



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

Date: Wednesday, 11 May 2022
Time: 9am
Meeting room: Council Chamber
Venue: Level 2
20 Don Street
Invercargill

Council Agenda OPEN

MEMBERSHIP

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

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

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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.

Phones – Please turn your mobile devices to silent mode.

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

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

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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, 27 April 2022



Council

OPEN MINUTES

Minutes of a meeting of Council held in the Council chamber, level 2, 20 Don Street, Invercargill on Wednesday, 27 April 2022 at 9am. (9.00am to 10.48am, 11.05am to 12.22pm) (PE 12.12pm to 12.22pm)

PRESENT

Deputy Mayor	Ebel Kremer
Councillors	Don Byars (9am - 9.51am, 9.59am - 10.48am, 11.05am - 12.22pm)
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

APOLOGIES

Mayor Gary Tong

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor/Customer support partner	Lagi Kuresa

1 Apologies

There was an apology from Mayor Tong.

Moved Cr Kremer, seconded Cr Douglas and resolved that the apology from Mayor Gary Tong be accepted.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

The oral hearings for the draft Stewart Island/Rakiura visitor levy policy and bylaw were heard from the following:

1. Jon Spraggon Chair of the Stewart Island/Rakiura Community Board (submission number 99) addressed the meeting in support of their submission.
2. Alistair Faulknor (submission number 6) addressed the meeting in support of his submission.
3. Graham Okey (submission number 101) addressed the meeting in support of his submission.
4. Ann Pullen (submission number 75) addressed the meeting in support of her submission.
5. Aaron Joy – Stewart Island Backpackers (submission number 49) addressed the meeting in support of his submission.
6. Elaine Hamilton (submission 50) addressed the meeting in support of her submission.

(Councillor Byars left the meeting during the submission from Mrs Hamilton submission at 9.51am.)
7. Margaret Hopkins (submission number 65) addressed the meeting in support of her submission.

(Councillor Byars returned to the meeting at 9.59am during Mrs Hopkins submission.)

8. Manfred Herzhoff – Rakiura Adventure Ltd (submission number 100) addressed the meeting in support of his submission.
9. Paul Norris representing RealNZ Ltd (submission number 97) addressed the meeting in support of their submission.
10. Darelle Jenkins – Hospitality NZ, Southland Branch (submission number 94) addressed the meeting in support of her submission.
11. Bill Moffatt representing Stewart Island Flights (submission number 93) addressed the meeting in support of their submission.

The following submitters did not address the meeting in support of their submissions, although the agenda indicated they would.

1. Cherie Hemsley (submission number 12).
2. Helen Cave (submission number 46).
3. Ulva Goodwillie – **Ulva's Guided Walks** (submission number 72).
4. **Kevin O'Sullivan representing the New Zealand Cruise Association** (submission 12).
5. Sharon Pasco (submission number 85).

(The meeting adjourned for morning tea at 10.48am and resumed at 11.05am.)

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Council Minutes

Resolution

Moved Cr Kremer, seconded Cr Menzies and resolved:

That Council confirms the minutes of the meeting held on 29 March 2022 as a true and correct record of that meeting.

7.1 Draft Stewart Island/Rakiura Visitor Levy policy and bylaw - hearings and submissions
Record No: R/22/3/10446

Policy analyst - Jane Edwards will be was in attendance for this item.

Mrs Edward advised that the purpose of the report was to provide information to councillors on the feedback that was received through submissions on the draft Stewart Island/Rakiura Visitor Levy Policy and the draft Stewart Island/Rakiura Visitor Levy Bylaw 2022.

Resolution

Moved Cr Kremer, seconded Cr Ruddenklau and resolved:

That Council:

- a) **receives the report titled “Draft Stewart Island/Rakiura Visitor Levy policy and bylaw - hearings and submissions” dated 21 April 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) receives all written submissions and hears from the submitters who wish to be heard on the draft Stewart Island/Rakiura visitor levy policy and bylaw.

7.2 Risk management - quarterly update March 2022

Record No: R/21/12/64467

Policy analyst - Jane Edwards was in attendance for this item.

Mrs Edwards advised that the purpose of the report was to inform Council of the significant strategic and corporate risks for the March 2022 quarter.

Resolution

Moved Cr Kremer, seconded Cr Menzies and resolved:

That the Council:

- a) **receives the report titled “Risk management - quarterly update March 2022” dated 21 April 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 those risks currently assessed as of significant issue for the March 2022 quarter.

7.3 Southland District Council Submission – Draft New Zealand Guide To Temporary Traffic Management

Record No: R/22/4/13874

Strategic manager transport – Hartley Hare and Roading Engineer – Ben Whelan were in attendance for this item.

The officers advised that the purpose of the report was to request the delegated authority to be given to the Group Manager Infrastructure and Environmental Services to finalise and submit on behalf of Council to the “Draft New Zealand Guide to Temporary Traffic Management”.

Resolution

Moved Cr Kremer, seconded Cr Douglas recommendations a to d, with an amendment to d (as indicated (with underline and ~~striketrough~~) and resolved:

That the Council:

- a) receives **the report titled “Southland District Council Submission – Draft New Zealand Guide To Temporary Traffic Management”.**
- 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 Group~~ Manager of Infrastructure and Environmental Services **to finalise and submit on the “Draft New Zealand Guide to Temporary Traffic Management” on behalf of Council.**

Reports - Operational Matters

8.1 Lochiel School grant application - school sports facility

Record No: R/22/3/11532

Community partnership leader – Karen Purdue was in attendance for this item.

Mrs Purdue advised that the purpose of the report was to consider a recommendation from the Oreti community board to approve an application from Lochiel School for \$5,000 towards the upgrade of the Lochiel School sports shed from the Winton Wallacetown ward reserve.

Resolution

Moved Cr Keast, seconded Cr Menzies and resolved:

That Council:

- a) **receives the report titled “Lochiel School grant application - school sports facility” dated 21 April 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) approves a grant of \$5,000, from the Winton Wallacetown ward reserve to Lochiel School, to enable the other funding applications to go forward.
- e) approves the above grant conditional on all other funding being secured.

8.2 Dog Registration Fees for 2022/2023

Record No: R/22/3/11778

Acting Manager environmental health/team leader monitoring and enforcement – Erin Keeble spoke to this item via Zoom.

Miss Keeble advised that the purpose of the report is to set the dog control fees for the 2022/2023 year.

The meeting questioned staff over the reasons for the substantial increase in reserves and also asked about the internal services costs.

Moved Councillor Duffy, seconded Councillor Frazer the recommendations in the **officer’s report.**

The motion was put and declared CARRIED.

Following the passing of the officer's recommendations, it was brought to the attention of the Chair that officers had been requested to provide further information and that the report should lie on the table.

Moved Councillor Kremer, seconded Councillor Owen the motion that Council **rescinds the recommendations passed in the officer's report and that the report be** left to lie on the table for officers to clarify the information requested and bring the report back to the 11 May 2022 meeting of Council.

The motion was put and declared CARRIED.

Final Resolution

That Council:

- a) **rescinds the recommendations passed in the officer's report and that the** report be left to lie on the table for officers to clarify the information requested and bring the report back to the 11 May 2022 meeting of Council.

8.3 Financial Report for the period ended 28 February 2022

Record No: R/22/4/14026

Graduate accountant – Brie Lepper spoke to this item via Zoom.

Miss Lepper advised that the purpose of the report was to provide the Council with an overview of the financial results for the eight months to 28 February 2022 by the seven activity groups of Council, as well as the financial position, and the statement of cash flows as at 28 February 2022.

This report summarises Council's financial results for the eight months to 28 February 2022.

Resolution

Moved Cr Owen, seconded Cr Menzies and resolved:

That the Council:

- a) receives **the report titled "Financial Report for the period ended 28 February 2022" dated** 21 April 2022.

Public Excluded

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

Resolution

Moved Cr Kremer, seconded Cr Harpur and resolved:

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

C10.1 Rating sale process

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:

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
Rating sale process	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	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.

The public were excluded at 12.12pm.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 12.22pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE COUNCIL HELD ON WEDNESDAY
27 APRIL 2022.

DATE:.....

CHAIRPERSON:.....

Draft Stewart Island/Rakiura Visitor Levy policy and bylaw - deliberations

Record no: R/22/3/10448

Author: Jane Edwards, Policy analyst

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to provide information and to present options to Council, so that it can make decisions on the draft Stewart Island Visitor Levy Policy (the draft policy) and the draft Stewart Island/Rakiura Visitor Levy Bylaw 2022 (the draft bylaw).

Executive summary

- 2 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. The service delivery work has now been completed, aside from this review of the visitor levy quantum.
- 3 At a meeting on 22 February 2022 Council endorsed a statement of proposal (see attachment A), which included the draft policy and draft bylaw, for public consultation. Submissions were accepted between 8am 1 March 2022 and 5pm 1 April 2022.
- 4 At a meeting on 27 April 2022, Councillors were given a copy of the 102 written submissions that were received on the proposal, and heard those submitters who wished to speak.
- 5 Key areas of feedback received in submissions included the quantum of the levy, whether levy funds can be committed to a longer period of multi-year funding, communication and transparency about the levy, who should be exempt, who should allocate funds and where they should go.
- 6 In this report, staff have presented and discussed two potential options on how Council could proceed:
 - Option 1 – that Council make decisions on the issues identified in the submissions, and proceed with a new policy and bylaw
 - Option 2 – that Council decides not to make decisions on the issues identified for the draft policy and bylaw and to continue with the current policy and bylaw.
- 7 Staff are seeking a decision from Council to choose its preferred approach on how it would like to proceed.
- 8 If Council proceed with Option 1, staff will present the draft policy and bylaw, incorporating decisions made at this meeting, to Council for adoption on 22 June 2022.
- 9 If Council chooses Option 2, the current policy and bylaw will remain operative until next reviewed.

- 10 Under Section 4 of the Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012 (the Empowering Act) a levy is a sum of money collected from visitors arriving as freedom travellers, and revenue is money collected on behalf of Council by approved operators. To ensure clarity, for this report and the 'Issues and Options' report (included as attachment B), 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 policy and bylaw - deliberations ” dated 5 May 2022.**
- b) determines that this matter or decision be recognised as significant in accordance **with Council’s significance and engagement policy under section 76AA of the Local Government Act 2002.**
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) considers the feedback received on the draft Stewart Island/Rakiura visitor Levy Policy and Bylaw
- e) notes that it needs to have a clear rationale of the funds required over the course of the Long Term Plan to better provide services, facilities and amenities for visitors while they are on Stewart Island/Rakiura.
- f) considers the options on how it could proceed and endorses one of the following options:
 - i. Option 1 – That Council make decisions now on all the issues identified in the submissions, and proceed with a new Stewart Island/Rakiura Visitor Levy Policy and Bylaw
 - ii. Option 2 – That Council decides not to make decisions on the issues identified for the draft Stewart Island/Rakiura Visitor Levy Policy and Bylaw and to continue with the current policy and bylaw
- g) agrees that should Council endorse Option 1 (Recommendation f(i)), and wishes to make decisions now on the issues identified for the draft Stewart Island/Rakiura Visitor Levy Policy and Bylaw, that it endorses the following options (these options are fully discussed in a separate Issues and Options report):
 - i. increasing the amount of the levy to \$15
 - ii. allowing multi-year funding of up to 30 years for Council and community owned infrastructure, in exceptional circumstances
 - iii. removing the requirement to consult via the Annual Plan/LTP process, in the event a change in the levy amount is considered, noting that consultation procedures under the Local Government Act will always be applied

- iv. continuing to undertake the communication measures agreed at the 22 February 2022 meeting to publicise the Stewart Island/Rakiura visitor levy
- v. retaining the levy eligibility requirements outlined in the draft policy
- vi. not seeking a change to the Empowering Act as to who pays the visitor levy
- vii. no change to the current Stewart Island/Rakiura Visitor Levy Allocation Subcommittee
- viii. other minor changes to the draft bylaw and policy as outlined:
 - clarifying that the Stewart Island/Rakiura Visitor Levy Allocation 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 costs)
 - adding that for applications made by Council (including community **boards**), **the inclusion of a project in Council's long term plan indicates that** it has gone through a community engagement process, and Council has endorsed the project as supporting the community's **long term objectives**
 - updates to improve legal accuracy and clarity of the policy, including titles and delegations.
- h) Agrees that should Council endorse Option 2 (Recommendation f(ii)), agrees that no changes will be made to the Stewart Island/Rakiura Visitor Levy Policy and Bylaw at this time.

Background

The Empowering Act

- 11 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 in 2012.
- 12 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.
- 13 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

- 14 The current policy and bylaw became operative and the levy started being collected, in October 2013.
- 15 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.
- 16 The current policy contains practical information about how the visitor levy operates, and outlines who has to pay the levy, how a person can prove they are exempt, how the fund is administered and how funding is allocated.
- 17 The current bylaw 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.

Review

- 18 Staff undertook preliminary consultation and obtained feedback from internal and external stakeholders (members of the Stewart Island/Rakiura community, stakeholders involved with the levy, and Council staff members) on this matter, which helped develop the draft policy and bylaw.
- 19 Staff presented a draft policy and bylaw to the Community and Strategy Committee (the committee) on 1 February 2022 and the committee made a number of recommendations to Council. On 22 February 2022, Council endorsed the recommendations made by the committee, and released a statement of proposal (including the draft policy and bylaw) for public consultation.
- 20 Some of the key changes in the draft policy that went out for consultation were:
- increasing the amount of levy collected from \$5 to \$15 (including GST) from 1 October 2023
 - removing the requirement that public consultation on any change to the levy occur via the annual/long term plan process, but continuing to comply with all consultation and 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, including:
 - clarifying that the Stewart Island/Rakiura Visitor Levy Allocation 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 costs)
 - adding that for applications made by Council (including community boards), the inclusion of a project in Council's long term plan indicates that it has gone through a community

engagement process, and Council has endorsed the project as supporting the community's long term objectives

- updates to improve legal accuracy.

21 Changes included in the draft bylaw that went out for consultation are:

- increasing the levy amount collected from \$5 to \$15 (including GST) from 1 October 2023.

22 Information about why these changes were included in the draft policy and bylaw can be found in a report to the committee on 1 February 2022, and in a report to Council on 22 February 2022. These reports are publicly available on Council's website and Councillors can view them on the Hub.

23 Council consulted on the draft policy and bylaw from 8am 1 March 2022 to 5pm 1 April 2022. A submission form was available electronically on Council's website, and hard-copies were made available in Oban and Council's offices.

Issues

24 In this report, two options have been presented on how Council could elect to proceed. The advantages and disadvantages of the options are discussed on page 10 of this report.

25 For the first option, Council could proceed and make decisions now on all the issues identified for the draft policy and bylaw.

26 Council's second option is to retain the status quo of the provisions and quantum set out in the current policy and bylaw.

27 A separate issues and options paper has been produced, which is included with this report as attachment B. The paper clearly outlines each issue that has arisen in relation to the draft policy and/or bylaw. For each issue, background information is given, there is a summary of community views, there is a discussion of the issue, and options are presented.

Factors to consider

Legal and statutory requirements

The Empowering Act

28 The Empowering Act provides that Council may make bylaws in accordance with the Local Government Act 2002 (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.

29 The purpose of the Empowering Act is to provide a mechanism for Council to set and collect levies and obtain revenue from passengers travelling to Stewart Island/Rakiura, in order to better provide services, facilities, and amenities for those persons while they are on Stewart Island/Rakiura.

- 30 The Empowering Act identifies that the levy is a source of funding under section 103 of the LGA.
- 31 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”. People who pay revenue to an approved operator fall outside of the scope of the bylaw.

Consultation

- 32 Council has undertaken consultation on the draft policy and bylaw in accordance with the special consultative procedure outlined in section 83 and 86 of the LGA. The proposal was made widely available and people were encouraged to give their feedback.
- 33 Under section 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/Long Term Plan (LTP) process, and a bylaw review process. At its meeting 22 Feb 2022, Council endorsed consulting via the special consultative procedure bylaw review process, but not via the Annual Plan/LTP process as it was not considered practical to delay the review of the levy quantum, given Council was not required to consult on its 2022/23 Annual Plan.
- 34 Under section 78 of the LGA, Council must, when making a decision on how to proceed, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter. Council must consider the views and preferences of submitters but it can reach a different position from the views expressed when making a decision.
- 35 If Council endorses significant changes to the draft policy and bylaw, away from the options that were outlined in the statement of proposal and outside of feedback that was given by submitters, Council will be required to re-consult on the draft policy and bylaw.

LGA financial requirements

- 36 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 forecast expenditure requirements.
- 37 As the levy is a source of ‘funding’ under the LGA, it is subject to the normal LGA financial management provisions. This means that Council needs to have a clear rationale of the funds required over the course of a Long Term Plan to better provide services, facilities and amenities for visitors while they are on Stewart Island/Rakiura. 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.
- 38 There also needs to be a strong linkage between the amount being collected and the proportion allocated to different Council activities and community groups (for visitors to Stewart Island/Rakiura) in Council’s LTP.
- 39 Council must also show for its sources of funding how it has complied with section 101(3) of the LGA. This section requires Council to meet its funding needs for each activity following consideration of factors such as who is benefitting, the period over which any benefit will occur,

and whether the actions of a particular group contribute towards to need to undertake the activity.

Contractual obligations

- 40 If Council adopts an increase to the levy quantum, an important legal consideration is that Council would also want 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 determining whether or not to change the levy quantum.
- 41 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).
- 42 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

- 43 Council was required, before commencing the process for making a bylaw, to determine whether a bylaw is the most appropriate way of addressing the perceived problem. Council made this determination on 22 February 2022. On 22 February 2022, Council also determined that the proposed bylaw is the most appropriate form of bylaw and that the draft bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990.

Enforcement of Bylaw

- 44 It is an offence under the draft bylaw to evade the payment of the levy or falsely claim not to be a visitor. The draft policy sets out the procedures for compliance and enforcement. The infringement fee is set by way of regulation and is \$250. The amount of the fee will be displayed on signs that are erected on the Island.
- 45 Council Enforcement Officers may conduct spot checks and request proof of payment of the levy or proof of exemption.

Community views

- 46 The community views captured through the formal consultation process on the draft policy and bylaw were outlined in the issues section of the report that went to Council on 27 April 2022. The full booklet of the feedback received through the formal consultation process was also included as an attachment to that report.
- 47 Submitters generally supported an increase in the visitor levy quantum from \$5 (the current amount) and there was acknowledgement that increasing funds were needed to protect and support the unique environment of Stewart Island/Rakiura. Some of the submitters that did not support an increase commented that an increase in levy would make the Island an uneconomical destination for visitors.
- 48 There was general support for the Stewart Island/Rakiura Visitor Levy Allocation Subcommittee (the subcommittee) being able to commit to multi-year funding, however, of those submissions

in support, a slight majority considered the current approach of being able to commit funding for ten years, most appropriate.

