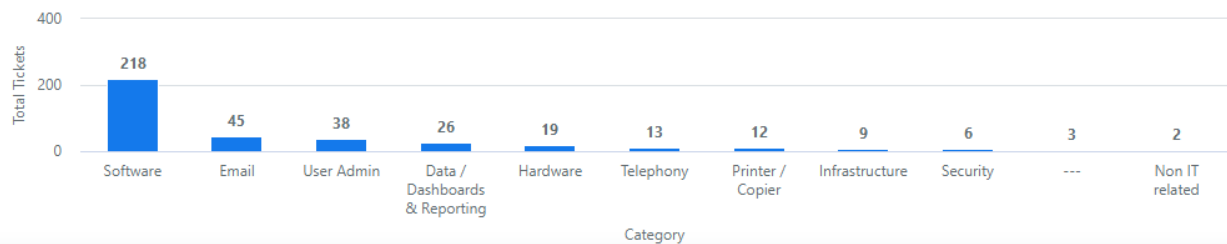
Ticket by Priority



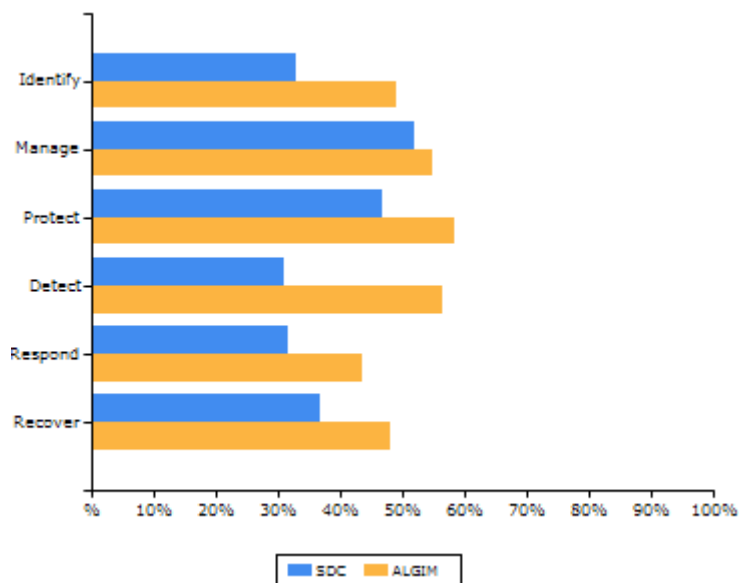
Ticket by Source



Ticket by Category

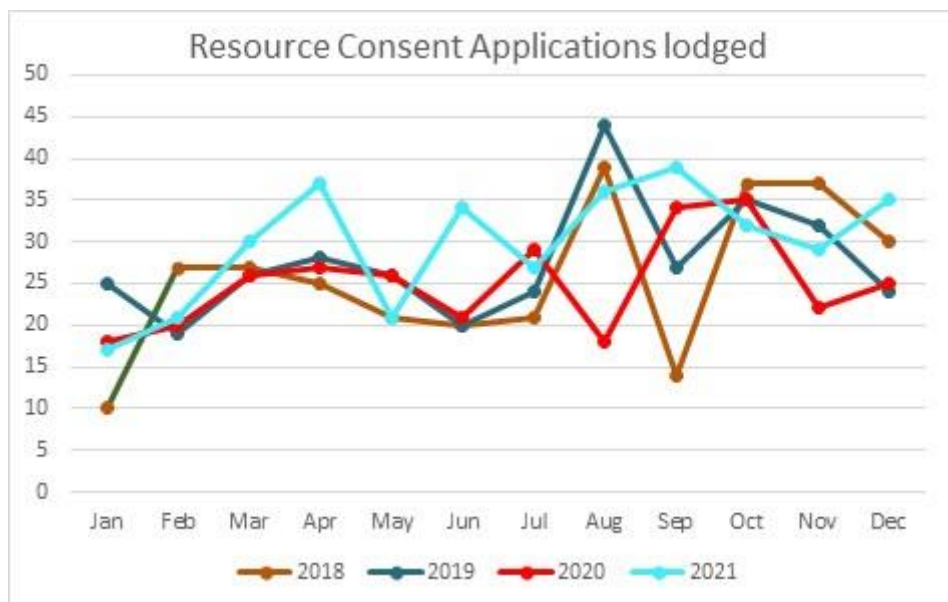


ALGIM Cyber Security Maturity Comparison – SDC vs ALGIM Participating Councils



Resource management

Resource consents ➤ In 2021 there was a higher volume and complexity of resource consent applications received compared with previous years on record. Initial indications are that this trend will continue into 2022 with a number of large-scale projects seeking consent. Two projects in the media currently are the Datagrid and the New Brighton coal mine which are likely to be lodged with Council for processing in the first half of 2022.



Environmental Policy

- Work is continuing on the review of the landscapes chapter of the Operative Southland District Plan 2018. It's anticipated that this work will continue into the new year when the plan change will be notified. Additional policy capacity in the team has been focused on preparing guidance material to support consultants and our communities on district plan interpretation and planning processes following the identification of some opportunities in this space.

Legislative reforms

- Ministry for the Environment has provided some additional information on the environmental reform. The select committee have released its report following approximately 3000 submissions being received on the exposure draft of the Natural and Built Environment Bill. A copy of the report is available here https://www.parliament.nz/resource/en-NZ/SCR_116599/0935c4f14c63608e55c528b75167a69daee92254, it recommends changes to the purpose, Te Tiriti provisions, environmental limits and clarifying outcomes amount other things. Prior to the end of the calendar year it is anticipated that more feedback will be sought with local government on the roles and responsibilities of regional committees and also the proposed National Policy Statement of Indigenous Biodiversity.

Attachments

There are no attachments for this report.

Closure of Fortrose hall and declaring the building to be surplus to requirements and to be disposed of by way of removal or demolition

Record no: R/22/1/2503
Author: Kevin McNaught, Manager property services
Approved by: Nick Hamlin, Group manager programme delivery

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To consider the community request to close the Fortrose hall and for the building to be disposed of by either removal or demolition.

Executive summary

- 2 The Fortrose hall was constructed in 1938 and is situated on land owned by Council and is a Council owned hall.
- 3 As part of the Long Term Plan significant upgrading was identified as being required which resulted in the hall rates increasing from \$28 per annum to approximately \$165 per annum.
- 4 At a meeting on 21 October 2021 attended by 36 community members they resolved to close the hall for public use on 31 January 2022 and also resolved to recommend to Council that the building be declared surplus and be disposed of by way of removal or demolition with the land being retained for future community use.
- 5 This report is to consider those recommendations.