- 49 The community views captured through the preliminary consultation process were outlined in the report to the community and strategy committee on 1 February 2022.
- 50 All Council and committee reports are available for Councillors on the 'Hub', and they can be accessed by the public on Council's website.

Costs and funding

- 51 Costs associated with staff time, advertising, travel and legal advice are being met within current budgets.
- 52 Staff have looked at the forecasted costs for the Island by Council and other groups. Two different methods were used to identify visitors' share of costs, to help identify an appropriate levy quantum. Detailed information on this is outlined in the Statement of Proposal.
- 53 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 or deleted.

Policy implications

- 54 If changes are made to the draft policy and bylaw, there are policy implications for:
- visitors to the Island
 - future applicants to the levy
 - Council, including the subcommittee
 - the approved operators and other transport providers to the Island, and
 - local business and tourism operators on the Island.

The implications of particular issues are discussed further in other parts of this report and in the issues and options report.

Analysis

Options considered

- 55 Staff have identified two practicable options:
- Option 1 – that Council proceed and make decisions now on the issues identified for the draft Stewart Island/Rakiura Visitor Levy policy and bylaw
 - Option 2 – that Council decides not to make decisions on the issues identified for the draft Stewart Island/Rakiura Visitor Levy policy and bylaw and to continue with the current policy and bylaw

Analysis of Options

Option 1 – That Council proceed and make decisions now on the issues identified for the draft Stewart Island/Rakiura Visitor Levy policy and bylaw.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Council has captured community views on the draft policy and bylaw through the consultation process and is in an informed position to decide on the issues discussed • the public will have an expectation that a decision will be reached on all aspects of the draft policy and bylaw • any increase in the levy may assist strategic planning to provide for visitors • the issues and options presented incorporate community views 	<ul style="list-style-type: none"> • if Council chooses to increase the levy quantum, this will not be in line with some community views • if, following deliberations, Council wants to make a large number of changes not contemplated, further consultation may be required

Option 2 – That Council decides not to make decisions on the issues identified for the draft Stewart Island/Rakiura Visitor Levy policy and bylaw and to continue with the current policy and bylaw.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • may allow Council more time to plan strategically • this option is in line with some community views • if a new proposal is put forward in the future, there is opportunity to build community understanding about the levy and potential changes to it • the community, stakeholders and approved operators are familiar with the current levy amount and bylaw and policy provisions. 	<ul style="list-style-type: none"> • the public will have an expectation that a decision will be reached now on all aspects of the draft policy and bylaw • keeping the levy at \$5 may limit strategic planning to provide for visitors • Council may have to undertake another consultation process if it delays making decisions on the levy quantum – there are costs associated with consultation • this option may contribute to consultation fatigue on Stewart Island/Rakiura • this option may result in reputational risk to Council, as selecting it may give the impression Council is reluctant to decide.

Assessment of significance

- 56 As a change is being proposed to the amount of levy/revenue collected, staff believe that this decision is one that meets the threshold of being a significant decision (in relation to Council's Significance and Engagement Policy and the LGA).

- 57 The most relevant factor (in this circumstance) 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."
- 58 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.
- 59 Council has undertaken a thorough review of the current policy and bylaw. Council has considered the community views captured through preliminary consultation, and through the formal consultation process. Council used the Special Consultative Procedure to seek community views in the formal consultation process, which is the most thorough consultation process to use and is also appropriate in this case, given the level of significance. 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 section 81 of the LGA.

Recommended option

- 60 It is recommended that Council proceed with Option 1 and make decisions now on the issues identified for the draft Stewart Island/Rakiura Visitor Levy Policy and Bylaw.

Next steps

- 61 If Council proceeds with Option 1, staff will present the draft policy and bylaw, incorporating any decisions made at this meeting, to Council for adoption on 22 June 2022.
- 62 If Council adopts any change to the levy quantum in June 2022, the change in quantum would not take effect until October 2023, consistent with the agreements between the approved operators and Council. All other provisions will come into effect upon adoption.
- 63 If Council endorses increasing the visitor levy quantum, staff will meet with approved operators to begin contract negotiations for the collection of the visitor levy.
- 64 If Council proceeds with Option 2, the current policy and bylaw will remain operative until next reviewed.

Attachments

- A Statement of Proposal - draft Stewart Island/Rakiura visitor levy policy and bylaw [↓](#)
- B Key issues and options - draft Stewart Island/Rakiura visitor levy policy and bylaw review [↓](#)



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

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- 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 www.makeitstick.nz/visitorlevy.

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)	
<p>Advantages</p> <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. 	<p>Disadvantages</p> <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	
<p>Advantages</p> <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. 	<p>Disadvantages</p> <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	
<p>Advantages</p> <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. 	<p>Disadvantages</p> <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

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AGENT	A business entity that enters into a contractual arrangement with Council to collect the levy from its passengers on behalf of Council
APPROVED OPERATOR	<p>A person who owns or operates or is otherwise in control of a transport vessel and who enters into a contract with the Council—</p> <ul style="list-style-type: none"> (a) relating to the provision of a service to carry to or from the island passengers who, but for the contract, would be visitors to the island; and (b) providing for revenue to be collected from the passengers; and (c) that has the effect of bringing passengers carried by the operator within the definition of an excluded visitor; and (d) including any other terms and conditions that may be agreed from time to time by the approved operator and the Council <p>The Approved Operators are RealNZ Journeys Limited (currently trading as Stewart Island Experience), Stewart Island Flights Limited and ISS McKay Limited on behalf of the cruise ships</p>
A STAFF MEMBER	A staff member from Council
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 Real NZ-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~~ 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 <u>9-nine</u> allocation rounds). <u>In exceptional circumstances, the subcommittee may consider a longer term of up to 30 years (the current allocation round, and the next 29 allocation rounds).</u>
OPERATIONAL COSTS	up to three years (the current allocation round, and the next two allocation rounds)
COMMUNITY PROJECTS	one year (just the current allocation round)

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

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

General points about allocation

Local and central government can make applications for funding.

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

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

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



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

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

11.0 Accountability

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

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

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

12.0 Review

Council will review the ~~Stewart Island/Rakiura Visitor Levy Bylaw~~ and this policy 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
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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)		9,650,552						2,885,515	3,979,401	8,175,302	5,596,615
Total Per annum		1,206,319						360,689	497,425	1,021,913	699,577
Council costs (LTP 21-31)		7,257,727						2,170,060	2,523,074	5,782,478	3,783,606
Total Per annum		907,216						271,258	315,384	722,810	472,951
Other agency costs (community, DOC)		2,392,825						715,455	1,456,327	2,392,825	1,813,008
Total 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)

Visitor related Stewart Island/Rakiura projects which could potentially be eligible for levy funding in 2023-2031										
Activity/project (Project code)	2021-2031 budgeted project costs	Estimate of the share of the activity related to visitor use (either used by visitors, for their benefit or to mitigate adverse effects of visitors)				£ eligible for levy funding based on estimate share (excluding GST)				Total
		(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	
Toilets (new and refurbished in the past)	325,105					97,206	195,063	325,105	292,595	
Refurbishment of existing toilet facilities in the past (e.g. Golden Bay and Ulva Island)	325,105	30%	40%	100%	90%	97,206	195,063	325,105	292,595	
Parks and reserves (new and refurbished in the past)	72,383					21,643	41,620	66,954	50,668	
Refurbishment of existing parks and reserves in the past (e.g. Golden Bay and Ulva Island)	72,383	30%	58%	83%	73%	21,643	41,620	66,954	50,668	
Community Groups (new and refurbished in the past)	2,912,825					715,455	1,506,339	2,392,825	1,851,134	
Refurbishment of existing community facilities in the past (e.g. Golden Bay and Ulva Island)	2,912,825	30%	73%	100%	85%	715,455	1,506,339	2,392,825	1,851,134	
All project costs	Total Per annum	9,656,552 1,206,319				2,885,515 360,689	3,706,402 463,300	7,686,842 960,855	5,258,458 657,307	
Council activity costs (SIP 21-31)	Total Per annum	7,351,727 907,216				2,170,000 271,254	2,200,000 275,008	5,294,018 661,752	3,407,323 425,915	
Other agency costs (community, DOC)	Total Per annum	2,304,828 286,103				715,455 85,412	1,506,339 188,292	2,392,825 299,103	1,851,134 231,312	
Average eligible project costs per annum (over 8 years) (including GST)						414,793	532,795	1,104,884	755,903	
Projected visitor levy required (including GST)						\$11	\$14	\$29	\$20	
Current visitor levy (including GST)						\$5	\$5	\$5	\$5	
Levy increase						\$6	\$9	\$24	\$15	

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).

Rows **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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Key issues and options

Draft Stewart Island/Rakiura Visitor Levy policy and bylaw

Record Number: R/22/5/16866

Author: Jane Edwards – Strategy and Policy

Issue 1 – Levy quantum

Background

When the Stewart Island/Rakiura bylaw and policy were last reviewed in 2018, Council endorsed keeping the quantum of the levy at \$5, until a strategic review of service delivery to Stewart Island/Rakiura had taken place, and a further review of the levy undertaken subsequent to this being completed.

The Stewart Island/Rakiura service sustainability review (the 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.

In 2021, Council initiated a further review of the Stewart Island/Rakiura bylaw and policy, and released a statement of proposal asking for feedback on increasing the levy imposed from \$5 to \$15. 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 the Island's ratepayers.

The new amount was proposed with 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.

The current bylaw and policy came into effect in October 2013 and there has been no change to the levy quantum since its implementation in 2013. The table below shows information on the funds that have been collected since that time.

Year ended	\$ (GST excl)	No of visitors	No who travelled on a cruise ship	%	No who travelled with other approved operators	%	No of others (aka freedom travellers)	%
June 2014 (9 months)	113,567	26,120	2,981	11%	22,946	88%	194	1%
June 2015	133,251	30,648	2,083	7%	28,335	92%	230	1%
June 2016	158,511	36,457	2,492	7%	33,872	93%	94	-
June 2017	159,372	36,656	2,187	6%	34,302	93.5%	167	0.5%
June 2018	193,144	44,423	6,839	15%	37,490	85%	94	-
June 2019	191,267	43,991	4,024	9%	39,855	91%	112	-
June 2020	159,169	36,609	6,074	17%	30,447	83%	88	-
June 2021	182,558	41,998	-	-	41,788	99%	210	1%

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Total	1,290,838	296,902	26,680	9%	269,035	91%	1,189	0.4%
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Quantifying the levy amount

Work has been undertaken to look 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.

Council has proposed 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 resident and non-resident Island ratepayers.

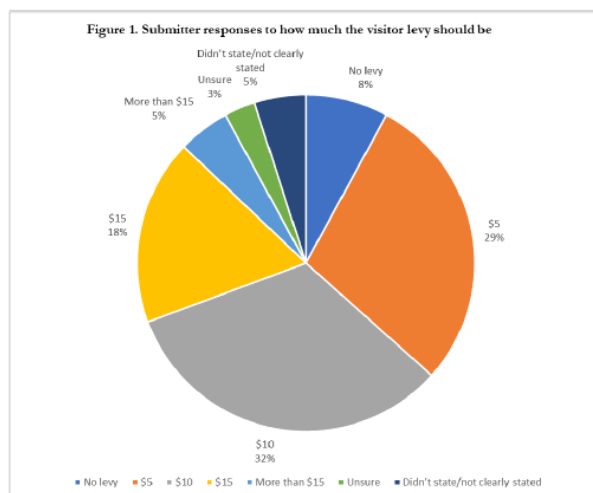
Legal requirements around Council obtaining funds

To comply with legislative provisions, Council needs to have a clear rationale of the funds required over the course of an LTP to better provide services, facilities and amenities for visitors while they are on Stewart Island/Rakiura. 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 amount of the levy could then be set based on expected visitor numbers and the expenditure requirements.

In determining how activities are funded, the Council is obliged to share the costs of delivering services across different users, including across generations. When deciding how to fund each activity, Council considers a number of factors such as who is benefitting, the period over which any benefit will occur, and whether the actions of a particular group contribute towards to the need to undertake the activity.

Summary of Feedback

The majority of submitters supported increasing the levy from the current \$5 however, an increase to \$10 received more support than increasing the levy to Councils' proposed \$15. Nearly one third of submitters opposed the levy quantum being increased from \$5 with a number of other submitters stating that there should not be a levy at all.



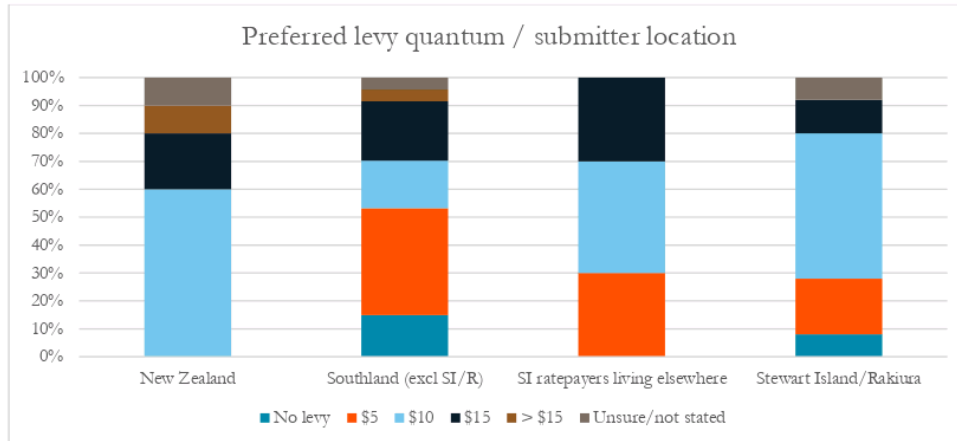
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Analysis

Submitter responses on how much they thought the visitor levy should be, based on their location of residence, are outlined in Figure 2 below. In summary, visitors were happy to pay \$10 with a third supporting \$15 or above; Southland residents favoured maintaining the status quo; Island ratepayers not living on the Stewart Island/Rakiura were evenly split between \$5, \$10 and \$15; and Island residents largely favoured an increase of \$10.



Stewart Island/Rakiura residents

Residents from Stewart Island/Rakiura were more in favour of increasing the levy quantum above \$5 than non-residents. While there was general support for an increase, the majority of submissions favoured an increase to \$10 rather than \$15. Many Island submitters acknowledged that the current levy rate did not generate enough monies to fund tourist-related infrastructure, however caution was given that raising the levy to the proposed \$15 could have a deterrent effect on visitors resulting in fewer levy funds collected overall. Other comments from Island submitters suggested that Council had widened the scope of the required spending outside the original intent of the levy and that it should 'cut its cloth' to suit the funds available. Comments were also made expressing concern about what the increased funds would be used for as making the Island more 'visitor friendly' could endanger the qualities most valued by visitors and residents.

New Zealand

Submitters from elsewhere in New Zealand generally supported an increase to the levy with nearly a third stating support for a levy of \$15 or higher. Comments made stated that if the costs to provide services to the Island have increased substantially, then it was appropriate that visitors should pay their share of these costs. These submitters made comments that they were happy to pay the equivalent of a 'pint of beer' or a 'couple of coffees' to help protect what made Stewart Island/Rakiura a unique destination and was in line with what tourists were being charged elsewhere in the world.

Southland residents (excluding Stewart Island/Rakiura)

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Submitters from Southland formed the majority of those submissions that did not support an increase to the levy, with a number of these stating that there should not be a levy charged at all. Many of these submitters came from family/friends of Island residents who commented that the Island was already an expensive place to visit and that any increase would put it out of reach. Submitters from Southland also stated that Stewart Island/Rakiura should not be singled out from the rest of the District and that a District-wide strategic approach to funding visitor related costs should be developed before deciding a levy quantum.

Stewart Island/Rakiura ratepayers (living elsewhere)

Two thirds of submitters supported an increase to the levy with the majority of those stating a preference for \$10. Feedback in support of an increase stated a preference that the levy was increased rather than rates. Some submitters did not support any increase and commented that the levy was already perceived as a deterrent to visitors at the current \$5 and that any increase could be counterproductive.

Discussion

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. The second approach used 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.

Both the LTP project and annual depreciation approaches assigned 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.

The two methods yielded similar results and showed that the current visitor levy at \$5 is likely to be insufficient to fund the projected future costs of visitor -related activities. Depending on the share of activity costs estimated to be related to visitor use, the project approach showed that the levy would need to increase to between \$11 and \$30. The depreciation approach has been used to verify that the annual costs resulting from the project approach are reasonable. The estimated annual costs using both approaches are very similar with the depreciation approach showing that the levy would need to increase between \$9 and \$26 to meet the projected costs of enhancing the visitor experience to the Island.

In addition, the proposed increase to \$15 would be catching up on increased costs and inflation since the collection of the levy started, and it anticipates both further increases before any change will come into effect in October 2023, and any potential increase in costs between now and the next review. Due to the bylaw amendment process, and lead in time of 18 months for 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.

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.

Feedback received from some submitters 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. Activities opposed included wastewater, waste services, and electricity generation (SIESA) activities as well as Department of Conservation track maintenance and capital projects.



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.

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.

Some different approaches suggested by submitters

Submitters commented that in the current economic climate, any change should be incremental and occur over a number of years rather than a large increase in one step. Some submitters were of the view that there was not enough information to justify an increase. Submitters also raised that the levy amount should be reviewed more frequently, be more flexible, and adjusted based on factors including need, economic climate, and tourist climate.

Other submitters proposed a 'two-tiered' levy quantum be applied. This was proposed to be used to encourage off season visitors with low season and high season visitor levy rates. A two-tiered approach was also suggested to be used for domestic (and/or Southland rate payers) versus international visitors.

While the benefits of tiered charges are acknowledged to both mitigate any seasonal fluctuation in visitor numbers and encourage local visitors, this option is considered better employed by the tourist operators as it is beyond the purpose of the visitor levy to be utilised to incentivise visitors to the Island.

Under the Empowering Act, the definition of 'visitor' in section 4 and the bylaw-making power in section 5 does not allow Council to have different levies for different classes of visitor (e.g. international vs domestic). Section 5(2) states that levies can be set and collected for one or both directions of travel but not for different classes of visitors.

However, there could be different rates of levy set for different seasons. This would appear to come within the section 5(1)(a) power – the bylaw prescribes "*the rates of levies that may be imposed on or in respect of visitors*". As already outlined however, the purpose of the bylaw is not about incentivising visitors, so a differential seasonal rate would need to be linked to a service, facility or amenity for which the levy and revenue are used, that is not provided in the low season. Staff consider that given there is little differentiation of seasonal projects on the Island, there could be limited justification to set a seasonal variation of levy.

Given the restrictions of the Empowering Act outlined, it is considered that options to address this feedback from submitters sits outside the scope of the review, however Council could choose to consider other avenues to incentivise off season visitors outside the policy and bylaw-making process.