Recommendation

That the Council:

- a) **receives the report titled “Closure of Fortrose hall and declaring the building to be surplus to requirements and to be disposed of by way of removal or demolition”** dated 4 February 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) agrees that the Fortrose Hall be closed for public use at a date decided by the Group Manager programme delivery
- e) determines that the Fortrose hall building is surplus to requirements and is to be disposed of by way of removal or demolition and that the Chief Executive be delegated authority to determine the method and price as well as enter into the relevant agreements or contracts.
- f) determines that any future development plans for the site by Council only be finalised after consulting with the Fortrose community.

Background

- 6 The Fortrose hall was constructed many years ago around 1938. It is situated on land owned by the Southland District Council and is therefore considered to be a Council asset.
- 7 The recent Long Term Plan identified significant upgrading during the term of the plan, which meant the local hall rate having to increase from around \$28 per annum to around \$165 per annum to fund this expenditure.
- 8 At a community meeting on 21 October 2021 attended by 36 members the future retention of the hall was discussed. These discussions revolved around four key points, these being: the hall is not being used by the community, if there are less halls the others are likely to receive higher rates funding, additional compliance and maintenance costs as well as the concern that further deterioration of the building is likely if maintenance is not undertaken.
- 9 The meeting resolved to close the hall from 31 January 2022, to recommend to Council that the building be disposed of either by removal or demolition and to recommend that the land be retained and developed for other community use.

Issues

- 10 There are a number of issues that Council needs to consider as part of this process.

- 11 The closing date is one that was determined by the community at their meeting, and they also decided to have one last community function in the hall. However, with the current Covid rules this has been postponed to a later date. In discussing recently with the local sub group set up to work through all the issues with Council staff, it was agreed that this date should be extended indefinitely to see if it can be held prior to the building being disposed of, as this date may yet be a little time in the future.
- 12 For that reason, and to try and meet the community's wishes the resolution to this report is to confirm this at some later date once all the different processes start coming together. The actual date to be determined by the group manager programme delivery.
- 13 The meeting also resolved that the current site is important to the community because of its locality, and did not want it disposed of, rather to be retained for some other community use. This means the building is to be disposed of by either removal or demolition.
- 14 In regards the building disposal, it is intended that it initially be tendered for removal or demolition.
- 15 Once the removal is completed, the community wishes to be consulted with by Council as to the future use and development prior to any plans being finalised.

Factors to consider

Legal and statutory requirements

- 16 None identified at this stage, other than the required Council approvals.

Community views

- 17 The community views are a result of a community meeting held on 21 October 2021 at which 36 people attended.

Costs and funding

- 18 The costs for the disposal are unknown at this stage and depending on the process being completed there may be a positive or negative net result.
- 19 The current hall levy is being retained to be used to fund any costs, should there be any requiring funding. Given the unknown completion date of the building removal or demolition, which may be after 30 June this year, it is the opinion of the local sub committee of the community who are working with Council, that the hall rate continue on for a further year but be reduced back to \$10 per property for the 2022/2023 rating year.
- 20 This delay will allow all to be completed and for the community to make recommendations to Council on a proposed split of the current hall rating area and the use of any surplus funds for the 2023/2024 year.

Policy implications

- 21 None identified

Analysis

Options considered

- 22 Approve the recommendation to declare the Fortrose hall building surplus and to be disposed of or not.

Analysis of Options

Option 1 – Declare surplus

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">significant upgrading is not required for a building that is not used that frequentlyallows the site to be better used for community benefitwill allow adjoining halls to have additional properties added to their rating areas.	<ul style="list-style-type: none">loss of a community facility however is not used by the community.

Option 2 – Do not declare surplus

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">none identified.	<ul style="list-style-type: none">a little to no use facility is to be retained and will require significant upgrading.

Assessment of significance

- 23 Not considered significant.

Recommended option

- 24 Option 1 – declare surplus.

Next steps

- 25 Prepare tender documentation for disposal and then complete disposal.

Attachments

- A Fortrose Hall - Street View [↓](#)



4 Firth St - Google Maps

1/31/22, 3:53 PM

Financial Report for the period to 31 December 2021

Record No: R/22/2/3317
Author: Brie Lepper, Graduate accountant
Approved by: Anne Robson, Chief financial officer

☒ Decision

☐ Recommendation

☐ Information

Summary

1. The purpose of this report is to provide the Council with an overview of the financial results for the six months to 31 December 2021 by the seven activity groups of Council, as well as the financial position, and the statement of cash flows as at 31 December 2021.
2. This report summarises Council's financial results for the six months to 31 December 2021.
3. A key point to note is at 31 December 2021, Council was in breach of its Investment and Liability Management Policy (the policy). This policy requires that Council can invest no more than \$10 million with one bank. At 31 December 2021 Council had \$12.5 million invested/on call with BNZ.
4. The policy stipulates that should our investments breach this limit, Council needs to be informed. In limiting the maximum amount of money in only one bank to \$10 million Council was attempting to limit the risk of financial loss should the bank collapse.

Recommendation

That the Council:

- a) **Receives the report titled "Financial Report for the period to 31 December 2021"** dated 16 February 2022.
- b) Notes and accepts the risks associated with the breach of the investment and liability management policy.

Attachments

- A Financial report for the period to 31 December 2021 [↓](#)



Financial report

December 2021

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
sdc@southlanddc.govt.nz
southlanddc.govt.nz

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Executive summary

This report summarises Council's financial results for the six month period to 31 December 2021.

The report summary consolidates the business units within each of Council's groups of activities and includes:

- year to date (YTD) actuals, which are the actual costs incurred
- year to date (YTD) projection, which is based on the full year projection (currently year one of the Long Term Plan (LTP)) with adjustments for phasing of budgets, carry forwards and approved unbudgeted expenditure reports
- year to date (YTD) budget, which is based on the full year LTP budget for year one with adjustments for phasing of budgets
- full year (FY) budget, which is the LTP year one budget figures
- full year (FY) projection, which is the LTP year one budget figures plus carry forwards and approved unbudgeted expenditure reports.

The activities reported include the seven activities in the LTP, along with corporate services. Corporate services (previously part of District Leadership) includes all the customer and corporate support (like people and capability, communications, strategy and policy, finance, information management) and forestry. These costs are spread across all the activities but they have also been separated out for the purposes of this report.

Phasing of budgets occurred in August, and will occur at forecasting and when one-off costs have actually been incurred. This should reduce the number of variance explanations due to timing.

Where phasing of budgets has not occurred, one twelfth of the annual budgeted cost is used to calculate the monthly budget.

Carry forwards approved by Council in September 2021 have been included in the projection column. A single round of forecasting will occur in April 2022.

Southland District Council summary reports use a materiality threshold to measure, monitor and report on the financial performance and position of Council. In determining materiality, variances more or less than 10% of the original budget and greater than \$10,000 are considered material and explained in the report.

Report contents:

- A. Council summary (income expenditure, capital expenditure and associated commentary)
- B. Council summary by Activity Group
- C. Statement of comprehensive income
- D. Statement of financial position and movement commentary
- E. Statement of cash flows.