Risks

A number of risks have been identified regarding setting the levy quantum and analysis is provided below. These risks need to be balanced with the risk of insufficient funds to meet the projected costs for visitor related activities on the Island, and the potential for these costs to fall to ratepayers, or projects deferred or deleted if other funding sources outside the levy cannot be secured

- there is a risk that raising the amount of the visitor levy could reduce visitor numbers to Stewart Island/Rakiura.

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As borders reopen to 'normal' travel, those domestic tourists who have been visiting the Island in significant numbers will have the option of holidaying overseas and it is likely that many will choose to travel offshore. Coupled with this, is the uncertainty as to when international tourists will return, in particular, European visitors who have been the main international visitor market to the Island.

The submissions from the New Zealand Cruise Association also explicitly stated that 'an additional \$10 levy will cast a further negative light on Stewart Island and could result in an overall lowering of the income for the Council, if ship numbers decrease', as Stewart Island/Rakiura is already a very high-cost destination due to the other levies and fees in place.

To note is that staff analysis in the pre-consultation phase of the review concluded that a modest increase in the visitor levy was unlikely to cause a decrease in visitor numbers. The reasons for this outlined that factors influencing price sensitivity indicate that visitors to the Island have lower price sensitivity (an increase in prices will not affect behaviour); that the current high visitor numbers and strong future bookings indicate that interest in visiting the Island shows no signs of waning; and the international market, when borders open, is anticipated to be high yield.

- Council is also aware of a risk that if it decides to raise the visitor levy, the approved operators may elect to terminate their contract by giving notice.

The Empowering Act does not require a transport vessel operator to enter into an approved operator contract with the Council (which contract must provide for revenue (levy) to be collected from their passengers for Council). If the operator does not have a contract with Council, then any passenger they take to Stewart Island/Rakiura is a 'visitor' (as defined in the Empowering Act) who must pay the levy to Council themselves.

- there is a risk that Council's project list does not justify the proposed visitor levy increase.

Feedback received in the consultation process was critical of Council's proposed project list used to quantify the levy amount. There is a potential for low support for the proposed quantum increase if the strategic projects outlined are not considered required work by the community.

- raising the visitor levy to \$15 could also have relationship risks.

Council's relationship with Stewart Island/Rakiura is important. Island residents and ratepayers are very keen to be listened to on this matter, and while not all expressed the same opinion, they may be disgruntled if their views are not encompassed when Council makes a decision. The submission from Tourism Industry Aotearoa has also expressed concerns about the lack of community support for the proposed changes. There are also relationship risks in regards to working collaboratively with the approved operators.

Options

Staff have identified four practicable options on how Council could proceed on this issue. These are that Council endorse:

Option 1 increasing the amount of the levy to \$15

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- Option 2 increasing the amount of the levy to \$10
- Option 3 retaining the current amount of the levy of \$5
- Option 4 changing the visitor levy to another amount.

Option 1 – That Council endorse increasing the amount of the levy to \$15	
Advantages	Disadvantages
<ul style="list-style-type: none"> will go some way towards meeting the outcomes of the sustainability review prepared in 2019, and the service sustainability challenges in providing and funding the delivery of services to the Stewart Island/Rakiura community an increase in available funds will better provide for visitors to the Island and raise the quality of current infrastructure provided for the visitor experience to the Island raising the available funds will contribute towards relieving the rates burden on the Stewart Island/Rakiura community and/or district ratepayers, and lessen the risk of emergency infrastructure works being required as infrastructure standards increase enables a greater funding 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"> this option would not be in line with some community views received there is a perceived risk this option will negatively impact the number of visitor who travel to Stewart Island/Rakiura and Island businesses transport vessel operators may choose to not continue with an approved operator contract if the levy is raised to \$15 which would mean alternative collection methods would have to be established may impact affordability of getting to the Island for some people increasing the levy may make Stewart Island/Rakiura a non-viable option for cruise ships there are relationship risks associated with this option. Island residents may be disgruntled, and it may hinder Council's relationships with approved operators increasing the levy may not be well received in the current economic climate

Option 2 – That Council endorse increasing the amount of the levy to \$10	
Advantages	Disadvantages
<ul style="list-style-type: none"> this option would be most consistent with the community views received from submitters 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 funding contribution to eligible grant requests, both from Council 	<ul style="list-style-type: none"> increasing the levy to \$10 will provide less support towards meeting the outcomes of the sustainability review prepared in 2019, and the service sustainability challenges in providing and funding the delivery of services to the Stewart Island/Rakiura community this option may increase the rates burden on the Island community and/or district ratepayers if Council wishes to provide the same services,

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Option 2 – That Council endorse increasing the amount of the levy to \$10

<p>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, where possible, undertaken without delays</p> <ul style="list-style-type: none"> may foster relationship with approved operators and residents 	<p>facilities and amenities as proposed to be covered by the higher levy amount</p> <ul style="list-style-type: none"> may not be sufficient to fund grant requests for other entities. This may result in a reduction to service levels and/or any projects being delayed or cancelled pending successful access to other funding sources may impact affordability of getting to the Island for some people transport vessel operators may choose to not continue with an approved operator contract if the levy is raised to \$15 which would mean alternative collection methods would have to be established. there are relationship risks associated with this option. Island residents may be disgruntled, and it may hinder Council's relationships with approved operators increasing the levy may make Stewart Island/Rakiura a less attractive option for cruise ships
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Option 3 – That Council endorse retaining the current levy amount of \$5

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> this is in line with some community views obtained through the consultation process the community, stakeholders and approved operators are familiar with the current levy amount and bylaw and policy provisions transport vessel operators likely to continue with approved operator contracts and to continue collecting levy funds may help make the Island more accessible may help encourage cruise ship visits may foster relationships with approved operators and island residents 	<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. This may lead to a reduction in services provided, identified 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.

Option 4 – That Council endorses changing the visitor levy to another amount

<i>Advantages</i>	<i>Disadvantages</i>
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Option 4 – That Council endorses changing the visitor levy to another amount

- | | |
|---|---|
| <ul style="list-style-type: none"> this is in line with some community views obtained through the consultation process | <ul style="list-style-type: none"> anything that is a significant departure from the options set out in this proposal may require further consultation |
|---|---|

Recommendation

Option 1 - That Council endorse increasing the amount of the levy to \$15

Excerpts of feedback about the levy amount

Note: these provide a representative sample of feedback received. For a full list of submissions, please refer to the submissions booklet made available on the Hub for the Council meeting 27 April 2022

Submitter's comments

I am concerned about the financial impact on family connectedness for *[the Island's aging residents]* ...the hike in visitor levy fees could be prohibitive for both whole family visits and single family member pop-overs on a regular basis.

\$15 is a small extra to pay for amenities. Having travelled overseas there are many 'hidden' extras included in the cost of visiting places, that you are unaware of. It's included in the price you pay, or added as an extra on the cost of ticket, entry, visit etc. I see it no different for Stewart Island.

Southland ratepayers should not need to pay a visitor levy, it's a great place at our back door, it's a large expense as it is to park and ferry over, often stopping for an afternoon or evening to go to local stores it's an added expense. People from further afield are more likely to be prepared to pay *[an increased levy]* but Southlanders shouldn't need to pay this.

A \$15 levy is in the overall scheme of things a minor cost for the privilege of visiting Rakiura... Rakiura is unique. It is not and never will be a low cost destination. It is a beacon to those valuing what is rare and unique – *[visitors]* will willingly contribute what is still a small token for that privilege, and happily do so knowing they are contributing something more for those who follow

[We] support an increase in the visitor levy... *[however]* there is a risk that if the levy increase is too high visitors will be turned off from visiting Rakiura and significantly more funds will not be collected despite a levy increase.

I like the round number of \$10, it's basically only the price of a glass of beer at the South Sea Hotel - no visitor would begrudge that level of visitor contribution to assist the maintenance of Island infrastructure.

I think a visitor levy of even \$20 would be totally appropriate. Rakiura is a wonderful, special place... I would be more than happy to contribute to the funding of services, facilities and amenities.

An increase in levy from \$5 to \$15 appears unjustified until a plan for actual investment costs and destination strategy is completed.

I don't like how the levy essentially makes us an 'elite' place to visit ... whatever the decision is, we cannot forget to include everyone – even those that are on the lower end of our socioeconomic scale in Aotearoa.

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Scrap the visitor levy completely. It is time to stop treating [<i>the Island</i>] as an isolated case and make it inclusive within the greater Southland District.
Considering those who visit Stewart Island are high value visitors to the South, we should be thinking about how to incentivise them, not consider them as easy targets to make money from...we don't want our reputation to become 'if you have the money expect to be gouged'.
The levy was originally put in place to mitigate the effect of the massive tourist influx at Stewart Island. This has never happened, with numbers very similar to what they were twenty years ago. SDC couldn't justify the increase last time they tried so now by expanding outside the original intent of the levy they believe they can now justify this. It is just wrong.
Stewart Island is an awesome place, but NZ has a lot of awesome places that don't cost us to visit

Issue 2 - Multi-year funding

Background

When the current policy was last reviewed in 2018, Council endorsed the Stewart Island/Rakiura Visitor Levy Allocations Subcommittee (the subcommittee) being able to commit to multi-year funding. This enabled the subcommittee to commit to service loans drawn, such as to cover capital works projects. The objectives of this change were to allow levy funding to be used more effectively and enable organisations to operate and plan more effectively.

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).

The draft policy proposes to allow multi-year funding of up to 30 years for Council and community owned infrastructure in exceptional circumstances. The increase was proposed as a result of the current 10 year funding period being considered insufficient for larger capital infrastructure projects. Under the proposed increase to the funding period, while funds may still be built up to pay for a project, an avenue is also provided for a 30-year loan to be taken out against the levy. This increased loan period is considered more likely to match long-life capital projects.

Summary of Feedback

While submitters generally supported the ability of being able to commit to multi-year funding, only just over one third of submitters who directly answered this question supported the proposed increase to a 30 year time period. Nearly two thirds of submitters either did not support the proposed increase to 30 years or answered that they were unsure.

These submitters who did not support the proposal or who expressed uncertainty commented that 30 years was too long a time period to commit to given the uncertainties and fluctuations that can occur in



visitor numbers. Comments were made that a 30 year commitment was too farsighted and would tie future generations to projects that they may consider inappropriate.

A number of submitters commented that the current 10 year funding model was working effectively. Feedback was given that proposed projects should not exceed funds available and that future projects should be placed on hold until adequate funding was in place.

Submitters who supported the proposal stated that extending the term from 10 years to 30 years would give certainty and security. Comments made stated that the extension recognises the long term nature of many infrastructure projects and that it would enable the cost to be spread over the life of an asset. Submissions in support cautioned that long-term funding should only be used for projects in exceptional circumstances and such projects would need to be consistently monitored and reviewed for effectiveness.

Discussion

Since the ability to allocate multi-year funding was included with the previous policy review, it has allowed applicants greater flexibility as they have a commitment to receive funding for a specified period of time, and are able to plan and operate accordingly. The current ten year funding plan for the levy is included as part of each LTP cycle, which has helped inform the proportion of funds to be allocated towards multi-year commitments and it is a funding model which submitters generally perceived as working well.

For Council to consider is whether there is demonstrable advantage in increasing the funding period beyond the ten years the subcommittee can currently allocate for.

An advantage of the longer funding period is that it ensures intergenerational equity by sharing the costs of a capital project across the generations who are likely to use it. Many capital projects will create infrastructure that have a life of longer than 10 years. Accordingly, to try and best match the 'use' of the expenditure with the 'life' of the expenditure entails spreading the levy contributions over a period closest to the 'life' of the expenditure.

A 30 year loan period is also likely to better match long-life capital expenditure on works such as footpaths, buildings and wastewater. If the funding period was increased, it would mean that a proportion of the levy funds would be applied to a capital project each year over the 30 year life of the capital expenditure funding. Since most of the capital expenditure projects provide benefit for longer than 10 years, the subcommittee may wish to spread the funding of the visitors share over a longer time, as Council does with other infrastructure, through spreading costs on rates over 30 years through loans.

Council should give consideration to the risks of committing funds over such a long period however, and ensuring that if the proposed time frame is endorsed, that adequate review processes are in place to monitor its effectiveness.

Options

Staff have identified two practicable options on how Council could proceed on this issue, these are:

Option 1 That Council endorses allowing multi-year funding of up to 30 years for Council and community owned infrastructure, in exceptional circumstances

Option 2 That Council endorses the status quo (allowing multi-year funding for up to 10 years)

Option 1 - That Council endorses allowing multi-year funding of up to 30 years for Council and community owned infrastructure, in exceptional circumstances

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<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • supports intergenerational equity by allowing the sharing of the cost of a capital project across the generations who are likely to use it • allows the expenditure allocation to best match the life span of the infrastructure projects it funds • allows applicants to operate strategically over the life span of a project • allows the levy funds to be used as effectively and efficiently as possible 	<ul style="list-style-type: none"> • there is more risk associated with giving multi-year commitments over a thirty year time frame rather than the current practice of just allocating funds over ten years • there is greater risk of visitor levy funding being impacted over time by trends in global and domestic tourist movements • there may be less money available to allocate annually as some of the funds may have been already committed to long term projects (in previous allocation rounds). This would reduce funds available for any urgent projects that arose • not consistent with the majority of submissions

Option 2 – That Council endorses the status quo (allowing multi-year funding for up to 10 years)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • only committing to allocate funds over a ten year period carries less risk as projects likely to be fit for purpose and funding is less likely to be adversely impacted by global tourism trends • submitter feedback suggests current funding period is perceived as working well • would be consistent with the majority of submissions 	<ul style="list-style-type: none"> • for larger or unexpected capital infrastructure projects, a limit of 10 years of funding may be insufficient • the way funding is currently allocated does not support sharing the costs of a capital project across the generations that use it • the way funding is currently allocated is not allowing applicants to operate strategically over the life span of a project • the way funding is currently allocated is not allowing the levy funds to be used as effectively and efficiently as possible

Recommendation

Option 1 - That Council endorses allowing multi-year funding of up to 30 years for Council and community owned infrastructure, in exceptional circumstances

Excerpts of feedback about multi-year funding

Note: these provide a representative sample of feedback received. For a full list of submissions, please refer to the submissions booklet made available on the Hub for the Council meeting 27 April 2022

Submitters' comments

Support up to 30 year allocation to ensure that the servicing of any loan to cover urgently needed rebuild/repair of wharf infrastructure while not adversely increasing rates.

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Submitters' comments
We believe proposals for multi-year funding of up to 30 years are best addressed through low interest Council Loans which are paid back from visitor levy funds. However, for such significant projects it is probably appropriate for the funding to come equally from visitor levy and rate payer sources.
Given the fluctuations that can occur to visitor numbers, I don't believe that moving the goalposts from 10 to 30 years is justifiable.
Extending the term from 10 years to 30 years and only in exceptional circumstances, recognises the long term nature of many infrastructure projects.
Supportive of the proposal ... as it enables Council to apply for long-term infrastructure grants/loans and spread the costs over the life of an asset
I think the 10 year option is working well and allows the ratepayers and stakeholder a good playing surface while not tying future generations into something that may not fit down the track
Stick to the 10-year plan, explain it clearly and carry it through. With global warming and Covid sequels... who knows what our requirements will be in 5 years' time, let alone 30?
30 years will tie up funding for too long and not allow change to occur, i.e. funding in future years if new options come along, in new solar power technology
No to multi-year funding. Cut the suit to fit the cloth.
[The proposed increase] is sensible and prudent.

Issue 3 - Annual/Long Term Plan consultation requirement

Background

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

Summary of feedback

Concerns were expressed that this change may generate risk of Council increasing charges with little if any notice to those most affected.

Discussion

To clarify, the Empowering Act requires that the levy be set by a bylaw, which means a consultation process to amend the bylaw must be used, regardless of the wording in the policy. Due to the high interest in this issue, the current review process has followed the Special Consultative Procedure which is the highest level of prescribed consultation in the Local Government Act 2002 (LGA) and it is highly likely any future reviews will also follow the same process. This process would be the same process use to consult on the Annual Plan/LTP so the proposed change to the policy does not alter the nature of the public engagement process that would be used to review the bylaw and policy.

The current policy requirement to consult via the Annual Plan/LTP requires that Council consult on its Annual Plan when it may not otherwise have done so. This would generate a significant amount of work

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for staff. Triggering an Annual Plan review may also potentially hinder Council's ability to review the levy quantum in a timely way, due to the additional resourcing required to also run a consultation process on the Annual Plan. Council would also be tied in to the Annual Plan/LTP consultation times (and have less flexibility when it consults) if the provisions remain.

Options

Staff have identified two practicable options on how Council could proceed on this issue, these are:

Option 1 That Council endorse the proposal to consult using a bylaw amendment process and remove the requirement to consult via an Annual Plan/LTP process (in the event a change in the amount is considered)

Option 2 That Council retains the current policy that requires public consultation to occur via an Annual Plan/LTP process and a bylaw amendment process, in the event a change in the amount is considered

Option 1 – That Council endorse the proposal to consult using a bylaw amendment process and remove the requirement to consult via an Annual Plan/LTP process (in the event a change in the amount is considered)

Advantages	Disadvantages
<ul style="list-style-type: none"> this proposed change does not alter the nature of the public engagement process that be followed to review the bylaw and policy improves efficiency and reduces the cost the review the amount of the levy in future years more flexibility as levy review timing would not be tied to the Annual Plan and LTP processes would prevent the visitor levy review getting overshadowed by the Annual Plan/LTP engagement processes 	<ul style="list-style-type: none"> not in line with some submissions that want the levy amount to be reviewed via the Annual Plan/LTP. it is possible the visitor levy review would be more visible if it was part of another large engagement process

Option 2 - That Council retains the current policy that requires public consultation to occur via an Annual Plan/LTP process and a bylaw amendment process, in the event a change in the amount is considered

Advantages	Disadvantages
<ul style="list-style-type: none"> it is possible the visitor levy review would be more visible if it was part of another large engagement process 	<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 (which is associated with significant staff time and cost) may delay or involve further resources to review the amount of the levy amount in future years, due to the timing and requirements of Annual Plan/LTP consultation processes less flexibility as levy review timing would be tied to the Annual Plan and LTP processes

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	<ul style="list-style-type: none"> the visitor levy review may get overshadowed by the Annual Plan/LTP engagement processes
--	--

Recommendation

Option 1 - That Council endorse continuing to consult using a bylaw amendment process, removing the requirement to consult via Annual Plan/LTP process, in the event a change in the amount is considered

Issue 4 - Issues raised where no change to the policy was proposed

Increased communication and transparency with community and visitors about the levy allocations

Background

Currently, the subcommittee's agendas and meeting minutes, that outline decisions about levy funding, are publicly available on Council's website or on request. In addition, the Community and Strategy Committee is informed of annual funding decisions, and Council's annual report contains an itemised statement of the Stewart Island/Rakiura visitor levy fund each year.