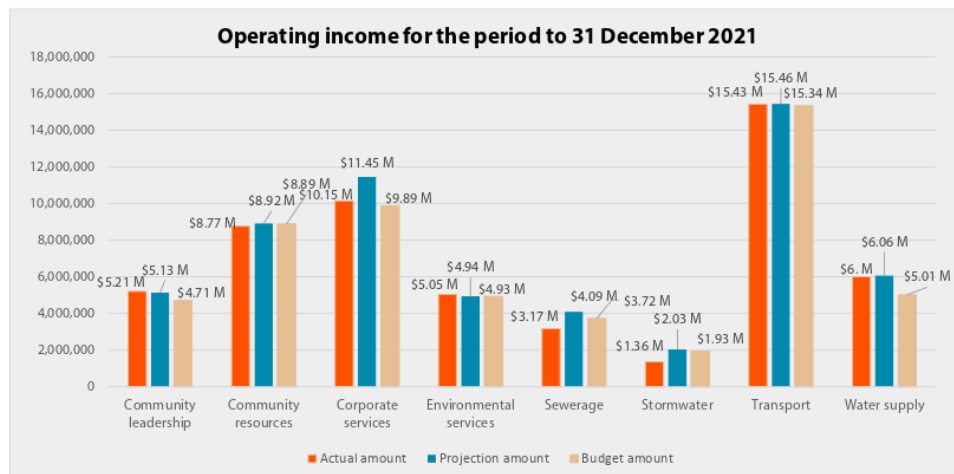
Abbreviation explanation

Abbreviation	Description
AP	Annual Plan
CAPEX	Capital expenditure
FYB	Full year budget
GDC	Gore District Council
GIS	Geographic information system
GMSE	GeoMedia smart client
GST	Goods and Services tax
ICC	Invercargill City Council
LED	Light emitting diode
LGFA	Local Government Funding Agency
LT	Leadership team
LTP	Long Term Plan
ME	Month end
NZTA	Waka Kotahi NZ Transport Agency
NZDWS	New Zealand Drinking Water Standards
SDC	Southland District Council
SIESA	Stewart Island Electrical Supply Authority
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars

Council summary

Income

Operating income for the six month period to 31 December 2021 is \$2.92 million (5%) below projection for the period to date (\$55.2 million actual vs \$58.1 million projection). The key reasons for the variances in each activity area are discussed below.

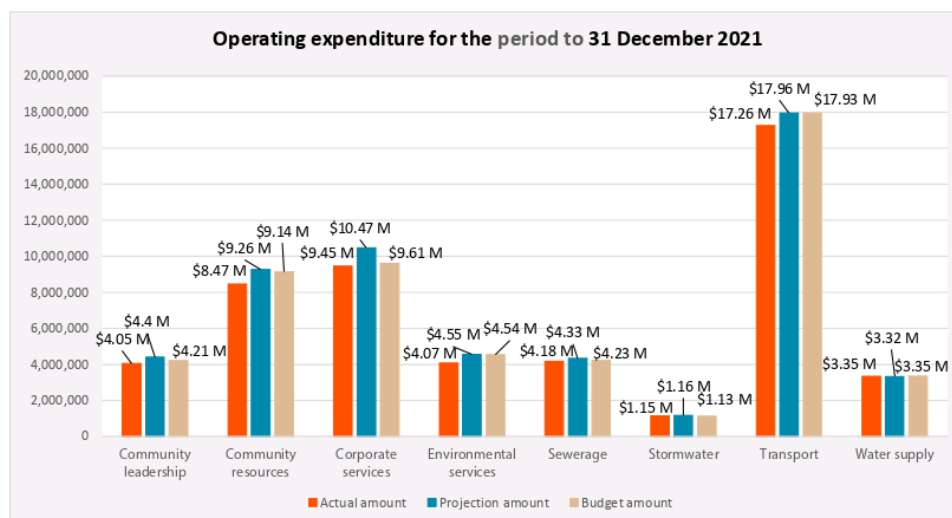


- corporate services** income is \$1,293,316 (11%) lower than projection largely due to investment income being \$1,040,952 lower than budget. Council is in the process of changing its approach to investment and borrowing that is expected to achieve an increase in investment income; however, this new approach has not yet commenced, thus actual investment income is lower than budgeted. This reduction in income will be partially offset by a reduction in borrowing costs and the associated unbudgeted interest income on internal loans. Council staff and its advisors are now working to recommend to Council potential fund managers, which will occur shortly. Additionally, the Finance & Assurance Committee discussed and agreed the approach to borrowing in line with its liability policy. In line with this, \$16.8 million long term borrowing has been secured from LGFA (Local Government Funding Agency) in December.
- sewerage** income is \$918,889 (22%) lower than projection
stormwater income is \$666,883 (33%) lower than projection

The variance in income for the sewerage and stormwater activities relates to the timing of the stimulus grant income. The recognition of this income was phased at the start of the financial year to match the expected timing of stimulus project costs. The projects are still on track to be completed by June 2022 and the income will continue to be released and the work is completed.

Expenditure

Operating expenditure for the six month period to 31 December 2021 is \$3.47 million (6%) below projection for the period to date (\$51.98 million actual vs \$55.45 million projection). The key reasons for the variances in each activity area are discussed below.

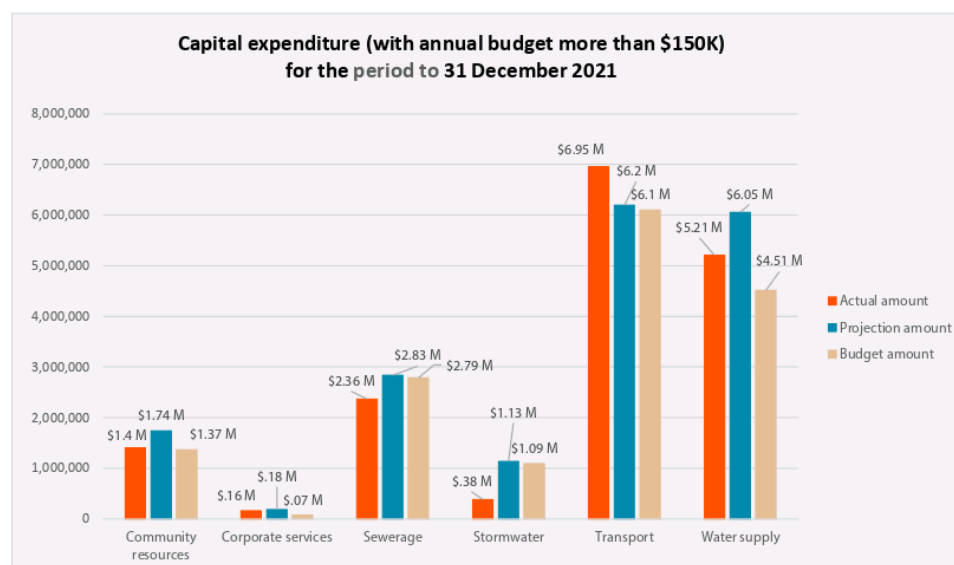
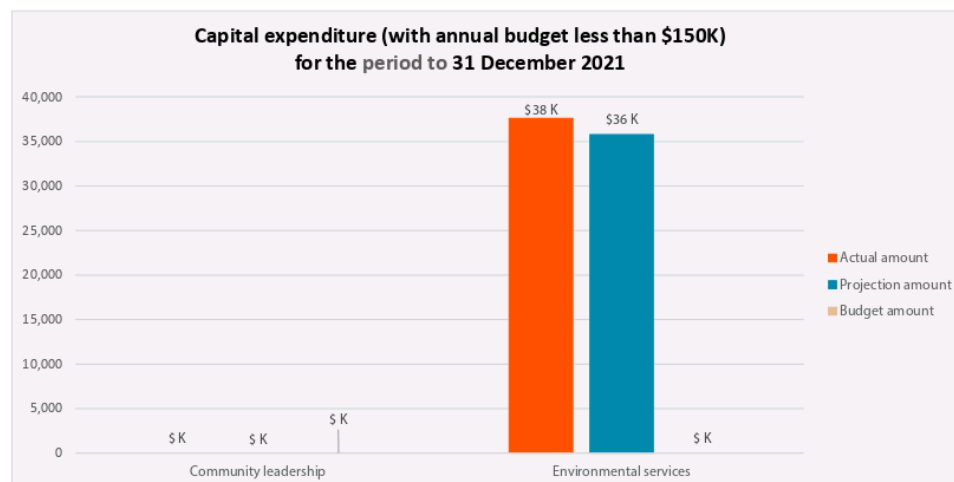