At its 22 February 2022 meeting, Council endorsed working with the approved operators and levy funding recipients on an ongoing basis, to increase community and visitor understanding of the Stewart Island/Rakiura visitor levy. The following measures were considered and endorsed to publicise this information more widely without a change to the current policy:

- 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.
- public meeting/workshop prior to allocations each year. To note: it is considered appropriate to first increase the circulation and availability of information as discussed in the points above, and then assess whether a public meeting is required. Such a meeting could be held at the discretion of the subcommittee and would not require inclusion in the policy wording.
- working with approved operators to provide further information about the levy or a link on their ticketing site about the levy
- Council partnering with funding recipients on the Island to create or improve signage that shows when a project has been funded by the levy

Summary of feedback

Feedback was received through the submissions process requesting more information about the allocation of levy funding. Submitters requested increased and clearer communication from Council (with both visitors and the Stewart Island/Rakiura community) to facilitate greater understanding of both the purpose of the levy, and what projects funds were being allocated to. Coupled to this were submissions requesting greater transparency and accountability from Council regarding the allocation of levy funds with

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submissions, both oral and written, expressing concern that levy funds were being utilised by Council for projects other than those allowed for under the Empowering Act.

Discussion

Staff believe the resolution made by Council on 22 February 2022, to publicise visitor levy information more widely, has already addressed this issue.

Recommendation

That Council endorse continuing to undertake the communication measures agreed at the 22 Feb 2022 meeting to publicise the Stewart Island/Rakiura visitor levy.

Excerpts of feedback about increased communication / transparency

Note: these provide a representative sample of feedback received. For a full list of submissions, please refer to the submissions booklet made available on the Hub for the Council meeting 27 April 2022

Submitters' comments
I want to see what funds come in and what funds go out of the levy 'pot' in a format that regular folk (i.e. non-accountant-speak) can read. SDC annual reports are not clear in this respect
I find it odd that S.D.C is recommending a triple hike the visitor levy and providing a path for public comment on that move without providing at the same time any details about future projects which might warrant an increase
Rightly or wrongly, the suspicion is that the Southland District Council sees the Visitor Levy as a useful source of revenue, to be used for its own purposes, and for which it is not accountable to the ratepayer
Oversight needs to be applied to the use of funds, particularly funds assigned to infrastructure works as there is a risk that the visitor levy funds become regarded as an easily accessible 'pool of money' for projects tangentially related to tourism on Rakiura
When the levy first started, full analysis of what was received, who applied for funds and where every dollar went, was put on the Stewart Island Noticeboard. Now, one must search carefully in the Annual Report.

Levy allocation

Background

Levy funds are allocated by way of application to the subcommittee. Applications are only eligible if they meet the requirements of the Empowering Act. The subcommittee has discretion whether or not eligible applications will receive funding.

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

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- 23% (\$248,454) has been allocated as grants to other organisations for infrastructure, operational costs and projects meeting the requirements of the Empowering Act, such as Stewart Island Promotions, SIRCET (Stewart Island/Rakiura Community Environment Trust), Rakiura Heritage Trust and the Department of Conservation.

Summary of feedback

Submitters gave a number of comments on what activities the levy should fund. There were mixed responses from submitters, but some common themes emerged.

Some submitters commented that the levy should not be used on projects that might potentially detract from the natural environment considered to make the Island unique. Submitters commented that a balance should be sought between undertaking projects such as footpaths and the viewing platform at Observation Rock, which though proposed to meet health and safety requirements, could result in the sanitising or over-engineering of the Island. Feedback was received that visitors to the Island did not come with the expectation nor desire to find 'big city facilities' like Queenstown, for example.

In relation to infrastructure, comments from submitters agreed that the wharves and jetties needed money spent on them, however many felt that other organisations should be funding them not the levy. It was a common theme that levy funds should not be used towards any amenities or activities that should be funded by other organisations or by ratepayers, and that it was important that the levy improved the visitor experience and was not used for locals. Related to this theme, there was feedback that central government grants would be a preferred source of funding for projects rather than the visitor levy.

Both written and oral submissions gave feedback regarding 'unnecessary' footpaths funded by the visitor levy with comments made that if road safety is an issue, a speed limit change or reduction in vehicle numbers on the Island, may be more appropriate than additional footpaths that were described as being engineered to 'mainland' standards.

Discussion

While acknowledging that there are a lot of different views about what is or is not visitor related, section 6 of the Empowering Act states the main criteria for assessing whether something is eligible for levy funding - 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.

While outside the scope of this review, Council may choose to consider further avenues in which to address feedback regarding changes to speed limits or reduction in vehicle numbers.

Options

Staff have identified two practicable options on how Council could proceed on this issue, these are:

Option 1 That Council endorses retaining the levy eligibility requirements outlined in the draft policy.

Option 2 That Council proposes another way forward

Option 1 – That Council endorses retaining the levy eligibility requirements outlined in the draft policy.	
Advantages	Disadvantages

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Option 1 – That Council endorses retaining the levy eligibility requirements outlined in the draft policy.

<ul style="list-style-type: none"> consistency of current strategic approach ensures sufficient funding is given to areas where there is an identified need to provide for visitors Consistent with current practice 	<ul style="list-style-type: none"> not in line with some of the submissions received in the consultation process
--	---

Option 2 – That Council proposes another way forwards

Advantages	Disadvantages
<ul style="list-style-type: none"> in line with some community views obtained through the submission process allows Council to incorporate further community views on the matter 	<ul style="list-style-type: none"> suggesting a different approach may delay funds going where they are needed most a change in approach could introduce confusion Council may have to undertake another consultation process – there are costs associated with consultation seeking further community views could result in consultation fatigue on Stewart Island/Rakiura

Recommendation

Option 1 – That Council endorses retaining the levy eligibility requirements outlined in the draft policy.

Excerpts of feedback about levy allocation

Note: these provide a representative sample of feedback received. For a full list of submissions, please refer to the submissions booklet made available on the Hub for the Council meeting 27 April 2022

Submitters' comments

I do not support infrastructure that detracts from the natural environment, i.e. things like the proposed viewing platform at Observation Rock, one of the island's most well-known attractions. The charm is that it is a natural view point. Not everything needs to be commercial and to say that it is for H&S reasons is ridiculous - to go down that line would require fencing around every wharf, etc where stupid people could fall.
Every effort should be made to make sure that projects are not just dreamed up to spend money
Do the big picture planning.

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Exemptions

Background

The Empowering Act outlines the people who do not have to pay the visitor levy (under a bylaw) when they travel to Stewart Island/Rakiura. The people who do not have to pay are people:

- who travel to the Island under a contract of carriage with an approved operator (Note: these people/passengers pay the revenue not the levy); or
- who are the owner or is otherwise in control of a transport vessel or is employed, or under contract, to work on a transport vessel; or
- whose visit is entirely within the boundaries of the Rakiura National Park; or
- who are visiting the Island for a continuous period of 21 days or more; or
- who are under the age of 18 years on the date of arrival on the Island; or
- who are a ratepayer, resident or tenant; or
- who are a spouse, civil union partner, de facto partner or dependant of a ratepayer or tenant; or
- who are a beneficiary of the Rakiura Māori Land Trust or people who have an ownership interest in a Māori land block on the Island.

Summary of feedback

A number of submitters requested that consideration be given to who should be exempt from paying the levy. A number of suggestions were received proposing options by which the levy quantum could be discounted, and to whom. Submitters included suggestions that family of Stewart Island/Rakiura residents, and Invercargill and Southland District ratepayers should not have to pay or should pay a discounted levy. It was also proposed that contractors/tradespeople should be exempt or pay a lower rate.

Discussion

To change who is excluded from paying the levy would require an amendment to the Empowering Act. This is considerably more difficult than making changes to the draft policy and bylaw, as it would require an amendment bill going through the Parliamentary process.

Council could choose to pursue amending the Empowering Act, to broaden the categories of who is exempt from paying the levy, however it should be noted that seeking a legislative change may be very time consuming and costly.

Options

Staff have identified two practicable options on how Council could proceed on this issue, these are:

Option 1 That Council endorses retaining the status quo, regarding who does not have to pay the visitor levy under the Empowering Act

Option 2 That Council endorses pursuing an amendments to the Empowering Act, to broaden who does not have to pay the visitor levy



Option 1 – That Council endorses retaining the status quo, regarding who does not have to pay the visitor levy under the Empowering Act	
Advantages	Disadvantages
<ul style="list-style-type: none"> this option means Council does not need to seek a legislative change would be time consuming and costly 	<ul style="list-style-type: none"> not in line with some of the submissions received in the consultation process

Option 2 – That Council endorses pursuing an amendment to the Empowering Act, to broaden who does not have to pay the visitor levy	
Advantages	Disadvantages
<ul style="list-style-type: none"> reflects some of the submissions in the consultation process 	<ul style="list-style-type: none"> the parliamentary process is costly and lengthy the Empowering Act is relatively new to be considering amendments

Recommendation

Option 1 – That Council endorses retaining the status quo, regarding who does not have to pay the visitor levy under the Empowering Act

Excerpts of feedback about exemptions

Note: these provide a representative sample of feedback received. For a full list of submissions, please refer to the submissions booklet made available on the Hub for the Council meeting 27 April 2022

Submitters' comments
Would it be possible to create a Stewart Island/Rakiura Passport that enables those with a close tie to the Island to travel there without having to pay the levy?
With an aging Island population ... SDC should consider adding [Stewart Island/Rakiura] residents' immediate families to the exemption list
If the levy funds are to be used to fund 'DOC Rakiura Track Maintenance' then 'visiting entirely within the boundaries of the Rakiura National Park' should not be exempt from paying the visitor levy.
A levy for only true visitors. There could be a price difference between domestic and international visitors. International, when they come back, to pay more.

Who allocates funding

Background

The current subcommittee, which is a subcommittee of the community and strategy committee, has delegated authority to make decisions regarding funding applications to the Stewart Island/Rakiura visitor levy fund.

The subcommittee consists of the following members appointed by Council:

- the chair of the community and strategy committee

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- the chair of the finance and 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

Summary of feedback

A number of submissions were received requesting that consideration be given to the membership of the subcommittee with comment made that it lacks adequate local representation from Stewart Island/Rakiura. Comments received suggested that the group allocating should be composed either solely of Stewart Island/Rakiura residents or that representation by this group be increased in order to ensure that allocation decisions were not influenced by external parties. A number of submitters gave feedback that local people should be deciding or having more of a say on where levy funds should go, due to their knowledge of people visiting the Island.

Discussion

In its review of the current policy and bylaw in 2018, Council considered a number of factors when deciding who should allocate levy funds. These included:

- avoiding appointing people to allocate levy funds if those people were considered likely to have frequent conflicts of interest
- consideration of who would be a practical group to make decisions on this matter. Aspects included group dynamics, the skills of group members, the number of decision makers and the significance of the decisions being made.
- ensuring the decision making body had knowledge of:
 - Stewart Island/Rakiura
 - activities for, or that will benefit, visitors
 - mitigating the adverse effects of visitors on the environment of the Island.

Council could consider whether the composition of the subcommittee warrants further consideration.

Options

Staff have identified two practicable options on how Council could proceed on this issue, these are:

Option 1 That Council endorses the status quo (retaining the current subcommittee).

Option 2 That Council proposes another way forward

Option 1 – That Council endorses the status quo (retaining the current subcommittee)	
Advantages	Disadvantages
<ul style="list-style-type: none"> • in line with some community views • consistent with current practice 	<ul style="list-style-type: none"> • not in line with some submitters who felt there was not enough local knowledge • may be conflicts of interest

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Option 2 – That Council proposes another way forward	
Advantages	Disadvantages
<ul style="list-style-type: none"> • in line with some community views • may provide opportunity for more local knowledge within decision makers • this option may provide greater perception of transparency 	<ul style="list-style-type: none"> • may be conflicts of interest • there is a risk of damaging relationships if a different group is proposed as decision makers • change could introduce confusion • not in line with some submitters who stated preference for both resident and non-Island resident committee membership • anything that is a significant departure from the current subcommittee composition may require further consultation

Recommendation

Option 1 - That Council endorses the status quo (retaining the current subcommittee).

Excerpts of feedback about who allocates

Note: these provide a representative sample of feedback received. For a full list of submissions, please refer to the submissions booklet made available on the Hub for the Council meeting 27 April 2022

Submitters' comments
I believe it would be more appropriate to offer <i>[the approved operators]</i> simply the opportunity to suggest possible projects and to replace their committee membership with three extra community members.
The make-up of the Visitor Levy sub-committee comprises nine members, only four of whom have to be Stewart Islanders ... These four can be outvoted by other interests. There needs to be a wider representation of Island interests
More local Island representation ... ensuring that the funds are spent on things the actual Islanders want rather than on some outside influenced decisions ... locals should have the majority rule.
The subcommittee should be maintained as it is currently structured ... decision-making for funds <i>[should]</i> continue to involve industry operators.

Draft TAB and Gambling Venue Policies

Record No: R/22/4/16002
Author: Jason Domigan, Corporate performance lead
Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision ☐ Recommendation ☐ Information

Purpose

1. The purpose of this report is for Council to endorse the draft TAB and Gambling Venue policies, and an associated statement of proposal, for public consultation.

Executive Summary

2. All councils are required to have both TAB and Gambling Venue policies. These policies are a way to manage racing/sports betting venues, and electronic gaming machine venues, in the District.
3. Council's current TAB and Gambling Venue policies were adopted in 2019 and are due to be reviewed by 21 August 2022.
4. This report outlines what must be included in the policies and possible policy approaches. Further to an assessment of the social impact of gambling in the District in 2019, Council has given consideration to updated data and the ongoing social impacts to help inform the policy approach.
5. The draft policies are largely the same as Council's current TAB and Gambling Venue policies. There have been only minor changes to wording/styling, rather than changes to policy content.
6. If Council endorses the draft policies for consultation, staff are proposing that consultation, in accordance with the special consultative procedure (SCP), will occur from 8am 13 May 2022 to 5pm 13 June 2022.

Recommendation

That Council:

- a) **Receives the report titled “Draft TAB and Gambling Venue Policies” dated 5 May 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) Endorses the draft TAB Venue Policy, the draft Gambling Venue Policy and the associated Statement of Proposal for public consultation in accordance with the Special Consultative Procedure, from 8am on 13 May 2022 to 5pm on 13 June 2022.
- e) Considers the following actions constitute making the Statement of Proposal as widely available as is reasonably practicable in accordance with section 83 of the Local Government Act 2002 –
 - having the Statement of Proposal accessible on **Council’s website,**
 - having copies of the Statement of Proposal available at all Council offices.

Background

7. Council is required under the Racing Industry Act 2020 to have a policy on TAB venues. ‘TAB Venue’ refers to a venue that is owned or leased by TAB New Zealand (formerly New Zealand Racing Board) and where the main business carried out at the premise is providing racing-betting or sports-betting services. The policy does not relate to outlets in pubs and clubs – only stand-alone TAB premises, such as one that is currently operating in South Invercargill. A TAB venue policy is applied when Council considers a consent application for a TAB venue.
8. There are currently no TAB venues operating in the District.
9. Council is also required under the Gambling Act 2003 to adopt a policy on class 4 venues. Electronic gaming machines (pokies) in pubs and clubs (not in a casino) represent ‘class 4’ gambling. Council’s policy is called the Gambling Venue Policy, and it is applied when Council receives a consent application in relation to a class 4 venue. These applications are quite rare – Council has not received any applications in the last three years. Council cannot alter consents that have already been given, nor can the consents lapse or expire.
10. Both Council’s current TAB Venue Policy and Gambling Venue Policy were adopted on 21 August 2019, and are due to be reviewed by 21 August 2022.
11. A decision was made in 2013 to have the policies as two separate documents, to reflect the different legislation for each issue.

Social impact of gambling (including on high-deprivation areas)

12. In adopting a policy, Council must have regard to the social impact of gambling within the District.
13. Further to an assessment of the social impact of gambling in the District in 2019, Council has given consideration to updated data and the ongoing social impacts to help inform the policy approach.
14. The data generally shows continued declining trends for the number of gambling venues and gaming machines across the District over the past eight years up to September 2021. Overall proceeds from gambling venues have remained relatively neutral over this time and there have been neither increases or decreases in the number of people seeking interventions for problem gambling during this period.
15. When compared to all other territorial authorities across New Zealand, Southland District is considered to be fifth lowest when considering gaming machine proceeds per capita.

Issues

TAB Venue Policy

16. In the draft TAB Venue Policy, Council must specify whether or not new TAB venues may be established in the District and, if so, where they may be located.
17. As with the current policy, the draft TAB Venue Policy requires only that any new stand-alone TAB venue complies with the provisions of the Southland District Plan. There are zoning restrictions in the District plan that would impact factors such as whether a resource consent would be required for a TAB venue, and the permitted opening hours, lighting restrictions etc. that would apply.
18. In setting its policy, Council could have regard to factors such as:
 - the characteristics of the District
 - the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities, and
 - the cumulative effects of additional opportunities for gambling in the District.

One change in this document has been to correct the terminology from Board Venue (New Zealand Racing Board) to TAB Venue (TAB New Zealand) consistent with the updated legislation in the Racing Industry Act 2020.

Gambling Venue Policy

19. In the draft Gambling Venue Policy, Council must specify whether or not Class 4 venues may be established in the District and, if so, where they may be located. Council may also specify any restrictions on the maximum number of gaming machines that may be operated at a Class 4 venue, and any relocation policy.
20. Council's current Gambling Venue Policy is based on a soft sinking lid approach to electronic gaming machines. This soft sinking lid approach allows venues to continue operating existing machines (and replace/update the existing machines when necessary), but it does not permit

licences for new machines. The current policy also states that if a venue closes, the licence to have machines can be transferred to another venue.

21. In determining its policy, Council could have regard to the factors listed in paragraph 15 above, and also:
 - the number of gaming machines that should be permitted to operate at any venue or class of venue
 - how close any venue should be permitted to be to any other venue
 - what the primary activity at any venue should be.
22. There are a number of possible policy approaches that Council could take in its draft Gambling Venue Policy, these include:
 - **no restrictions** – consent is granted to all applications, subject to the statutory limits on machine numbers per venue
 - **capped** - consent is withheld if the application would serve to exceed a set number, or ratio per population, of venues and/or machines
 - **controlled** - new consents may be granted, but are subject to various controls such as restrictions about location
 - **soft sinking lid** - no new consents are granted. If a venue closes, the licence to have gambling machines can (in some circumstances) be transferred to another venue
 - **strong sinking lid** - no new consents are granted. If a venue closes, the licence to have pokies cannot be transferred to another venue.

Factors to Consider

Legal and Statutory Requirements

23. Both the TAB and Gambling Venue Policies are required to be reviewed by 21 August 2022.
24. In adopting a policy, Council must have regard to the social impact of gambling within the District. As the draft Gambling Venue Policy allows gaming machine relocations in some circumstances, Council also must consider the social impact of gambling in high-deprivation areas in the District.
25. Both the TAB and Gambling Venue policies can only be amended or replaced in accordance with the SCP outlined in section 83 and 87 of the Local Government Act 2002. As only minor revisions are being proposed to the current policies, it is unlikely Council is required to consult using the SCP. However, as there are a number of stakeholders interested in these policies, staff are of the view it would be appropriate to use the SCP anyway. The SCP requires a thorough consultation process to be undertaken with a statement of proposal being made publicly available, a consultation period of at least one month, and to give opportunity for hearings.
26. Council is required to make the proposal as widely available as is reasonably practicable, and it is proposed that Council will:
 - have the Statement of Proposal accessible on Council's website,
 - have copies of the Statement of Proposal available at all Council offices,

27. Council will also be required to notify the Secretary for Internal Affairs and TAB New Zealand, if it adopts/amends/replaces the TAB and Gambling Venue Policies.

Community Views

28. If Council endorse the draft policies and Statement of Proposal for public consultation, staff will undertake a thorough consultation process, and will obtain up-to-date views.
29. Staff will prepare an online form that will be accessible on Council's website, where people can make a submission.

Costs and Funding

30. Costs associated with this work, such as staff time and advertising, are proposed to be met within current budgets. There are no proposed changes to current operational practice.

Policy Implications

31. If the draft policies are adopted, there would not be any change to the operation/establishment of TAB and gambling venues in the District.
32. The soft sinking lid approach assists in the gradual decline in the numbers of electronic gaming machines, which may contribute to a reduction in gambling related harm.
33. The government is currently seeking feedback through a public discussion document on reducing harmful gambling caused by pokies. This is the first stage of a government process to prevent and minimise harm from pokies and may result changes to legislation during this policy cycle. If significant changes are made Council may opt to amend the policy before the three year term for review.

Analysis

Options Considered

34. The following options have been identified as practical ways Council could proceed:
- **Option 1** - Council endorses the draft TAB Venue Policy, draft Gambling Venue Policy and the associated statement of proposal, for public consultation
 - **Option 2** - Council endorses amended versions of the draft TAB Venue Policy, draft Gambling Venue Policy and the associated statement of proposal, for public consultation

Analysis of Options

Option 1 – Council endorses the draft TAB Venue Policy, draft Gambling Venue Policy and the associated statement of proposal, for public consultation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">the soft sinking lid approach assists in the gradual decline of electronic gaming machines, which may contribute to a reduction in gambling related harmbalances the harm that can be caused by gambling with the benefits the money from gambling can bring to people in the DistrictCouncil is legislatively required to have policies on TAB and gambling venues and the current policies are legally compliantthe draft TAB and Gambling Venue policies are reasonably consistent with the approach of other territorial authorities within the Southland Regionthis option will enable staff to progress and met the requirement to review the policy by 21 August 2022.	<ul style="list-style-type: none">amended policies may better reflect community/stakeholder viewsamended policies may strike a better balance between the harm that can be caused by gambling and the benefits the money from gambling can bring to people in the District.

Option 2 – Endorses Council endorses amended versions of the draft TAB Venue Policy, draft Gambling Venue Policy and the associated statement of proposal, for public consultation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">amended policies may better reflect community/stakeholder viewsCouncil is legislatively required to have policies on TAB and gambling venuesthis option will enable staff to progress and met the requirement to review the policy by 21 August 2022.	<ul style="list-style-type: none">amended policies may not strike a balance between the harm that can be caused by gambling and the benefits the money from gambling can bring to people in the District.

Assessment of Significance

35. This matter has been assessed as being of lower significance in relation to Council's Significance and Engagement Policy and the Local Government Act 2002. No changes to operational practice would arise if the draft policies were adopted.

Recommended Option

36. It is recommended Council considers Option 1 and endorses the draft TAB Venue Policy, the draft Gambling Venue Policy and an associated Statement of Proposal, for public consultation.

Next Steps

37. If Council endorses the draft policies and the statement of proposal for public consultation, staff are proposing that consultation, in accordance with the SCP, will occur from 8am 13 May 2022 to 5pm 13 June 2022.
38. If submitters wish to speak to Council about this matter, it is proposed that hearings will take place on 22 June 2022.

Attachments

- A Draft Statement of Proposal - TAB and Gambling Venue Policies [↓](#)

Draft TAB Venue and Gambling Venue Policies

Statement of Proposal – May 2022

1. Introduction

Southland District Council is reviewing its TAB Venue Policy and its Gambling Venue Policy.

The TAB (formerly Board) Venue Policy is about racing/sports betting venues and the Gambling Venue Policy is about venues that have electronic gaming machines (pokies).

Council is seeking feedback on the draft policies over a submission period that will run from 8am 13 May 2022 to 5pm 13 June 2022. People who make a written submission can request to also make an oral submission to Councillors.

2. Background information

What is required?

The Gambling Act 2003 and Racing Industry Act 2020 control gambling within New Zealand. This legislation focusses on ensuring that the harm that gambling can cause is minimised, and that the community benefits from the proceeds of gambling.

These acts require councils to have policies on TAB venues and gambling venues.

A TAB venue policy must specify whether or not new TAB venues may be established in a district and, if so, where they may be located. TAB venues are owned or leased by the TAB New Zealand (formerly New Zealand Racing Board) and the main business carried out at the premises is providing racing-betting or sports-betting services. A TAB venue policy does not relate to TAB outlets in pubs and clubs - only stand-alone TAB venues.

A gambling venue policy must specify whether or not gambling machine venues (venues that have 'pokie' machines that are not a casino) may be established in a district and, if so, where they may be located. Councils can also specify any restrictions on the maximum number of gaming machines that may be operated at a gambling machine venue, and any policy on relocating gaming machines.

Social impact of gambling

Council has considered the social impact of gambling in the Southland District when developing these policies. Some key facts identified include:

- the number of electronic gambling machines in the District has reduced by 34% between 31 March 2013 and 30 September 2021 (133 machines down to 88)
- there are currently no TAB venues in the Southland District
- a number of the gaming machines in the District are in towns that have high deprivation index scores
- gambling has benefits to the community through its contribution to community funding
- gaming machine proceeds in the Southland District, and the proportion generated in the Southland District relative to the rest of New Zealand, are reasonably stable. The proceeds generated have

been decreasing slightly over the last eight years although this has been impacted by Covid-19 lockdowns in 2020 and 2021.

3. What is proposed?

Council's draft TAB and Gambling Venue policies are included with this proposal as attachments A and B.

The draft policies are largely the same as Council's current policies - there have only been minor changes to wording such as replacing references from board to TAB for consistency with the updated legislation in the Racing Industry Act 2020, rather than changes to policy content.

The draft TAB Venue Policy states that any new stand-alone TAB venue must comply with the provisions of the Southland District Plan. There are zoning restrictions in the plan that would impact factors such as whether a resource consent would be required for a TAB venue, and the permitted opening hours, lighting etc that would apply in particular zones.

The draft Gambling Venue Policy maintains a 'soft sinking lid' approach to electronic gambling machines. This soft sinking lid approach allows venues to continue operating existing machines, but it does not permit licences for new machines. The draft policy also states that if a venue closes, the licence to have machines can be transferred to another venue.

4. The reasons for the proposal

The main reasons for this proposal are to:

- meet the requirements of the Gambling Act 2003 and the Racing Industry Act 2020 for a 3-yearly review of the policies
- seek feedback on the policy approach from the community
- where appropriate, update the policies and refine wording/formatting.

5. How to 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 13 May 2022 and must be received by 5pm on 13 June 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 this matter on 22 June 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, such as that you would like to speak via video conference or you would like to use sign language, please let us know.

6. Timetable for consultation

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

Date	Activity
11 May 2022	Council adopts the proposal for consultation
13 May 2022	Consultation period begins (8am)
13 June 2022	Consultation period ends (5pm)
22 June 2022	Oral submissions heard by Council (at Council offices, 15 Forth St, Invercargill)
13 July 2022	Council considers and adopts the draft policies

7. Options

Council has two possible options on how it could proceed. These are to:

- option 1 – adopt the draft policies, or
- option 2 – adopt amended policies (this may be adopting a more restrictive or a more liberal approach to TAB venues or gambling venues)

The advantages and disadvantages of these options are outlined below.

Option 1 – adopt the draft policies

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • the soft sinking lid approach assists in the gradual decline of electronic gaming machines, which may contribute to a reduction in gambling related harm • balances the harm that can be caused by gambling with the benefits the money from gambling can bring to people in the District • Council is legislatively required to have policies on TAB and gambling venues and the current policies are legally compliant • the draft TAB and Gambling Venue policies are consistent with the approach of other territorial authorities within the Southland Region 	<ul style="list-style-type: none"> • amended policies may better reflect community/stakeholder views • amended policies may strike a better balance between the harm that can be caused by gambling and the benefits the money from gambling can bring to people in the District.

<ul style="list-style-type: none"> this option will enable staff to progress and meet the requirement to review the policy by 21 August 2022. 	
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Option 2 – adopt amended policies (this may be adopting a more restrictive or a more liberal approach to TAB venues or gambling venues)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> amended policies may better reflect community/stakeholder views Council is legislatively required to have policies on TAB and gambling venues this option will enable staff to progress and meet the requirement to review the policy by 21 August 2022. 	<ul style="list-style-type: none"> amended policies may not strike a balance between the harm that can be caused by gambling and the benefits the money from gambling can bring to people in the District.

Attachment A

Draft TAB Venue Policy

TAB Venue Policy

Group responsible: Regulatory Services

Date approved: 21 August 2019

Date amended:

File No:

1 Objectives

The objectives of this policy are to:

- outline whether or not new TAB venues may be established in the Southland District and, if so, where they may be located, and
- facilitate community involvement in decisions about gambling.

2 Definitions

Definition	Meaning
TAB New Zealand	Means the body established to conduct racing betting, sports betting, or other racing or sports betting under the Racing Industry Act 2020
TAB venue	Means premises that are owned or leased by the agency and where the main business carried on at the premises is providing racing betting or sports betting services under the Racing Industry Act 2020

3 Policy

Southland District Council (Council) does not have any additional requirements to regulate the operation or location of TAB venues, other than those contained in the District Plan under the Resource Management Act 1991.

4 Commencement

Council has adopted this policy after completing the special consultative procedure outlined in the Local Government Act 2002.

This policy is effective from XX XXXXX 2022.

5 Review

Council will review this policy within three years of it being adopted.

Attachment B

Draft Gambling Venue Policy

Gambling Venue Policy

Group responsible: Regulatory Services

Date approved: 21 August 2019

Date amended:

File no:

1 Introduction

The act came into force on 18 September 2003. Under section 101 of the act, Council is required to adopt a policy to regulate the number and location of non-casino electronic gaming machines (Class 4), more commonly known as pokie machines.

At 30 September the Southland District had 14 Class 4 gaming venues and 88 electronic gaming machines.

Council has the ability to limit the number of locations and venues and the number of electronic gaming machines, and must have regard to the social impact of gambling in developing its policy. As required under the act, this policy only applies to gambling venues licenced after 17 October 2001, or to other venues licenced prior to this if they wish to increase the number of electronic gaming machines.

2 Definitions

Definition	Meaning
Act	The Gambling Act 2003
Class 4 gambling	Means any activity that involves the use of a gaming machine outside a casino, and may be conducted only by a corporate society and only to raise money for authorised purposes
Class 4 gambling venue	Means a place used to conduct Class 4 gambling ie premises with Class 4 gaming machines licenced under the Gambling Act 2003. This includes any TAB venue with gaming machines

Definition	Meaning
Corporate society	Means a society that is: (a) Incorporated under the Incorporated Societies Act 1968 (b) Incorporated as a board under the Charitable Trusts Act 1957 or (c) A company incorporated under the Companies Act 1993 that: (i) Does not have capacity or power to make a profit; and (ii) Is incorporated and conducted solely for authorised purposes Corporate Societies may therefore include clubs (RSA, sports clubs etc), trusts and racing clubs
DIA	Means the Department of Internal Affairs
Southland District	Means all the area covered by the Southland Territorial Local Authority
New venue	Means any venue that has not held a Class 4 venue licence for six months or more, or that has never held a Class 4 venue consent
Council	Means Southland District Council

3 Objectives

This policy has the following objectives:

- to assist in limiting the harm of problem gambling in the community
- to encourage responsible gambling practices and attitudes in Class 4 venues
- to reduce the number of electronic gaming machines in the community over time
- to facilitate community involvement in decisions about gambling by ensuring that all communities in the Southland District are given the opportunity to consult with Council in a manner that is culturally appropriate.

4 Restrictions on venue and machine consents

Council will not grant consent for the establishment of any additional Class 4 venues or additional gaming machines, including Class 4 machines in TAB venues, under this policy.

A gambling venue consent is for one venue (one premises) and is not transferable to another venue, unless consent is obtained from Council as provided for in Clause 5 below. The consent is given to a venue at a given address, not to a person or business.

Once a venue ceases to operate, the machine numbers will not be allocated to any new or existing venue except as specified in Clause 5 below.

Council will not provide a consent under sections 95(1)(f) or 96(1)(e) of the act to any application by corporate societies with Class 4 licences seeking ministerial discretion to increase the number of gaming machines permitted at a venue, except as provided in Clause 5 below.

5 Transfer or changes to existing venues and machine consents

If the owner of the principal business of the venue changes, Council consent remains allocated to the venue. The new owner is not required to obtain a Council consent but a new licence may be required from DIA.

Council will consent to the transfer of a licence from an existing venue to a new venue where the venue will be operated by the same corporate society, and subject to a social impact study. The maximum number of gaming machines permitted to operate at the new venue, at the time when the new Class 4 venue licence takes effect, is the same as the maximum number of gaming machines permitted to operate at the old venue, immediately before the licence relating to the old venue is cancelled.

Two or more licensed Class 4 clubs in the Southland District may apply to Council to merge and increase the number of machines that can be operated at a venue, subject to a social impact study. Council consent will only permit the maximum number of gaming machines to be the sum of the number of gaming machines specified in all of the corporate societies' (the clubs that are merging) Class 4 venue licences at the time of application.

Substitute venues may only be established if:

- the vacated site will not be able to be used as a Class 4 venue; and
- Council considers that the location of the new venue is suitable, taking into account the matters referred to in section 101(4) of the act.

Council may arrange its own peer review of any social impact study provided, at the applicant's cost.

6 Visual and sound

Only one sign may make reference to the existence of Class 4 gambling, and may be visible from the street or other public space. This sign shall not mimic or replicate the operation of gaming machines.

No other sign shall promote or identify the existence on site, of gaming machines.

Advertising signs and activities within the building, associated with the operation of gaming machines, shall not be visible from beyond the property boundary.

The operation of gaming machines shall not be audible from beyond the venue property boundary.

7 Encouraging responsible gambling practices

Two of the stated purposes of the act are to "prevent and minimise the harm caused by gambling, including problem gambling" and to "facilitate responsible gambling".

Enforcement and monitoring of gambling venues is the responsibility of the DIA.

Regulations made under the act set out:

- what constitutes an unsuitable venue
- requirements and restrictions regarding gambling machines

- requirements of venues to provide information about problem gambling
- requirements of venues to provide problem gambling awareness training to staff.

Council consent for a venue is not revocable once issued and cannot lapse or expire unless there is a period of six months or more where a Class 4 licence is not held for the venue. Further, Council has no retrospective powers with regards to any consented venues and cannot impose conditions subsequently on any venue that has an existing licence.

Council is supportive in general of initiatives and actions that would help to ensure there is a balanced gambling environment where potential harm is managed effectively, and where those who wish to gamble can do so safely. In this regard, Council encourages responsible gambling practices as outlined in Appendix 1.

Where Council has concerns about the operation of existing gambling venues these will be reported to DIA. Council inspectors do not have enforcement powers over venues in terms of their gambling activities.

The provision of information by the venues about problem gambling is required under the regulations and is a key way of promoting responsible gambling. Where Council has concerns about a venue in this regard, it will be reported to DIA.

8 Applications for consent

All applications will incur a fee which will be prescribed by Council pursuant to section 150 of the Local Government Act 2002.

Council will publicly notify applications for Class 4 Gambling Venues and allow for public submissions to be lodged.

Applications for consent by Council must be made to Council on the prescribed form and include:

- name and contact details of the applicant
- names of venue management staff
- street address of premises being relocated and new proposed address
- fees
- details of design and layout to demonstrate how the venue will comply with part six of this policy
- any other information that may reasonably be required to allow proper consideration of the application including how the applicant will encourage responsible gambling practices.

The decision will be made at staff level pursuant to delegated authority and based on the criteria detailed in this policy, except where any matter of opposition is raised in a public submission, in which case the application will be heard and determined by Council.

9 Commencement of policy

This policy has been adopted by Council following the special consultative procedure prescribed by the Local Government Act 2002.

This policy is effective from XX XXXXX 2022.

10 Review of policy

Council will review this policy within three years of it being adopted.

Appendix 1 Encouraging responsible gambling practices

Best practice	Supporting action
Host Responsibility and Harm Minimisation Policy	The applicant has in place a Host Responsibility and Harm Minimisation Policy. The policy conforms to best practice as set out by national guidelines or standards should these become available.
Location of gaming machines	Electronic gaming machine sites should be located so that: <ul style="list-style-type: none"> the facility is ancillary to a principal business and is not the primary purpose of the site the facility is separate from the area of the principal business so that the legal age limit of 18 can be observed and enforced.
Staff training programme or activities	The applicant demonstrates that staff and management are familiar with its Host Responsibility and Harm Minimisation Policy. The programme provides information on: <ul style="list-style-type: none"> the potential effects of gambling on customers the identification of problem gambling traits the processes for approach, intervention and follow up for patrons with suspected problem gambling identification practices for patrons appearing under 25 and actions to be followed systems in place to support self-barring recognition of intoxicated patrons and steps to be followed to prevent intoxicated patrons from gambling systems to be followed if children are left unattended in premises or nearby premises.
Policy on under age access to gambling machines	The licensee must ensure that appropriate signage is in place indicating age restrictions so that this is visible at every gambling machine and at the point(s) of entry into the gambling area. Policy on identification checks for patrons appearing under 25. Staff training on identification of patrons appearing under 25 and actions to be followed.
Provision of problem gambling information	The licensee must ensure that patrons have access to appropriate information on problem gambling and problem gambling help services. Gambling help line phone number information is placed on or near all gambling machines. Additional material on problem gambling and help services displayed in at least one other area within the premises, situated near to gambling machines.
Clocks are visible in premises	The licensee ensures that clocks are visible from gambling machines.
There is good visibility where gambling machines are located	Natural or artificial light illuminates the area where gambling machines are located at all times when machine are in operation.

Amendment to Forecasted Financial Position for the year ending 30 June 2022

Record No: R/22/4/16108
Author: Sheree Marrah, Financial accountant
Approved by: Anne Robson, Chief financial officer

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To inform Council of an amendment to the expected year-end financial result from what was adopted by Council on 29 March 2022 and seek approval from Council to approve the resulting forecasted position.
- 2 To seek Council approval of the proposed forecasting amendments and unbudgeted expenditure.