- **community resources** operating expenditure is \$795,095 (9%) lower than projection. The main variances include:
 - streetscapes costs are \$266,994 (34%) under projection. The majority of this is a combination of reduced costs coming through for gardening, mowing and street litter bins. Once the contractors start up through the season these costs will start to level out. The costs associated with the gardening and mowing have been checked against the contract prices and where anomalies have been found they have been adjusted through the annual plan process and the February forecasting round.
 - parks and reserves costs are \$126,729 (14%) less than projected. This is tracking lower than anticipated as the work season has only just begun. The buoyant work market is also impacting our ability to engage contractors to undertake the smaller maintenance projects. This needs to be recognised as a risk as it will impact our ability to deliver the works programme for the year and this is being monitored closely and reported back to Services and Assets as required
 - hall costs are \$123,593 (33%) lower than projection, which is due to an overall underspend in maintenance, electricity and operating costs. The fly and spider control, spouting cleaning and annual wash downs are scheduled to occur in the last quarter of the financial year. The budget will be phased in January to recognise this
 - office and building expenditure are \$99,520 (5%) under budget. This is primarily due to an under spend of \$90,033 for internal services as a result of Covid-19 restrictions, lack of contractors and shortage of materials. As mentioned above, this issue is being closely monitored
 - library services are \$51,820 (8%) under budget due to Covid-19 impacting the delivery of programs and minimal travel due to training and conferences being cancelled, however expenditure is expected to be in line with budget at year end due to anticipated costs in April/May.

- **corporate services** operating expenditure is \$1,014,119 (10%) below projection. The main variances include:
 - investment operating costs which are \$756,356 lower than projected. As detailed in the income section, the new borrowing strategy has not yet commenced as planned, resulting in a lower level of external borrowings, directly impacting external interest costs
 - information management operating costs which are \$131,203 under projection, with \$91,000 of this related to the timing of software license renewals. Consultants costs are also \$30,000 lower than projected. Software costs are expected to be in line with budget at year end
 - three waters collaboration costs are \$76,235 above projection. These are the final costs for the collaboration incurred by SDC, which was subsequently on charged to the other Councils who form the collaboration. SDC's share of these costs are funded from stimulus grant income
- **environmental services** operating expenditure is \$480,850 (11%) below projection. The main variance is resource management costs which are \$331,798 (17%) under projection. Staff costs are (\$229,000) lower due to vacancies. The recruitment processes have been delayed due to the legislative changes around ecology/biodiversity not being passed, as well as Covid-19 and immigration challenges. The remaining variance is primarily related to the share of environment and community leadership costs being lower than expected (\$107,000) as a result of staffing and structure changes
- **sewerage** operating expenditure is \$151,998 (4%) less than projected. There has been an increase in the condition assessment work (part of the stimulus package) which is a timing difference. Planned maintenance is \$98,000 less due to the timing of the sludge removal project in Te Anau. This project has not been phased, and with some expenses starting to come through in December, this underspend is only a timing difference. Routine maintenance is also \$117,000 lower than budget as there has been costs savings with Te Anau Wastewater (TAWW) project not yet going live. Both these have been offset by an increase in unplanned maintenance work of \$175,000. The maintenance costs will be reviewed as part of the forecasting process to determine if any adjustments need to be made for the remainder of the financial year.
- **transport** operating expenditure is \$697,054 (4%) below projection. The main variances include:
 - Roothing – district wide is \$253,000 behind budget. \$59,000 relates to footpath maintenance as the program is still in development post the changes from Waka Kotahi. There are several other activities which are either slightly ahead or slightly behind projected budget. These include activities such as unsealed pavement maintenance (\$76,000 below) and sealed pavement maintenance (\$203,000 below).
 - roading administration costs are \$206,00 under projection. Recovery of wage costs are higher than anticipated, resulting in a cost reduction of \$197,000. This recovery is expected to be higher than budget at year end and will be forecasted in February
 - special purpose roading costs are \$90,000 (100%) lower than projection. This is not unexpected as the actual cost in any year depends on the needs. Any costs incurred are recovered in full from Waka Kotahi

Capital expenditure (CAPEX)

Capital expenditure for the six month period to 31 December 2021 is \$1.66 million (9%) lower than projection (\$16.5 million actual vs \$18.2 million projection). The key reasons for the variances in each activity area are discussed below.



- **community resources** capital costs are \$337,509 (19%) lower than projection. The main variances include:

- offices and buildings are \$260,695 (34%) under projection. This variance relates to the Te Anau library upgrade project, which has not yet started. Staff have received quotes for this project and will be engaging contractors within the next month. Work is not scheduled to start until the Radio-frequency identification (RFID) library project has finished. This is scheduled for April
- **sewerage** capital costs are \$468,213 (17%) below projection, largely due to the Riversdale wastewater treatment plant costs being lower than budgeted for this period. This relates to when the land was purchased and this part of the project is currently being progressed (\$246,000). The delivery of Te Anau Wastewater project is \$475,000 ahead of the phased budget and the Caswell Road project in Te Anau is \$370,000 behind the phased budget. These variances are all considered to be timing differences. Due to the uncertainty around the timing of commissioning of TAWW plant, the balance of the project costs have been phased to June. On completion of commissioning, the surplus to budget will be known. The Caswell Road project is a stimulus project and the deadline for delivery is June 2022, this project is on track to meet the deadline, with work due to commence mid-January
- **stormwater** capital costs are \$751,998 (66%) less than projection. The capital programme currently being delivered is related to the stimulus work, with projects incurring costs slightly behind the phased budget. The commencement date for the Woodlands project has been deferred to line up with school holidays to minimise disruption and is now expected to be completed in the final quarter of the year
- **water supply** capital costs are \$842,853 (14%) less than projection, largely as a result of the phasing of projects. The stimulus projects of AC pipe renewal and New Zealand Drinking Water Standards compliance have had delays of the phased budget while the Lakefront Drive water main renewal costs are less than expected for the period however are still on track to be completed by the end of June.
- **transport** capital costs are \$757,934 (12%) higher than projection. District wide capital works are more than anticipated due to the resurfacing programme being ahead of projection (\$1.47 million) and sealed road metalling (\$123,000), this was in part due to good weather and contractor availability. This is offset by bridge renewals and structures component replacement being behind projection due to timing of the physical works (\$446,000)

Council summary by Activity Group

Southland District Council financial summary for the period to 31 December 2021

Operating income									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	5,207,060	5,131,573	4,714,943	75,487	1%	10,974,351	9,557,721	(1,416,630)	(13%)
Community resources	8,770,311	8,916,643	8,893,848	(146,332)	(2%)	19,656,496	18,192,963	(1,463,531)	(7%)
Corporate services	10,154,973	11,448,290	9,885,125	(1,293,316)	(11%)	21,510,194	19,474,114	(2,036,080)	(9%)
Environmental services	5,053,030	4,935,275	4,930,051	117,735	2%	9,387,248	9,335,696	(51,552)	(1%)
Sewerage	3,174,706	4,093,595	3,722,612	(918,889)	(22%)	8,288,820	7,210,702	(1,078,118)	(13%)
Stormwater	1,359,282	2,026,165	1,934,591	(666,883)	(33%)	3,388,631	3,254,744	(133,887)	(4%)
Transport	15,432,535	15,457,919	15,342,461	(25,384)	(0%)	35,281,636	34,129,768	(1,151,868)	(3%)
Water supply	6,003,626	6,062,163	5,013,460	(58,537)	(1%)	9,192,741	8,045,929	(1,146,812)	(12%)
Total	\$55,155,522	\$58,071,622	\$54,437,091	(2,916,099)	(5%)	\$117,680,117	\$109,201,639	(8,478,478)	(7%)

Operating expenditure									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	4,050,732	4,395,802	4,205,688	(345,070)	8%	11,159,054	9,373,552	(1,785,502)	(16%)
Community resources	8,465,600	9,260,695	9,143,211	(795,095)	9%	19,942,977	19,551,548	(391,429)	(2%)
Corporate services	9,453,072	10,467,192	9,605,826	(1,014,119)	10%	20,536,296	19,234,339	(1,301,957)	(6%)
Environmental services	4,071,577	4,552,427	4,535,792	(480,850)	11%	10,149,270	10,087,029	(62,241)	(1%)
Sewerage	4,181,466	4,333,463	4,228,912	(151,998)	4%	8,067,918	7,927,450	(140,468)	(2%)
Stormwater	1,145,505	1,160,537	1,126,431	(15,031)	1%	2,176,366	2,119,684	(56,682)	(3%)
Transport	17,261,260	17,958,314	17,934,219	(697,054)	4%	36,057,539	35,533,789	(523,750)	(1%)
Water supply	3,350,964	3,322,071	3,352,942	28,892	(1%)	6,458,798	6,489,669	30,871	0%
Total	\$51,980,176	\$55,450,502	\$54,133,024	(3,470,326)	6%	\$114,548,218	\$110,317,050	(4,231,168)	(4%)
Net surplus/deficit	\$3,175,346	\$2,621,120	\$304,068	554,226	(11%)	\$3,131,899	(\$1,115,411)	(4,247,310)	(4%)

Capital expenditure									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	-	-	-	0	-	79,000	79,000	0	0%
Community resources	1,401,278	1,738,788	1,365,363	(337,509)	(19%)	8,565,987	6,335,714	(2,230,273)	(26%)
Corporate services	159,284	178,741	74,229	(19,457)	0%	1,457,745	1,079,210	(378,535)	0%
Environmental services	37,587	35,770	-	1,817	0%	248,046	108,500	(139,546)	(56%)
Sewerage	2,364,909	2,833,122	2,786,272	(468,213)	(17%)	6,570,092	6,140,314	(429,778)	(7%)
Stormwater	380,062	1,132,059	1,092,281	(751,998)	(66%)	2,285,607	2,208,402	(77,205)	(3%)
Transport	6,954,930	6,197,016	6,097,173	757,934	12%	21,672,815	20,711,721	(961,094)	(4%)
Water supply	5,208,669	6,051,521	4,511,745	(842,853)	(14%)	10,761,077	8,937,873	(1,823,202)	(17%)
Total	\$16,506,739	\$18,167,018	\$15,927,063	(1,660,279)	(9%)	\$51,640,369	\$45,600,736	(6,039,633)	(12%)

ACTIVITY GROUPS AND ACTIVITIES				
This table details what is included in the various LTP activities used for this report				
Activity Group	Community leadership	Community resources	Environmental services	Transport
Activity	Community assistance (includes Community Partnership Fund which supports local initiatives and projects, along with grants and donations) Community futures (includes district development services which includes community leadership, regional development funding and Stewart Island Visitor Levy) Representation and advocacy (includes governance, elected members, elections and chief executive)	Community facilities (includes public toilets, community centres/halls, office/library/amenity buildings and dump stations) Community services (includes cemeteries, community housing and library services) Open spaces (including parks, reserves, playgrounds and streetscapes) Waste services Stewart Island Electrical Supply Authority (SIESA)	Animal control Building solutions Emergency management Environmental health	Airport Cycle trails Footpaths Roading Water facilities (includes boat ramps, Riverton Harbour and Stewart Island Jetties)
Corporate services (shared across all activities) Includes customer and corporate support (such as people and capability, communications, strategy and policy, finance, information management) and forestry.				

Statement of comprehensive income

Statement of comprehensive revenue and expenses for the period to 31 December 2021					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	26,727,362	26,884,248	26,884,248	54,179,025	54,179,024
Other revenue	7,168,824	6,654,316	5,086,686	11,453,017	9,214,042
Interest and dividends	31,581	1,009,800	1,009,800	2,019,599	2,019,599
NZ Transport Agency funding	6,438,000	6,492,157	6,386,503	15,532,141	15,327,781
Grants and subsidies	5,762,812	7,256,171	5,333,798	14,564,865	8,668,794
Other gains/losses	50,013	31,001	0	760,412	647,085
Vested assets	0				
Development and financial contributions	30,000	7,872	0	36,189	10,445
	46,208,592	48,335,566	44,701,035	98,545,248	90,066,770
Expenditure					
Employee benefit expense	7,568,388	8,263,469	8,249,624	16,937,216	16,907,216
Depreciation and amortisation	13,568,706	13,604,987	13,604,987	27,209,974	27,209,974
Finance costs	80,164	632,530	632,530	1,265,059	1,265,059
Other Council expenditure	21,815,988	23,213,460	21,909,827	50,001,099	45,799,932
	43,033,246	45,714,446	44,396,967	95,413,349	91,182,181
Total comprehensive income	3,175,346	2,621,120	304,068	3,131,899	(1,115,411)

Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in the Council summary by Activity Group on page 10 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary by Activity Group) matches the total comprehensive income (as per the statement of comprehensive income).