Executive Summary

- 3 Forecasting the financial position for the year ended 30 June 2022, is intended to provide information about what has changed since the budget was approved, why it has occurred and what the result is expected to be at the end of the year. Forecasting is based on the best knowledge that the relevant staff have at a point in time and events can overtake this.
- 4 Forecasting enables the organisation to understand the anticipated year end position at all levels.
- 5 A report outlining the proposed forecasting changes for the year ending 30 June 2022 was presented to Council and approved on 29 March 2022. After the agenda was prepared it was identified that Council's investment and borrowing approach was not included in the forecasted changes, to reflect the actual current approach; given that Council have not yet implemented the borrowing and investment strategy that was included in the 2021-2031 Long Term Plan (LTP). It was agreed at this meeting that staff would review the investment and borrowing activity and forecast the year-end position, and bring this to a subsequent meeting, hence this report.
- 6 Council agreed as part of the LTP process, to separate its borrowing and investing activities as from 1 July 2021. The LTP assumed that Council would borrow from the Local Government Funding Agency (LGFA) at 2% and invest in a managed fund returning approximately 4.4% per annum (net) over the medium-long term.
- 7 However, taking the Council through each step of the process has led to delays with formalising the process and appointing the fund manager, thus the final steps are expected to be completed in mid-late 2022. In the interim, Council has continued to invest internally.
- 8 The amendments to the forecasting in this report therefore relate to reclassifying and recalculating interest income and expense from external to internal, and removal of costs associated with the fund management. The resultant impact is that rather than Council's investments contributing to the district operations reserve at 30 June 2022 as planned in the LTP (\$293,633), \$286,087 is forecast to be drawn from this reserve.
- 9 For further detail on the proposed amendments refer to the tables at paragraph 17 of this report.

- 10 Additionally, whilst actioning the forecasting adjustments into the financial systems subsequent to the 29 March 2022 meeting, staff identified that the late Waikāia forestry adjustment of \$148,420 was incorrectly accounted for in the forecasted statement of performance and position. This has been corrected as adjustment 2 in the attachments to this report.
- 11 The effect of the amendments to forecasting on the Statement of Comprehensive Revenue and Expenditure and Statement of Financial Position are shown in attachments A and B.

Recommendation

That the Council:

- a) **Receives the report titled “Amendment to Forecasted Financial Position for the year ending 30 June 2022” dated 5 May 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) Approves unbudgeted expenditure for interest costs incurred from LGNZ borrowing of \$210,000.
- e) Approves the use of the District Operations Reserve to fund any shortfall in funding/borrowing activities in line with Councils policies as a result of the delay in the commencement of Councils Investing approach, currently forecast at \$286,087.
- f) Notes **the forecasted amendments to Council’s year-end financial performance and position as detailed in attachments A and B (of the officer’s report).**

Background

- 12 Forecasting the financial position for the year ended 30 June 2022, is intended to provide information about what has changed since the budget was approved, why it has occurred and what the result is expected to be at the end of the year. Forecasting is based on the best knowledge that the relevant staff have at a point in time and events can overtake this.
- 13 The forecasting process for the 2021/2022 year took place over January/February 2022 and was approved by Council at its meeting on 29 March 2022.
- 14 A report outlining the proposed forecasting changes for the year ending 30 June 2022 was presented to Council and approved on 29 March 2022. After the agenda was prepared it was identified that Council’s investment and borrowing approach was not included in the forecasted changes, to reflect the actual current approach; given that Council have not yet implemented the borrowing and investment strategy that was included in the 2021-2031 Long Term Plan (LTP).

Council

11 May 2022

- 15 Council agreed as part of the LTP process, to separate its borrowing and investing activities as from 1 July 2021. The LTP assumed that Council would borrow from the Local Government Funding Agency (LGFA) at 2% and invest in a managed fund returning approximately 4.4% per annum (net) over the medium-long term.
- 16 However, taking the Council through each step of the process has led to delays with formalising the process and appointing the fund manager, with the final steps expected to be completed in mid-late 2022. In the interim therefore the Council has continued to invest internally.
- 17 Accordingly, the first forecasting adjustment in this report relates to reclassifying and recalculating interest income and expense from external to internal, and removal of costs associated with the fund management. The table below summarises the investment and borrowing activity (actual and budget) and the proposed amendments (shaded in grey):

	Actual to 31 March 2022	LTP Full year budget 2021/2022	Proposed forecast adjustment	Forecast balance at 30 June 2022
<i>Income</i>				
Investment returns	\$0	(\$1,950,599)	\$1,950,599	\$0
Interest & dividends	(\$38,670)	(\$20,000)	(\$45,000)	(\$65,000)
Rates income to fund LGFA interest	\$0	(\$169,331)	\$0	(\$169,331)
Internal interest on loans	\$0	\$0	(\$1,049,096)	(\$1,049,096)
Total income	(\$38,670)	(\$2,139,930)	\$856,503	(\$1,283,427)
<i>Expenditure</i>				
Bank charges	\$8,199	\$19,845	(\$7,246)	\$12,599
Westpac facility charges	\$18,507	\$60,000	(\$36,393)	\$23,607
Investment management fee	\$0	\$390,120	(\$390,120)	\$0
Interest - LGFA	(\$553,765)	\$169,331	\$209,066	\$378,397
Total expenditure	(\$527,059)	\$639,296	(\$224,693)	\$414,603
Net return	(\$565,729)	(\$1,500,634)	\$631,810	(\$868,824)
<i>Allocated to:</i>				
Reduction in rates	\$750,000	\$750,000	\$0	\$750,000
Interest on internal reserves	\$0	\$457,001	(\$52,090)	\$404,911
	\$750,000	\$1,207,001	(\$52,090)	\$1,154,911
Balance (to)/from District Operations Reserve	\$184,271	(\$293,633)	\$579,720	\$286,087

- 18 The key forecast changes are due to the removal of the external investment returns estimated to be 5.5% in the LTP (\$1.95 million) as well as the actual LGFA interest rate payable being higher than what was planned in the LTP (3.49% actual vs 2.0% budgeted). This is a forecasted increase in interest costs of \$209,066.
- 19 The above adjustments are offset by additional revenue from the recognition of interest income received on internal loans (in lieu of external investment income) of \$1.05 million and \$45,000 of interest and dividends expected. Removal of the portfolio management fee of \$390,120

(budgeted at 1.1% of investment value), as well as reduction in bank and interest expenses \$43,639. Staff have also forecasted the amount of interest paid on reserves will reduce by \$52,090, primarily as a result of the intention to reduce the interest rate paid to restricted reserves from 4.4% to 2.0%, given that the level of returns achieved will not be 4.4% (net of management fees).

- 20 The resultant impact is that rather than our investments contributing to the district operations reserve at 30 June 2022 as planned in the LTP (\$293,633), \$286,087 is forecast to be drawn from this reserve (a forecasted movement of \$579,720).
- 21 Additionally, whilst actioning the forecasting adjustments into the financial systems subsequent to the 29 March 2022 meeting, staff identified that the late Waikaia forestry adjustment of \$148,420 was incorrectly accounted for in the forecasted statement of performance and position. This has been corrected as adjustment 2 in the attachments to this report.
- 22 The impact of both the above proposed forecasting amendments have been included in the attachments as follows.
- Attachment A - shows the net effect of the amendments to the statement of comprehensive revenue and expenditure for the year ended 30 June 2022
 - Attachment B - shows the effect of amendments to the statement of financial position for the year ending 30 June 2022

Forecasted financial results

- 23 The overall total forecast net surplus for the year presented to Council on 29 March 2022 was projected to be \$4.4 million. The forecasted net surplus after these amendments are approved will be \$3.7 million which is \$0.7 million less than previously forecasted. Refer to attachment A for detail of the forecasted statement of comprehensive income and expense.
- 24 The forecast net asset position at 30 June 2022 was projected to be \$1.68 billion in the report to Council on 29 March 2022. The proposed forecasting amendments do not significantly impact the net asset position. Refer to attachment B for detail of the forecasted statement of financial position.

ISSUES

District operations reserve balance

- 25 The district operations reserve is where the majority of Council district funded activity surpluses/deficits accumulate. There is a risk that if Council incurs significant losses/shortfalls in its district activities and/or investment and borrowing approach, this reserve will be depleted and alternate funding sources will need to be sought.
- 26 In the report to Council dated 29 March 2022, the forecasted district operations reserve was forecasted to have a balance of \$873,126 at 30 June 2022. As a result of the deficit from the forecasted investment and borrowing amendments outlined in this report, \$579,720 is required to be funded from the district operations reserve, resulting in a revised forecasted district operations reserve balance of \$293,406.

Funding of interest of LGFA loans drawn down in the year

- 27 In the LTP Council continued with the approach that loan repayments will not be funded by the relevant business unit (and therefore rates) until 1 July of the year following the draw down. This was appropriate whilst Council was internally funding loans, however now that Council are borrowing externally from LGFA, interest costs are being incurred from the date the loan is drawn down. The LTP included a budget of \$169,331 for such interest (being 6 months of interest at 2% per annum on the balance of loans drawn down) which was funded from rates. However, as noted above the actual amount forecast to be payable has increased to \$378,397. This report forecasts that the \$209,066 will be funded from the district operations reserve at 30 June 2022, however further consideration needs to be given to the appropriateness of this approach.
- 28 Staff will prepare a separate report on this matter for consideration at a future Council meeting.

Impact of forecasting on rates

- 29 As the rates have been set for 2021/2022 in July 2021, there is no impact of forecasting on the current year rates. The LTP proposed that the first \$750,000 from investing would be used to reduce rates and there is no intention to change this for the 21/22 year. As noted above the forecasted shortfall from investment and borrowing will be funded from the district operations reserve, and if the reserve is depleted, alternate funding sources will need to be sought (as discussed above).

Factors to Consider

Legal and Statutory Requirements

- 30 There are no legal or statutory requirements in regards to forecasting Council's end of year position.

Community Views

- 31 The original Long-Term Plan budget for 2021/2022 was fully consulted on. Changes proposed to capital and operational expenditure for townships have been or will be reported to the relevant community board.

Costs and Funding

- 32 The forecasted net surplus after these amendments are approved will be \$3.696 million which is \$0.7 million less than the \$4.4 million surplus previously anticipated in the report dated 29 March 2022 (attachment A).
- 33 The funding source for these forecasted amendments are reserves and therefore there is no impact on rates.

Policy Implications

- 34 Council staff must ensure that all expenditure is carried out within approved delegations. The current financial delegations only allow the chief executive to approve unbudgeted purchases of plant, capital items and goods or services expenditure up to \$10,000. Everything else must be approved by Council.

Analysis of Options

- 35 The options are to approve or not to approve, in full or part, the forecasted adjustments to the budgets for year one of the 2021-2031 LTP.

Option 1 - Approve the forecast changes recommended, including any adjustments approved at the meeting

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Council are informed of anticipated changes from year one of the 2021-2031 LTP• Internal reporting will more accurately illustrate the forecasted year end result in the projection fields.	<ul style="list-style-type: none">• None identified

Option 2 – Do not approve in part or in full, of the forecast changes recommended

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Council has more time to consider anticipated changes from year one of the 2021-2031 LTP	<ul style="list-style-type: none">• Internal reporting will continue to reflect the incorrect investment and borrowing approaches and returns.

Assessment of Significance

- 36 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who are likely to be particularly affected or interested. The content of this report is not deemed significant.

Recommended Option

- 37 Option 1 - Approve the forecast changes recommended, including any adjustments approved at the meeting

Next Steps

- 38 The approved forecasted information will be incorporated into Council financial systems and consequently future financial reporting.

Attachments

- A FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE [↓](#)
B FORECAST STATEMENT OF FINANCIAL POSITION [↓](#)

ATTACHMENT A

**SOUTHLAND DISTRICT COUNCIL
FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE
30 JUNE 2022**

	February 2021/2022 Forecast adjustments (\$000)	Adj 1 - Investment and borrowing amendments	Adj 2 - Correction to forestry costs	Forecast Result for 2021/2022 (\$000)
Revenue				
Rates	0			54,179
Other revenue	985			12,438
Interest and Dividends	0	(1,906)		114
NZTA	(43)			15,490
Grants and Subsidies	897			15,462
Other Gains/(Losses)	0			760
Vested Assets	0			-
Development and Financial Contributions	0			36
	1,840	(1,906)	0	98,479
Expenditure				
Employee Benefit Expenses	182			17,119
Depreciation and Amortisation	0			27,210
Finance Costs	0	173		1,438
Other Council Expenditure	515	(1,499)	148	49,017
	697	(1,326)	148	94,784
OPERATING SURPLUS/(DEFICIT)	1,143	(580)	(148)	3,696
Share of Associate Surplus/(Deficit)	-			-
SURPLUS/(DEFICIT) BEFORE TAX	1,143	(580)	(148)	3,696
Income Tax Benefit				-
SURPLUS/(DEFICIT) AFTER TAX	1,143	(580)	(148)	3,696
Gain/(Loss) on Property, Plant and Equipment Revaluations	-			53,208
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	1,143	(580)	(148)	56,904

Note:

- 1) The Long Term Plan for 2021/2022 is the consolidated result of Council and SIESA for year one of the 2021-2031 Long Term Plan.
- 2) No adjustment has been made to the budgeted amount in the 10 Year Plan for depreciation, revaluation of infrastructure assets and re-valuation of forestry assets in the forecasting process.

ATTACHMENT B

**SOUTHLAND DISTRICT COUNCIL
FORECAST STATEMENT OF FINANCIAL POSITION
30 JUNE 2022**

	February 2021/2022 Forecast adjustments (\$000)	Adj 1 - Investment and borrowing amendments	Adj 2 - Correction to forestry costs	Forecast Result for 2021/2022 (\$000)	Long Term Plan 2021/2022 (\$000)
Equity					
Retained Earnings	1,143	(580)	(148)	729,980	720,986
Asset Revaluation Reserves				909,521	922,181
Fair Value Reserves				4,771	3,577
Other Reserves	(784)	580	148	38,957	34,844
TOTAL EQUITY	359	-	-	1,683,229	1,681,588
Current Assets					
Cash and Cash Equivalents				(199)	221
Trade and Other Receivables				14,336	10,378
Inventories				115	105
Other Financial Assets				941	448
	0	0	0	15,193	11,152
Non Current Assets					
Property, Plant and Equipment	(5,181)			1,691,790	1,704,340
Intangible Assets	(847)			5,019	3,900
Forestry Assets				13,790	13,320
Internal Loans	0			0	-
Investment Portfolio				0	-
Investments in Associates				1,418	945
Other Financial Assets				39,003	37,533
	(6,027)	0	0	1,751,020	1,760,038
TOTAL ASSETS	- 6,027	0	0	1,766,212	1,771,190
Current Liabilities					
Trade and Other Payables				14,882	7,957
Contract Retentions and Deposits				912	719
Employee Benefit Liabilities				2,172	2,122
Development and Financial Contributions				1,623	1,730
Provision for Decommissioning				(0)	10
Borrowings				6,000	6,000
	0	0	0	25,588	18,538
Non-Current Liabilities					
Employee Benefit Liabilities				23	-
Provision for Decommissioning				10	-
Borrowings	(6,386)			57,361	71,064
Internal Loans - Liability				0	-
	(6,386)	0	0	57,395	71,064
TOTAL LIABILITIES	- 6,386	-	-	82,983	89,602
NET ASSETS	359	-	-	1,683,229	1,681,588

Bridge weight restriction postings 2022/2023

Record No: R/22/4/14141

Author: Rob Hayes, Senior roading engineer

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

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To comply with the Transport Act 1962 and Heavy Motor Vehicle Regulations 1974, the road controlling authority for any territorial area is required to confirm, at a minimum annually, any posting weight limit necessary for bridges on the roading network and to revoke any restrictions which no longer apply. This report provides the information to be able to fulfil this requirement. Council last confirmed its bridge postings on 19 May 2021.

Executive summary

- 2 WSP has been engaged by the Southland District Council (SDC) to undertake condition inspections of the bridges with load and speed restrictions (posted bridges) within the Southland district. The inspections have been undertaken in accordance with the Waka Kotahi NZ Transport Agency Policy S6:2019 and are described as special inspections.
- 3 The posted bridges were also evaluated to confirm their posting weight limit (PWL).
- 4 The number of posted bridges inspected within the Southland district has reduced this year due to an ongoing bridge replacement programme with five posted bridges replaced, or in the process of replacement before the end of June 2022.
- 5 Council currently has 63 posted and five closed bridges.
- 6 160 bridge inspections were carried out since the last posting report presented 19 May 2021.
- 7 No bridges currently without load restrictions are to be posted.
- 8 Four bridges require changes to their posting weight limit.
- 9 A list of all the SDC posted bridges are detailed in the appended assessment of posted bridge recommendation report (Appendix B).
- 10 The report recommends to Council that these bridge limits are adopted (Appendix A).

Recommendation

That Council:

- a) **Receives the report titled “Bridge weight restriction postings 2022/2023” dated 5 May 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 to confirm that in accordance with the Transport Act 1962 and Heavy Motor Vehicle Regulations 1974, the maximum weight and speed limits for heavy motor vehicles on bridges as listed on the attached schedule (Attachment A) be imposed.
- e) Agrees to continue to rely on the central on bridge restriction to limit posting restrictions and continues to mitigate this risk through ongoing promotion of posting compliance.
- f) Agrees to notify the weight limits to the New Zealand Police, New Zealand Transport Agency, Road Transport Forum New Zealand (Inc.) and by public notice in daily newspapers, social media and our website.

Content

Bridge posting evaluation methodology and assumptions

- 11 The purpose of the special inspections and evaluation is to:
 - assess the current condition of the bridges (extent of decay and other deterioration)
 - evaluate the current live load posting capacity of the bridges and confirm their PWL (as a percentage of Class 1)
 - recommend maintenance, strengthening and replacement measures and priority of works as appropriate.
- 12 The special inspections of the bridges have included the following:
 - a visual inspection of the condition of all components making up the bridges, including but not limited to; approach, superstructure (deck and main beams) substructure (abutment walls, bearers and piles), surfacing, kerbs, handrails, barriers and waterway and embankment suitability
 - confirmation of previous site measurement of all critical bridge dimensions, member sizes and any deterioration (section loss) of main structural elements
 - a drilling inspection, if deemed necessary, to determine the current extent of decay in the timber beams, corbels, bearers, piles etc
 - a photographic record of each bridge and specific deterioration.

- 13 Where debris covered elements over the abutments, this was removed where possible to allow any concealed deterioration to be assessed.