The presentation of the statement of comprehensive income aligns with Council's Annual Report. The Annual Report is based on approved accounting standards. These standards require us to eliminate internal transactions. Council is also required to report by activities. A number of Council functions relate to a number of activities, eg finance. To share these costs, an internal transaction is generated between the finance business unit and the activity business units. Within the Annual Report, Council also prepares activity funding impact statements. These statements are prepared under the Financial Reporting and Prudence Regulations 2014. This regulation requires that internal charges and overheads recovered be disclosed separately. The Council summary by Activity Group is a summary of what these activity funding impact statements will disclose for income and expenditure at year end.

Statement of financial position

Council's financial position as at 31 December 2021 is detailed below. The statement of financial position below only includes Southland District Council and SIESA financial results and therefore the comparative period (30 June 2021) differs from the Annual Report which includes Council's share of Wastenet operations.

Please note, the statement of financial position as at 30 June 2021 was adopted on 17 December 2021 as part of the 2020/2021 Annual Report.

Southland District Council Statement of financial position as at 31 December 2021		
	Actual 31-Dec-21	Actual 30-Jun-21
Equity		
Retained earnings	724,760,144	721,584,798
Asset revaluation reserves	856,312,665	856,312,665
Other reserves	40,963,080	40,963,080
Share revaluation	4,771,233	4,771,233
	<u>1,626,807,125</u>	<u>1,623,631,777</u>
Represented by:		
Current assets		
Cash and cash equivalents	10,819,026	1,674,768
Trade and other receivables	3,709,151	10,683,506
Inventories	126,353	126,353
Other financial assets	26,669,864	2,522,901
Property, plant and equipment	-	-
	<u>41,324,395</u>	<u>15,007,527</u>
Non-current assets		
Property, plant and equipment	1,617,039,119	1,613,474,356
Intangible assets	4,554,586	4,835,073
Forestry assets	13,270,000	13,270,000
Internal loans	52,455,124	52,455,124
Work in progress	106,722	452,965
Investment in associates	1,418,176	1,418,176
Other financial assets	1,320	1,579
	<u>1,688,845,047</u>	<u>1,685,907,272</u>
Total assets	<u>1,730,169,442</u>	<u>1,700,914,799</u>
Current liabilities		
Trade and other payables	10,729,383	15,534,466
Contact retentions and deposits	571,336	538,012
Employee benefit liabilities	1,584,953	2,098,531
Development and financial contributions	1,605,327	1,620,697
Borrowings	36,380,000	5,000,000
Provisions	3,023	3,023
	<u>50,874,023</u>	<u>24,794,728</u>
Non-current liabilities		
Employment benefit liabilities	23,163	23,163
Provisions	10,008	10,008
Internal loans - liability	52,455,124	52,455,124
	<u>52,488,294</u>	<u>52,488,294</u>
Total liabilities	<u>103,362,317</u>	<u>77,283,022</u>
Net assets	<u>1,626,807,125</u>	<u>1,623,631,777</u>

Statement of cash flows**Statement of cashflows for the period to 31 December 2021**

	2021/2022
	YTD Actual
Cash flows from operating activities	
Receipts from rates revenue	28,805,253
Receipts from other revenue (including NZTA)	24,731,885
Cash receipts from interest and dividends	31,581
Payment to suppliers	(26,446,052)
Payment to employees	(8,081,966)
Interest paid	(80,164)
GST general ledger (net)	(592,847)
Net cash inflow (outflow) from operating activities	18,367,690
Cash flows from investing activities	
Receipts from sale of PPE	50,013
(Increase)/decrease other financial assets	(24,146,705)
Purchase of property, plant and equipment	(16,787,226)
Purchase of forestry assets	-
Purchase of intangible assets	280,486
Net cash inflow (outflow) from investing activities	(40,603,431)
Cash Flows from financing activities	
Increase/(decrease) term loans	31,380,000
Increase/(decrease) finance leases	-
Net cash inflow (outflow) from financing activities	31,380,000
Net increase/(decrease) in cash and cash equivalents	9,144,259
Cash and cash equivalents at the beginning of the year	1,674,768
Cash and cash equivalents at the end of December	10,819,026

Cash and cash equivalents

- At 31 December 2021, Council had \$2,140 cash on hand.
- Funds on call at 31 December 2021:

Funds on call				
	Amount	Bank	Account	Interest rate
SDC	\$ 10,043,845	BNZ	Funds on call	0.05%
	\$ 0	Westpac	Funds on call	0.05%
	\$ 10,000	BNZ	Operating bank acc	0.05%
	\$ 526,829	BNZ	Restricted funds acc	0.05%
SIESA	\$ 236,214	BNZ	Funds on call	0.05%
Total	\$ 10,816,887			

Reconciliation to statement of financial position	Amount
Cash and cash equivalents	
<i>Current assets</i>	
SDC Cash on hand (Note 1)	\$ 2,140
Funds on call (Note 2)	\$ 10,816,887
Total cash and cash equivalents per the statement of financial	\$ 10,819,026

Other financial assets

- At 31 December 2021, Council had \$24.5 million invested in five term deposits as follows:

SDC Investments - Term Deposits				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 5,000,000	0.85%	24-Nov-21	11-Jan-22
ANZ	\$ 5,000,000	0.80%	30-Nov-21	11-Jan-22
ASB	\$ 5,000,000	0.10%	21-Dec-21	11-Jan-22
ASB	\$ 5,000,000	0.10%	21-Dec-21	19-Jan-22
Westpac	\$ 4,500,000	0.72%	25-Nov-21	11-Jan-22
Total	\$ 24,500,000			

4. At 31 December 2021, SIESA had \$1.72 million invested in six term deposits as follows:

SIESA investments - term deposits				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	\$ 300,000	1.00%	7-Apr-21	7-Apr-22
BNZ	\$ 350,000	1.35%	24-Aug-21	24-May-22
BNZ	\$ 370,000	1.47%	7-Oct-21	1-Jun-22
BNZ	\$ 250,000	1.62%	2-Nov-21	2-Aug-22
BNZ	\$ 250,000	1.69%	3-Dec-21	5-Sep-22
BNZ	\$ 200,000	1.72%	6-Dec-21	6-Oct-22
Total	\$ 1,720,000			

Reconciliation to statement of financial position	Amount
Other financial assets	
<i>Current assets</i>	
SDC Investments (Note 3)	\$ 24,500,000
SIESA Investments (Note 4)	\$ 1,720,000
Loans - community	\$ 28,579
Civic Assurance shares	\$ 12,986
Milford Sound Tourism shares	\$ 408,299
Total current	\$ 26,669,864
Total current other financial assets per the statement of financial position	\$ 26,669,864

External Borrowings

SDC Borrowings				
Lender	Amount	Interest Rate	Date Drawdown	Maturity Date
LGFA	\$ 20,000,000	0.73%	16-Jul-21	12-Jan-22
LGFA*	\$ 8,400,000	3.49%	15-Dec-21	15-Apr-36
LGFA*	\$ 8,400,000	3.45%	15-Dec-21	15-May-35
Total	\$ 36,800,000			

*total borrowings from LGFA was \$16,800,000, however \$420,000 is classified as bonds and will separately disclosed from January.