Standards and codes used

- 14 The following standards and codes have been used when evaluating the bridge capacities and the posting weight limits:
- SP/M/022 3rd Ed NZ Transport Agency Bridge Manual
 - NZS 3603: 1993 Code of Practice for Timber Design
 - AS1720.1: 1988 SAA Timber Structures Code
 - NZS 3404:1997 Steel Structures Standard Part 1 and 2
 - AASHTO LRFD Bridge Design Specifications 8th Edition (September 2017).

Assumptions

- 15 During our assessments WSP has made the following assumptions.
- for hardwood members, timber properties have been taken for Mixed Australian Hardwood (MAH), unseasoned with a Stress Grade of F14 unless investigated and categorised otherwise
 - we have assumed that the density of radiata pine to be 800 kg/m³, and the density of hardwood beams to be 1000kg/m³
 - for Pinus Radiata members (typically decking), timber properties have been taken for No 1 framing grade with a moisture content of in excess of 25% (wet)
 - the characteristic yield strength of steel members is assumed based on the construction date and any available documents or drawings
 - vehicles travel centrally on single lane bridges. Vehicles tend to drive centrally on single lane bridges but there is a risk associated with the loading of outer and central main bridge beams if vehicles do not travel centrally. This is a greater risk at bridges with angled approaches.
- 16 The WSP 2021/2022 Posted Bridge Inspection report has been appended to the report for additional information (Appendix A).

Changes to bridge posting

- 17 The roading structures inspection services contract required WSP to complete evaluations of all SDC posted bridges. The evaluations have identified four posted bridges that require changes to the posted weight limits.

Posted bridges requiring action

- 18 During the inspections of the bridges WSP identified three bridges that warranted evaluation to confirm their load carrying capacity. Evaluations were deemed necessary due to their condition.

Issues

- 19 The restricted bridges can cause a range of difficulties for those people who need them to transport heavy freight. The posted bridge listing continues to be used as a deficiency register to prioritise the bridge upgrading and renewal programmes in the coming years.
- 20 Limited by the available funding and resource for this work, only those bridges with restrictions that cause the greatest commercial hardship or present the highest safety risk will be prioritised to

be upgraded or replaced initially. Bridges that have no alternative access and nearing end of remaining useful life will take highest priority for renewals.

- 21 There are several bridges not listed the posting list that are still being reviewed in terms of their status in relation to the extent of the roading network they provide access to and service. These bridges are not a part of Council's maintained network and Council's strategic transport team is scheduling those to be divested or removed when possible.
- 22 Each bridge on the posting list is subject to ongoing consideration of the alternatives which include:
 - potential upgrading or replacement where this is justified in terms of the level of service that SDC can afford to provide
 - how to effectively better manage 'long term' postings where the bridge is low use and the restriction is causing limited problems
 - potential removal or divestment of the bridge from the network register with consideration under Council's Extent of Network Policy and utilisation of bridge matrix for rationalisation.
- 23 The current use of the central on bridge restriction is not a standard restriction covered by the regulations. It is a pragmatic approach that has been used by SDC for a number of years to avoid excessive restrictions and manage the bridge asset to maximise its value and life.
- 24 Discussions with Waka Kotahi NZ Transport Agency indicate that very few, if any, other RCAs use this central on bridge restriction. This does not mean it is wrong, it is just not a standard practice covered by the regulations. This means that the restriction is not legally enforceable and acts more as an advisory sign.
- 25 As previously reported the transport agency will not tell SDC what to do regarding the use of the central on bridge restriction as it sees that it is up to SDC how it manages its network within the various legal requirements governing all RCAs, including the risks on the network. They do support appropriate measures that provide better access for trucks across the network. It needs to be noted that there is a risk that if people fail to comply with the central on bridge condition and this leads to a failure and truck crash, Council could potentially have some liability issues to defend.
- 26 The risks are greatest where there is a substantial difference between the bridge weight restriction with and without the central on bridge restriction, the bridge approach is curved and there are greater heavy traffic volumes.
- 27 In terms of dealing with the risks, Council has the full range of options between fully accepting the risk of continuing with the central on bridge restriction in all cases, in the knowledge that this has worked satisfactorily in the past, and downgrading all posting restrictions to those that would apply under full eccentric loading.
- 28 The most conservative option would lead to major inconvenience for a significant number of road users and accelerated pressure on the bridge replacement and upgrade budgets.
- 29 In between the two extremes, there are a number of options Council could choose to implement, depending on where the balance is struck between risks and associated mitigations. For example, Council could choose to place a limit or cap (i.e. 25%) on the difference between posting restrictions for eccentrically placed loading calculations and central on bridge loading calculations. In the past Council have taken an uncapped central on bridge approach on the basis that the posted bridges are single laned, vehicles tend to stay reasonably central (as evidenced by wheel tracks). At this stage, it is recommended to retain this approach.

- 30 Others have been accepted with the central on bridge restriction based on indications of vehicle tracking across the bridges.
- 31 Council, in 2021 resolved to continue to rely on central on bridge restrictions to limit posting restrictions but to mitigate some of the risk by continuing to take action to promote compliance, particularly for the highest risk cases. The reduction in risk has further been bolstered by the implementation of 2019 recommendation and intention to undertake further invasive annual inspections of all posted bridges which have areas of concern. The testing was implemented in the 2020 inspection cycle.
- 32 To keep the allowable capacity of the bridges as high as possible, most of the postings are based on a speed restriction of 10 km/hr which carries the risk that people do not comply with the restriction and overload the bridge. Increasing the allowable speed reduces the allowable load on the bridge so a balance needs to be struck.
- 33 The use of gantry system has also been implemented with a degree of success, however this system is costly and has been prone to damage.

Factors to consider

Legal and statutory requirements

- 34 The annual setting and advertenting of weight restriction is a requirement of the Transport Act 1962 and the Heavy Motor Vehicle Regulation 1974.

Community views

- 35 No separate specific community views have been sought on this matter outside of the Long Term Plan consultation.

Costs and funding

- 36 The 'cost of advertising' in providing notification of Council's bridge postings are minor compared to the asset gains and protection realised. This is funded by the roading network and asset management budget.
- 37 Any physical works will be prioritised and funded through the structure's component upgrade and bridge replacement budgets currently being established for the 2021-2024 funding period.

Policy implications

- 38 The posted bridges generally meet the Land Transport Activity Management Plan requirements, the Waka Kotahi NZ Transport Agency funding requirement and policies, the Council's Extent of Network Policy and the Heavy Motor Vehicle Regulations of 1974.
- 39 It should be noted that Waka Kotahi NZ Transport Agency standards expect that posted bridges will be inspected annually to allow the restrictions to be updated and confirmed. This is now carried out annually under the structural services contract.

Analysis

Options considered

- 40 The option of taking no action is not suitable in this case as it would result in 'unsafe' structures being used by road users with potentially serious or fatal consequences.

- 41 In all cases the suggested weight restrictions have been set to provide a balance between safety and limiting damage to the structures, as well as setting reasonable limits for the type of vehicles using the bridges.

Analysis of options

Option 1 – adopt WSP bridge posting recommendation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• provides increased protection to bridges, slowing down the rate of degradation of the bridge• reduces risk of failure if an issue not fully identified during an inspection means the carrying capacity of the bridge is less than estimated• meets Council regulatory obligations.	<ul style="list-style-type: none">• imposes greater cost on landowners and heavy transport industry when required to either take detours or run more truck movements with lighter loads.

Option 2 – NOT to adopt WSP bridge posting recommendation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• none.	<ul style="list-style-type: none">• Council will not be meet its regulatory obligations• increases risk of major damage or complete and sudden failure of the bridge structure• increases risk of fatal or serious injury to road users due to sudden failure• higher loads will lead to more rapid deterioration of the marginal bridge structures. This will lead to the need to replace the structure sooner.

Assessment of significance

- 42 It is determined that this matter is not significant in terms of Section 76 of the Local Government Act 2002.

Recommended option

- 43 It is proposed that Council accepts the attached list and authorises the advertising of the list in accordance with the requirements of the Transport Act 1962 and the Heavy Motor Vehicle Regulations 1974.
- 44 It is requested that Council confirm that it wishes to continue to rely on the central on bridge restriction to limit the posting restrictions.
- 45 The objective of the decision is to maintain a suitable level of safety for road users and to also limit damage to the Council's bridge asset from unsuitable loads crossing bridges.

Next steps

- 46 Following the Council meeting, the bridge restrictions will be advertised and notified to the New Zealand Police, the New Zealand Transport Agency and the Heavy Transport Industry.
- 47 Work will continue on priority bridge upgrades and replacements as part of an overall bridge strategy.
- 48 The next round of posting inspections is scheduled for 2023 and will continue annually.

Recommendations

- 49 Update posted weight limit signage to reflect the findings of this report (Appendix A).
- 50 Complete required strengthening and maintenance works within the required timeframes.
- 51 Continue to perform annual weight limit certification inspections for bridges with weight or speed restrictions.
- 52 Consider future strategy for managing SDC's deteriorating timber bridge stock including implementing proactive maintenance strategies and inspection regimes, followed by developing a programme for repair, strengthening and replacement based on assessed condition, remaining useful life and level of service requirements.
- 53 Undertake Net Present Values End of Life (NPVEOL) assessments on bridges when recommended.

Attachments

- A Bridge posting recommendations [↓](#)
- B Bridge posting recommendations report [↓](#)

Appendix A - posted bridge recommendations

Table A-1 Southland District Council notification of weight and/or speed limits on bridges June 2022

NO	STRUCTURE NUMBER	NAME OF ROAD	WEIGHT LIMITS MAX WT ON ANY AXLE(KG) POSITION ON BRIDGE	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (KM/HR)
1	2861.001	Anderson Road 4	Central on bridge	80%	10
2	2459.001	Argyle Otahuti Road	Central on bridge	Light vehicles only	
3	1253.001	Badwit Road	Central on bridge	50%	10
4	2865.001	Benmore Otapiri Road	Central on bridge	80%	10
5	2865.003	Benmore Otapiri Road	Central on bridge	70%	10
6	2865.004	Benmore Otapiri Road	Central on bridge	80%	10
7	2895.002	Benmore Road	Central on bridge	80%	10
8	1186.001	Birch Road	Central on bridge	80%	10
9	2494.001	Breeze Road	Central on bridge	70%	10
10	1606.001	Bridge Inn Road	Central on bridge	100%	10
11	1056.001	Buckingham Road	Central on bridge	60%	30
12	3353.001	Carter Road	Central on bridge	50%	10
13	2563.001	Channel Road 1	Central on bridge	Light vehicles only	10
14	3654.001	Cumming Road	Central on bridge	100%	10
15	3047.001	Cunningham Road	Central on bridge	100%	10
16	1565.002	Davidson Road 3	Central on bridge	80%	10
17	2371.002	Dunearn Road	Central on bridge	80%	10
18	3363.001	Duthie Road 2 (Boundary Road)	Central on bridge	80%	10
19	2115.003	Feldwick Road	Central on bridge	80%	10
20	1373.001	Frazer Road (Boundary Road)	Central on bridge	70%	10
21	1992.001	Fryer Road	Central on bridge	80%	10
22	2373.002	Harbour Endowment Road	Central on bridge	90%	10
23	2373.001	Harbour Endowment Road	Central on bridge	100%	10
24	3626.003	Hillas Road	Central on bridge	100%	10
25	3902.002	Horseshoe Bay Road	Central on bridge	80%	10
26	3736.001	Hume Road	Central on bridge	100%	10
27	1658.001	Kirkbride Street	Central on bridge	40%	10
28	1332.001	Klondyke Road	Central on bridge	90%	10
29	3407.002	Lake Monowai Road		Axles 7,000 kg, Gross 28,500 kg Heavy vehicles cross bridge one at a time	10
30	3407.004	Lake Monowai Road		80%	10
31	3004.002	Lang Road 2	Central on bridge	50%	10
32	1376.001	Lauderdale Bush Road	Central on bridge	100%	10
33	3026.001	Level Street		Light vehicles only, 3500kg Gross	
34	2623.001	Mandeville Road	Central on bridge	70%	10

NO	STRUCTURE NUMBER	NAME OF ROAD	WEIGHT LIMITS MAX WT ON ANY AXLE(KG) POSITION ON BRIDGE	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (KM/HR)
35	1008.001	Manse Road	Central on bridge	50%	10
36	1065.001	Marinui Road	Central on bridge	70% Class 1 Axles 6,600kg	10
37	1281.001	Mataura Island Titiroa Road	Central on bridge	Light vehides only, Gross 3,500 kg	10
38	1334.002	Matheson Road 2	Central on bridge	80%	10
39	2868.002	Matthews Road	Central on bridge	100%	10
40	2868.003	Matthews Road	Central on bridge	60%	10
41	3002.002	McDonald Road 4	Central on bridge	70%	10
42	1584.001	McKerchar Road 1	Central on bridge	70%	10
43	2515.001	McKinnon Road 2	Central on bridge	70%	10
44	1086.001	Morrison Road West	Central on bridge	100%	30
45	3158.002	Murphy Road		50%	10
46	9576.001	Off Webb Road	Central on bridge	60%	10
47	1206.001	Orr Road 1	Central on bridge	80%	10
48	2828.007	Otapiri Mandeville Road	Central on bridge	90%	10
49	2055.005	Papatotara Coast Road	Central on bridge	80%	10
50	1002.001	Progress Valley Road	Central on bridge	100%	10
51	2128.001	Purvis Road	Central on bridge	100%	10
52	2897.001	Riverside School Road	Central on bridge	70%	10
53	2897.002	Riverside School Road	Central on bridge	50%	10
54	1054.001	Scrubby Hill Road	Central on bridge	100%	10
55	2555.001	Sharks Tooth Road	Central on bridge	70%	10
56	3652.005	Sutherland Road	Central on bridge	70%	10
57	3144.001	Tomogalak Rd	Central on bridge	100%	10
58	2856.002	Turnbull Road	Central on bridge	100%	10
59	1168.001	Waghorn Road	Central on bridge	50%	10
60	3617.001	West Dome Station Road	Central on bridge	70%	10
61	3147.001	Wilson Road 7	Central on bridge	80%	10
62	2858.001	Winton Channel Road	Central on bridge	90%	10
63	1355.001	Woods Road 1	Central on bridge	90%	10

Table A-2 Southland District Council bridges replaced before June 2022 – posted weight restrictions to be revoked

NO	STRUCTURE NUMBER	NAME OF ROAD
1	2861.001	Caird Road
2	2459.001	Dipton Flat Road
3	1253.001	Dipton Mossburn Road
4	2865.001	McBride Road
5	2865.003	McLeod Road 2

Southland District Council

POSTED BRIDGE RECOMMENDATION REPORT

29 APRIL 2022



wsp

POSTED BRIDGE RECOMMENDATION REPORT

Southland District Council

WSP
Invercargill
65 Arena Avenue
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REV	DATE	DETAILS
A	09/04/2022	Draft
B	13/04/2022	Revised following WSP internal review
1	14/04/2022	Issued to Southland District Council
2	26/04/2022	Tables 4-3, A-2, A-3 added
3	29/04/2022	Tomogalak Bridge strengthened

	NAME	DATE	SIGNATURE
Prepared by:	Ian Sutherland	29/04/2022	
Reviewed by:	Campbell Apthorp	29/04/2022	
Approved by:	Ian Sutherland	29/04/2022	

This report ('Report') has been prepared by WSP exclusively for Southland District Council ('Client') in relation to the evaluation of the posted bridges in Southland ('Purpose') and in accordance with the Contract for Rooding Structural Inspection Services, Contract No 20/2 dated 23-10-2020. The findings in this Report are based on and are subject to the assumptions specified in the Report. WSP accepts no liability whatsoever for any reliance on or use of this Report, in whole or in part, for any use or purpose other than the Purpose or any use or reliance on the Report by any third party.

6-VN127.00

29 April 2022



Our ref: 6-VN127.00

29th April 2022

Roy Clearwater
Roding Asset Engineer
Southland District Council
PO Box 903
Invercargill 9840

Dear Roy

Contract 20/2 Roding Structural Inspections Services – Posted Bridge Recommendation Report

WSP has completed the inspections and assessments for the Southland District Council Posted Bridges for the period of July 2021 to June 2022.

This report presents our findings and recommends the load restrictions to be implemented prior to 30th June 2022.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Ian Sutherland', enclosed within a circular blue ink stamp.

Ian Sutherland
Work Group Manager Buildings and Civil Structures
Structure Inspection Engineer

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1 INTRODUCTION

WSP has been engaged by the Southland District Council (SDC) to undertake condition inspections of the bridges with load and speed restrictions (Posted Bridges) within the Southland District. The inspections have been undertaken in accordance with the Waka Kotahi NZTA Policy S6:2019 and are described as Special Inspections.

This round of Posted Bridge Inspections completes the second year of inspections undertaken for the Roadway Structures Inspection Service Contract 20/2. In year one the Posted Bridges were evaluated to confirm their Posting Weight Limit (PWL). No evaluations have been undertaken in year two and the inspections completed were to confirm and monitor the condition of the bridges and identify defects.

The number of posted bridges inspected within the Southland District has reduced due to the ongoing bridge replacement programme. Four Bridges have been replaced during the year. At the time of writing there are a total of 63 Bridges with speed and weight restrictions within the Southland District. Two bridges have been added to the Posted Bridges inventory this year. Level Street (Bridge 3026.001) in the Dipton township is suitable for light vehicles only and has not been included in the Posted Bridge database previously. Cunningham Road Bridge has also been added to the Posted Bridge inventory.

Our scope of work included:

- Detailed inspection with some drilling of timber elements to determine extent of decay where deemed necessary.
- Photographic record of any deficiencies found.
- Assessment of deterioration (decay) effect on Posted Weight Limit (PWL)
- Outlining recommended remedial options
- Recommending and prioritising both short and long-term maintenance, strengthening and/or replacement requirements based on the severity of deterioration
- Updating the databases (RAMM and OBIS) on findings

Section 4 provides details of the SDC bridges that require changes to their current postings and/or actions to be taken in Table 4.1. The majority of the bridge postings are unchanged.

Section 5 includes Table 5.1 which lists all the SDC posted bridges, their PWL, recommended maintenance items, as well as a commentary and recommended actions to be undertaken during the coming year.

2 POSTED BRIDGE INSPECTION METHODOLOGY

2.1 GENERAL

The purpose of the special inspection of Posted Bridges is to:

- Assess the current condition of the bridges (extent of decay and other deterioration)
- Compare condition to previous inspections.
- Assess if the current weight restriction is appropriate based on the observations made of current condition and any defects identified.
- If necessary, evaluate the current live load posting capacity of the bridges and confirm their PWL (as a percentage of Class 1). Note: no evaluations have been undertaken during the current inspection period.
- Recommend maintenance, strengthening and replacement measures and priority of works as appropriate.