Reconciliation to statement of financial position	Amount
Borrowings	
<i>Current assets</i>	
Borrowings	\$ 36,380,000
<i>Non-current assets</i>	
Borrowings	\$ 0
Total borrowings per the statement of financial position	\$ 36,380,000

Compliance with Council policies

Council's Investment and Liability Management Policy states that Council can invest no more than \$10 million with one bank. The policy stipulates that should our investments breach this limit, Council needs to be informed. Investments and funds on call, currently do not comply with this policy as there is \$12.5 million invested/on call with BNZ. Staff do not consider this a significant risk in the short term as BNZ have a Standard and Poors rating of AA- (very strong), which is consistent with the other three major banks in New Zealand.

Council are currently developing an implementation plan for its borrowing strategy as proposed in the 2021-2031 Long Term Plan, which is inter-related with Council's investments.

Building solutions team - unbudgeted expenditure request

Record no: R/22/2/4788
Author: Julie Conradi, Manager building solutions
Approved by: Matt Russell, Group manager infrastructure and environmental services

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 Ensure sufficient capacity is available in the building solutions team to continue delivering a legislative compliant level of service into the future and respond to increasing consenting volumes.

Executive summary

- 2 Since the staff restructure of the building solutions team in September 2020, building consent volumes have increased by 11%, and minor variations from product changes have also increased by 49%. Building code changes relating to liquefiable ground came into effect in November 2021 and energy efficiency changes to the building code (related to climate change) will be in effect from July 2022. These changes are collectively creating a noticeable increase to the complexity and time to complete Council functions as well as volumes of work.
- 3 Overtime completed by the team continues to increase in response to this increase of work which is not sustainable as a permanent solution. To counter the expense incurred from overtime, it is noted that income to date is higher than forecast due to the increased work volumes being completed.
- 4 In preparing this report, staff have been mindful to review building consent trends, consider the impact of Covid-19 and anticipate future changes from these and any other factors such as bank lending rules. In requesting additional expenditure to resource the volume increase, staff are still looking to phase the recruitment to match the need.
- 5 This report also notes the intent to continue as planned with an incremental fee increase of 5% for the FY 2022/2023 period to further align fees with the cost of doing business and reduce reliance on Council to subsidise these costs.
- 6 Staff are looking for Council to approve unbudgeted expenditure of \$375,000 for the 2022/2023 financial year, to be funded by an increase in rates \$75,000 (0.14% rates increase), \$181,162 from increased fee revenue and \$118,838 from the district operations reserve. Based on Council policy, this activity is funded 80% from fee revenue and 20% from rates, which recognises the “public good” component of having safe buildings and structures that the public use. Previously staff have indicated to Council that the fee revenue structure was not sufficient to meet 80% of costs. To address this, staff have proposed to increase fees annually by 5% until 2025/2026. At this time, the fees should be sufficient to meet costs. The district operations reserve is currently being used to fund the annual shortfall in fee revenue. As part of the Long Term Plan process, Council questioned the 80/20 split, with staff advising that they would undertake further review of the work delivered and discuss with other councils their approach. This is still pending.
- 7 Staff are asking for it to be approved as unbudgeted expenditure rather than seeking approval through the 2022/2023 Annual Plan so that recruitment processes can start now rather than

having to wait for approval in June 2022. If recruitment is successful, any additional salary costs up until 30 June 2022 can be met from existing budget underspends as a result of vacancies and recruitment timing.

Recommendation

That the Council:

- a) **receives the report titled “Building solutions team - unbudgeted expenditure request” dated 17 February 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) Notes the intent to increase fees by 5% through the 2022/2023 Annual Plan process to better align fees with the cost of doing business.
- e) Approves unbudgeted expenditure of \$375,000 for the 2022/2023 financial year to be funded by increased fee revenue \$181,162, increase in rates funding \$75,000 and an increase in use of the district ops reserve \$118,838.
- f) Requests staff incorporate the approved unbudgeted expenditure in resolution (e) into the 2022/2023 Annual Plan.

Background

- 8 In August 2020 Council approved funding for the building solutions team to complete a restructure and source sufficient resources to operate in a manner compliant to statutory requirements and in keeping with community expectations.
- 9 This change required a 23% increase in fees for the FY 2021/2022 period and recognised that this would not in itself cover the cost of compliance. The LTP 2021-2031 demonstrated a six year transition of incremental fee increases and reliance on district ops reserve funding for those years before the team were operating in a manner that fully covered expenses. A continual adjustment to fees was an intentional decision for the benefit of the community so that variables such as staff attrition, volumes of work and expenses incurred continue to be relevant factors which are considered as they change year on year. Council did not want to increase fees too far and end up making a profit.

Issues

- 10 The challenge of sufficiently resourcing the team to ensure regulatory compliance and delivery of all functions is not unique to this Council. Ensuring that the fees and budgets approved by

Council continue to enable these operational decisions to occur as needed and within the expertise of the leadership team is a critical and timely requirement for all.

- 11 The recommended option is designed to address the immediate issue of pressures experienced across the building industry today which include a consistently increasing pipeline of work, challenges relating to sourcing and swapping products as supplies fluctuate and maintaining accreditation while the complexity of work evolves.
- 12 As a secondary benefit, the recommended option will also work to future proof business continuity during a 'perfect storm' of legislation changes coming in the near future including building act changes to align with the Carbon Zero 2050 targets set by central government, the Resource Management Act reform and local government reform. These are anticipated to trigger further increases in work volumes, continue to increase the complexity of tasks and create a heavier reliance on councils to train the industry on achieving compliance one building consent at a time. With an increased focus by the Ministry of Business, Innovation and Employment (MBIE) to ensure that councils meet their obligations under the Building Act 2004, this secondary benefit should not be undervalued.
- 13 Sourcing the right people in the current environment will be a challenge to executing the recommended option in this report. However, it is considered that now is an opportune time to make this change however as the effects of Covid-19 have many people across the nation considering relocation for a better work/life balance.
- 14 It is noted that the risk of 'over resourcing' by adjusting to the current climate has been closely considered and is seen as very low. The resource calculator for the BCA confirms that additional staff are required to maintain compliance and while this is an indicator only, the evidence of work volumes and staff overtime reflects this position. Should volumes of work not increase as anticipated, staff attrition will enable management to continue to evaluate the needs of the business and adjust as needed by not automatically refilling roles that become vacant unless deemed necessary.

Factors to consider

Legal and statutory requirements

- 15 The Building Act 2004 compliance requires Council to deliver territorial authority functions which includes (but is not limited to) customer service requests, amending compliance schedules, Building Warrant of Fitness (BWOFF) renewals, pool barrier safety, potentially earthquake prone buildings, evaluating dangerous and insanitary buildings and monitoring the district for building work completed without a consent.
- 16 The Building Act 2004 compliance requires Council to deliver all Building Control Authority functions which includes (but is not limited to) lodging documentation received by the BCA, processing requests for further information, processing and issuing building consent and code compliance certificate applications, inspecting building work, creating new compliance schedules and completing internal procedure and technical auditing for quality control, risk mitigation and compliance to IANZ accreditation requirements.
- 17 Ensure full compliance with all relevant aspects of the Local Government Act 2002 eg manner in which public consultation activities are undertaken.

Community views

- 18 While the LTP 2021-2031 financials forecast a fee increase year on year until the cost of business is covered, and no further consultation has been completed in relation to this request, the

community have expressed concern that the costs of owning and maintaining buildings in New Zealand is ever increasing and possibly unsustainable. Requirements relating to compliance activities such as Building Warrant of Fitness audits and earthquake prone building reports have been specifically referenced within this context.

- 19 A number of new fees introduced in the FY 2021/2022 period created significant feedback, with 35% of building complaints raised in the past two years relating to fees. The majority of these referred to the absence of a dedicated unlined shed / accessory building fee being specified in the new fees structure. This has since been addressed and as such these fees are not proposed to be included in the forecast 5% fee increase as these were already adjusted mid FY 2021/2022.
- 20 Inflation is at an all-time high as central government create projects to keep people employed, however the unintentional consequence of this has been an impact to households across New Zealand. It is felt by staff that the community would object to any fee increase in the current climate, however it is also considered that the building industry itself cannot withstand any Council delays in executing their functions under the Building Act 2004 either.

Costs and funding

- 21 Staff are looking for Council to approve unbudgeted expenditure of \$375,000 for the 2022/2023 financial year, to be funded by an increase in rates \$75,000 (0.14% rates increase), \$181,162 from increased fee revenue and \$118,838 from the district operations reserve. Based on Council policy, this activity is funded 80% from fee revenue and 20% from rates, which recognises the “public good” component of having safe buildings and structures that the public use. Previously staff have indicated to Council that the fee revenue structure was not sufficient to meet 80% of costs. To address this, staff have proposed to increase fees annually by 5% until 25/26. At this time, the fees should be sufficient to meet costs. The district operations reserve is currently being used to fund the annual shortfall in fee revenue. As part of the Long Term Plan process, Council questioned the 80/20 split, with staff advising that they would undertake further review of the work delivered and discuss with other Councils their approach. This is still pending.
- 22 In the current financial year 2021/2022 the anticipated shortfall to be funded from district ops reserve was to be \$275,319, due to an increase in quantities of work delivered and therefore increased fee income, the draft forecast has this reducing to \$166,679.
- 23 If approved the extra resources will be added incrementally as required.
- 24 The below table shows the Long Term Plan (LTP) Year 2, Draft Annual Plan and the recommended option:

	<i>LTP Year 2</i>	<i>Draft Annual Plan 2022/23</i>	<i>Recommended Annual Plan 2022/23</i>
Rates	\$809,688	\$775,511	\$850,511
Fees	\$2,780,245	\$3,020,368	\$3,201,530
District ops reserve	\$317,855	\$95,664	\$214,502
Expenditure (operational and capital)	\$3,907,788	\$3,891,543	\$4,226,543

- 25 The table indicates that the building control activity will be in a better position in year two than planned during the LTP process because it will be less reliant on the district operations reserve.

Policy implications

- 26 Council's Revenue and Financing Policy, indicates that funding for the building activity comes from Rates and fee revenue.

Analysis

Options considered

- 27 There are three key options submitted regarding how the team move forward, however only one of these enables full regulatory compliance to be maintained. This is therefore the recommended option.

Analysis of options

Option 1 – Continue with the planned approach – 5% increase to fees, zero increase to costs

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• faster reduction of reliance on Council to subsidise the cost of business through the district operations reserve (from \$317k forecast in Long Term Plan (Year 2) to \$96k forecast in Annual Plan FY 2022/2023)• no impact on rates proposed for FY 2022/2023 in the draft annual plan submitted.	<ul style="list-style-type: none">• full regulatory compliance unable to be maintained• customer dissatisfaction on fee increase due to current environment of inflation• customer service and community dissatisfaction with Council functions performed will increase• contractors will likely continue to be unavailable to support staff during 'peak' times• Staff welfare will decrease.

Option 2 – (recommended) – Adjust planned approach based on work volumes – 5% increase to fees, \$375K increase to costs

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• continues the planned reduction of reliance on Council to subsidise the cost of business through the district ops reserve (\$317K forecast in Long Term Plan (Year 2) ==> \$215k forecast in Annual Plan FY 2022/2023)• full regulatory compliance able to be maintained• customer service and community satisfaction with Council functions performed will continue to improve• no reliance on contractors to 'create space' to support staff during 'peak' times• staff welfare is effectively maintained.	<ul style="list-style-type: none">• increase to cost triggers an increase to the rates contribution which is set at 20% resulting in a 0.14% increase to rates specified in the draft annual plan.• customer dissatisfaction on fee increase due to current environment of inflation.

Option 3 – Deviate from planned approach – no increase to schedule of fees and charges, no unplanned increase to costs

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• no impact on rates proposed for FY 2022/2023 in the draft annual plan submitted• customer satisfaction on fees not being increased will be realised.	<ul style="list-style-type: none">• full regulatory compliance unable to be maintained• customer service and community satisfaction with Council functions performed will decrease• contractors will likely continue to be unavailable to support staff during ‘peak’ times• staff welfare will decrease.

Assessment of significance

- 28 The Significance and Engagement Policy has been referenced and this request is determined to be ‘not significant’.

Recommended option

- 29 The manager building solutions team and group manager infrastructure and environmental services recommend that Option 2 be approved and implemented.

Next steps

- 30 Upon approval of this report, the building solutions team will look to equip the team with an incremental increase in resources until workload is balanced and forecasting shows the team will achieve absolute compliance with the Building Act 2004.

Attachments

There are no attachments for this report.

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

Recommendation

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

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

C10.1 Great South - Statement of Intent 2022/2023

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Great South - Statement of Intent 2022/2023	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.