The special inspections of the bridges have included the following:

- A visual inspection of the condition of all components making up the bridges, including but not limited to; approach, superstructure (deck and main beams) substructure (abutment walls, bearers and piles), surfacing, kerbs, handrails, barriers and waterway and embankment suitability.
- Confirmation of previous site measurement of all critical bridge dimensions, member sizes and any deterioration (section loss) of main structural elements
- A drilling inspection, if deemed necessary, to determine the current extent of decay in the timber beams, corbels, bearers, piles etc. All timber bridges were drilled in year one and future drilling will only be undertaken as necessary.
- A photographic record of each bridge and recording of specific deterioration.

Where debris covered elements over the abutments, this was removed where possible to allow any concealed deterioration to be assessed.

2.2 SPECIFIC ACCESS

As part of the 2021/2022 inspection period reporting the bridges requiring specific access for close quarters inspections in the 2022/2023 inspection period will be identified. There are several Posted Bridges that will be included within this report that will require specific access to view central spans and potentially carry out drilling. The specific access will include Bridge Inspection Vehicles (BIV) and Scaffolding. Noting that access onto the bridge for BIV maybe limited due to the load capacity of the structure.

2.3 POSTING WEIGHT LIMIT (PWL) EVALUATION

The PWL is an assessment of a bridge's ability to carry Class 1 traffic (i.e. legal highway loading) as defined by the Heavy Motor Vehicle (HMV) Regulations 1974.

All bridges were assessed using the Ultimate Limit States (ULS) method based on the Bridge Manual Section 7. The load distribution was calculated using one of the following two methods:

1. Simplified method with the AASHTO wheel load factor based on the deck type:
 - a. 3.3 for deck planks with / without running planks
 - b. 4.1 for baulk decks with / without running planks
2. Detailed analysis to determine a more accurate load distribution. The deck was modelled on top of spring supports based on the stiffness of each beam.

If a bridge has insufficient capacity to carry General Access (Class 1) traffic. It is required to be posted with a notice showing its allowed load. The load restriction can be defined by:

1. Gross weight limit
2. Axle weight limit
3. Speed restriction

The intention of the HMV regulation is that any restriction be legally binding and provide adequate protection to the structure from damage. This supports the Road Controlling Authorities to meet their Health and Safety obligations/statutory requirements.

Road Controlling Authorities, when fixing weight or speed limits, are legally obligated to "cause notification thereof ...to be published in some newspaper circulating in the district in which the bridge is situated" with this notification undertaken on a 12-month basis. The SDC is due to publicly notify the Posted Bridge Limits for the Southland District before 30th June 2022.

Bridges with weight or speed restrictions should be visually inspected on an annual basis.

2.3.1 STANDARDS AND CODES USED

The following standards and codes have been used when evaluating the bridge capacities and the Posting Weight Limits:

- SP/M/022 3rd Ed NZ Transport Agency Bridge Manual
- NZS 3603: 1993 Code of Practice for Timber Design
- AS1720.1: 1988 SAA Timber Structures Code
- NZS 3404:1997 Steel Structures Standard Part 1 and 2
- AASHTO LRFD Bridge Design Specifications 8th Edition (September 2017)

2.3.2 ASSUMPTIONS

During our assessments we have made the following assumptions:

- For Hardwood members, timber properties have been taken for Mixed Australian Hardwood (MAH), unseasoned with a Stress Grade of F14 unless investigated and categorised otherwise.
- We have assumed that the density of radiata pine to be 800 kg/m³, and the density of hardwood beams to be 1000 kg/m³.
- For Pinus Radiata members (typically decking), timber properties have been taken for No. 1 Framing Grade with a moisture content of in excess of 25% (wet).
- The characteristic yield strength of steel members is assumed based on the construction date and any available documents or drawings.
- Vehicles travel centrally on single lane bridges. Vehicles tend to drive centrally on single lane bridges but there is a risk associated with the loading of outer and central main bridge beams if vehicles do not travel centrally. This is a greater risk at bridges with angled approaches.

3 BRIDGE STRENGTHENING

Following the findings of the bridge evaluations in the previous period (2020/2021) four bridges have had strengthening schemes developed to increase their live load capacity to 100% of Class 1. The strengthening works, which includes the installation of lateral bracing, are now underway. The strengthening for one of the bridges (Tomogalak Road 3144.001) has been completed prior to 30 June 2022 and its Posted Weight restriction has improved from 50% of Class 1 to 100% of Class 1 with a 10km/hr speed restriction.

It is expected that the strengthening of the other three bridges will be completed prior to the completion of the next round of Posted Bridge Inspections (2022/2023). Figure 1 shows the typical bracing installation.

The three bridges being strengthened during the next inspection period are;

- Buckingham Road Bridge 1056.001
- Manse Road Bridge 1008.001
- Mathews Road Bridge 2868.003

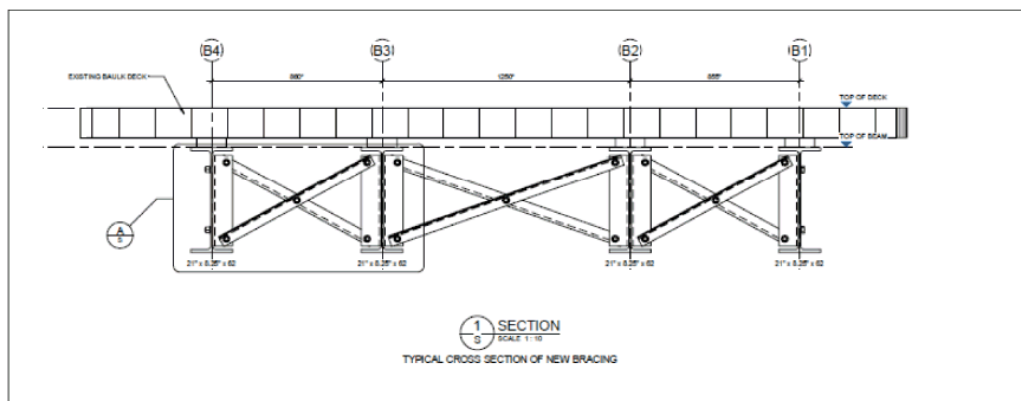


Figure 3.1 – Typical cross brace strengthening design

4 CHANGES TO BRIDGE POSTING

A table listing all the required SDC posted bridges and their required PWL for the June 2022 to June 2023, is included in Table A-1 of Appendix A.

Details of the required actions/changes to the current bridge postings are summarised in Table 4-1.

Table 4-2 lists the bridges replaced and their Posted Weight Limits revoked in the 2021/2022 year.

Table 4.3 lists the current closed bridges within the SDC roading network.

Table 4-1 Summary of changes/actions to weight restricted bridges posting

Structure No	Name of road	Current posting % of Class 1	New posting % of Class 1	Speed limit (km/hr)	Changes/actions to posting
2865.004	Benmore Otapiri Road	100%	80%	10	Previous evaluation requires strengthening to maintain 100% of Class 1 but this has not occurred. Reduce posting to 80% of Class 1
1056.001	Buckingham Road	60%	60%	30	Previous evaluation reduced posting to 60% of Class 1 with 30km/hr speed restriction. Current signage has incorrect speed restriction of 10km/hr.
3407.002	Lake Monowai Road	Axles 7,000kg, Gross 28,500kg	Axles 7,000kg, Gross 28,500kg Heavy vehicles cross bridge one at a time	10	Evaluation and detailed geotechnical studies have confirmed that that PWL is appropriate but required additional signage. This signage was installed during the period. No action necessary.
1376.001	Lauderdale Bush Road	100%	100%	10 (current signage 30)	Previous evaluation reduced speed restriction to 10km/hr. Current signage has incorrect speed restriction of 30km/hr
2623.001	Mandeville Road	100%	70%	10	Previous evaluation requires strengthening to maintain 100% of Class 1 but this has not occurred. Reduce posting to 70% of Class 1
1008.001	Manse Road	50% (current signage 100%)	50%	10	Previous evaluation requires strengthening to retain 100% Class 1. Strengthening not completed - Post to 50% of Class 1 10km/hr..
1065.001	Marinui Road	Axles 6,600kg	Axles 6,600kg 70%	10	Current signage to be supplemented with 70% of Class 1
1086.001	Morrison Road West	100%	100%	30	Previous evaluation introduced a 30km/hr speed restriction. Current signage has incorrect speed restriction of 10km/hr
3144.001	Tomogalak Road	50%	100%	10	Strengthening complete and Posting is improved 50% to 100% of Class 1, 10km/hr
1168.001	Waghorn Road	50% (Current signage 40%)	50%	10	Previous evaluation confirmed posting at 50% of Class 1 with 10km/hr speed restriction. Current signage has incorrect PWL.

Table 4-2 Posted bridges replaced in 2021/2022

The posted weight restriction of these bridges is revoked.

Item	Structure No	Name of road
1	2825.001	Caird Road
2	2896.001	Dipton Flat Road
3	3015.004	Dipton Mossburn Road
4	2826.001	McBride Road
5	3048.001	McLeod Road 2

Table 4-3 Closed Bridges - unchanged during 2021/2022

Item	Structure No	Name of Road
1	2444.001	McLeish Rd 2
2	2475.001	Nelson Rd
3	2596.001	Scott Rd 2
4	2526.001	Thomsons Crossing Rd
5	2654.001	Welsh Rd East

5 POSTED BRIDGE MAINTENANCE

Table 5-1 summarises the Posting Weight Limits for the Southland District Council weight restricted bridges along with comments on maintenance required for the coming year. Additional commentary is provided for some bridges where the development of a management strategy would be beneficial.

Note – Table 5-1 is replicated in Appendix A, as Table A-1, without notes or comments included and is suitable for public communications.

Table 5-1 Posting Weight Limit and Maintenance Summary Table

No	STRUCTURE NUMBER	NAME OF ROAD	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (km/hr)	Maintenance Notes/comments for coming year	Priority Low/Med/ High/ Urgent
1	2861.001	Anderson Rd 4	80%	10	Repair handrail	High
2	2459.001	Argyle Otahuti Rd	Light vehicles only			
3	1253.001	Badwit Rd	50%	10	Capping beam strengthening required	Medium
4	2865.001	Benmore Otapiri Rd	80%	10		
5	2865.003	Benmore Otapiri Rd	70%	10		
6	2865.004	Benmore Otapiri Rd	80%	10	80% Class 1 signage	High – before June 30
7	2895.002	Benmore Rd	80%	10		
8	1186.001	Birch Rd	80%	10		
9	2494.001	Breeze Rd	70%	10		
10	1606.001	Bridge Inn Rd	100%	10	Capping beam strengthening required	Medium
11	1056.001	Buckingham Rd	60%	30	30km/hr signage	High – before June 30
12	3353.001	Carter Rd	50%	10	Repair handrail	High
13	2563.001	Channel Rd 1	Light vehicles only	10		
14	3654.001	Cumming Rd	100%	10		
15	3047.001	Cunningham Rd	100%	10		
16	1565.002	Davidson Rd 3	80%	10	Replace running boards	Low
17	2371.002	Dunearn Rd	80%	10		

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No	STRUCTURE NUMBER	NAME OF ROAD	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (km/hr)	Maintenance Notes/comments for coming year	Priority Low/Med/ High/ Urgent
18	3363.001	Duthie Rd 2 (Bdy Rd)	80%	10	Replace running boards and T/L planks plus 2-3 planks. Reinstate posting sign	Medium Urgent
19	2115.003	Feldwick Rd	80%	10	Replace running boards and confirm repair to pile collar/ encasement?	Medium
20	1373.001	Frazer Rd (Bdy Rd)	70%	10		
21	1992.001	Fryer Rd	80%	10	Plank replacement	High
22	2373.002	Harbour Endowment Rd	90%	10	Leaning abutment, edge beam - earmarked for replacement	Medium
23	2373.001	Harbour Endowment Rd	100%	10		
24	3626.003	Hillas Rd	100%	10		
25	3902.002	Horseshoe Bay Rd	80%	10		
26	3736.001	Hume Rd	100%	10	Tighten all loose bolts on corbels and deck connections, replace washers and bolts where missing	Medium
27	1658.001	Kirkbride St	40%	10		
28	1332.001	Klondyke Rd	90%	10	Repair unstable handrail	High
29	3407.002	Lake Monowai Rd	Axles 7,000 kg, Gross 28,500 kg, Heavy vehicles cross bridge one at a time	10	An NPV EOL assessment is being undertaken for this bridge.	
30	3407.004	Lake Monowai Rd	80%	10	Development replacement scheme for piles	Medium

No	STRUCTURE NUMBER	NAME OF ROAD	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (km/hr)	Maintenance Notes/comments for coming year	Priority Low/Med/ High/ Urgent
31	3004.002	Lang Road 2	50%	10	Bulk deck delaminating. Develop management plan maintenance plan EOL NPV	Low
32	1376.001	Lauderdale Bush Rd	100%	10	10km/hr signage	Urgent
33	3026.001	Level Street	Light vehicles only		Install LVO 3500kg Gross signage	Urgent
34	2623.001	Mandeville Rd	70%	10	70% Class 1, 10km/hr signage	Before June 30
35	1008.001	Manse Rd	50%	10	50% Class 1, 10km/hr signage if strengthening not completed.	Before June 30
36	1065.001	Marinui Rd	70% Class 1 Axles 6,600kg	10	Add 70% of Class 1 to signage	Before June 30
37	1281.001	Mataura Island Titiroa Rd	Light vehicles only, Gross 3,500 kg	10	Reinstate Posting sign	Urgent
38	1334.002	Matheson Rd 2	80%	10		
39	2868.002	Matthews Rd	100%	10	Fix handrail	High
40	2868.003	Matthews Rd	60%	10	Fix leaking water pipe - making timber continually damp	Low
41	3002.002	McDonald Rd 4	70%	10		
42	1584.001	McKerchar Rd 1	70%	10		
43	2515.001	McKinnon Rd 2	70%	10		
44	1086.001	Morrison Rd West	100%	30	30 km/hr signage	Before June 30
45	3158.002	Murphy Rd	50%	10		
46	9576.001	Off Webb Rd	60%	10		
47	1206.001	Orr Rd 1	80%	10		
48	2828.007	Otapiri Mandeville Rd	90%	10	Deck issues - design underway for replacement deck	Medium

No	STRUCTURE NUMBER	NAME OF ROAD	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (km/hr)	Maintenance Notes/ comments for coming year	Priority Low/Med/ High/ Urgent
49	2055.005	Papatotara Coast Rd	80%	10	Replace corroded collars on piles.	Medium
50	1002.001	Progress Valley Rd	100%	10		
51	2128.001	Purvis Rd	100%	10		
52	2897.001	Riverside School Rd	70%	10	Deck well worn - replacement, Develop management plan maintenance plan EOL NPV	Low
53	2897.002	Riverside School Rd	50%	10		
54	1054.001	Scrubby Hill Rd	100%	10	Tighten bolts between capping beams and main beams	Medium
55	2555.001	Sharks Tooth Rd	70%	10		
56	3652.005	Sutherland Rd	70%	10		
57	3144.001	Tomogalak Road	100%	10	Strengthening complete - signage 100% of Class 1 with 10km/hr speed limit	Before June 30
58	2856.002	Turnbull Rd	100%	10		
59	1168.001	Waghorn Rd	50%	10	50% of Class 1 signage Deck replacement and replace all bolt fixings. Post to LVO next round if works not undertaken.	Medium
60	3617.001	West Dome Station Rd	70%	10		
61	3147.001	Wilson Rd 7	80%	10	Pile cap replacement and brace pile.	Medium
62	2858.001	Winton Channel Rd	90%	10	Replace head wall and deck planks	Medium
63	1355.001	Woods Rd 1	90%	10		

6 RECOMMENDATIONS

Recommendations for the SDC Posted bridge stock evaluated is as follows:

- Update PWL signage to reflect the findings of this report.
- Complete the planned strengthening works to the following bridges;
 - Buckingham Road Bridge 1056.001
 - Manse Road Bridge 1008.001
 - Mathews Road Bridge 2868.003
- Continue to perform annual weight limit certification inspections for bridges with weight and/or speed restrictions.
- Carry out maintenance items to the posted bridges as noted in Table 5.1
- Consider future strategy for managing SDC's deteriorating timber bridge stock including implementing proactive maintenance strategies and inspection regimes, followed by developing a programme for repair, strengthening and replacement based on assessed condition, remaining useful life and level of service requirements. A Net Present Value End of Life (NPV EOL) Assessment would be beneficial for the following bridges;
 - Lang Road 2 Bridge 3004.002
 - Riverside School Road Bridge 2897.001
 - Waghorn Road Bridge 1168.001

A NPV EOL Assessment is being undertaken for the Lake Monowai Road Suspension Bridge 3407.002 which will confirm the best course of action to take with respect to maintenance for this bridge.

7 LIMITATIONS

Disclaimer/Limitation Statement

This report ('Report') has been prepared by WSP exclusively for Southland District Council (SDC) ('Client') in relation to the evaluation of the posted bridges in Southland ('Purpose') and in accordance with the Contract for Rooding Structural Inspection Services, Contract No 20/2 dated 23-10-2020. The findings in this Report are based on and are subject to the assumptions specified in the Report. WSP accepts no liability whatsoever for any reliance on or use of this Report, in whole or in part, for any use or purpose other than the Purpose or any use or reliance on the Report by any third party.

In preparing this Report, WSP has relied upon data, surveys, analyses, designs, plans and other information ('Client Data') provided by or on behalf of the Client. Except as otherwise stated in this Report, WSP has not verified the accuracy or completeness of the Client Data. To the extent that the statements, opinions, facts, information, conclusions and/or recommendations in this Report are based in whole or part on the Client Data, those conclusions are contingent upon the accuracy and completeness of the Client Data. WSP will not be liable for any incorrect conclusions or findings in the Report should any Client Data be incorrect or have been concealed, withheld, misrepresented or otherwise not fully disclosed to WSP.

Qualifications and Assumptions

The services undertaken by WSP in preparing this Report were limited to those specifically detailed in the Agreement and the Report and are subject to the scope, qualifications, assumptions and limitations set out in the Report and/or otherwise communicated to the Client. Except as otherwise stated in the Report and to the extent that statements, opinions, facts, conclusion and/or recommendations in the Report ('Conclusions') are based in whole or in part on information provided by the Client and other parties ('Information'). The Information has not been and have not been verified by WSP and WSP accepts no liability for the reliability, adequacy, accuracy and completeness of the Information.

The data reported and Conclusions drawn by WSP in this Report are based solely on information made available to WSP at the time of preparing the Report. The passage of time; unexpected variations in ground conditions; manifestations of latent conditions; or the impact of future events (including (without limitation) changes in policy, legislation, guidelines, scientific knowledge; and changes in interpretation of policy by statutory authorities); may require further investigation or subsequent re-evaluation of the Conclusions.

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APPENDIX A - POSTED BRIDGE STATUS

Table A-1 Southland District Council Notification of Weight and/or Speed Limits on Bridges June 2022

No	STRUCTURE NUMBER	NAME OF ROAD	WEIGHT LIMITS MAX WT ON ANY AXLE(KG) POSITION ON BRIDGE	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (KM/HR)
1	2861.001	Anderson Rd 4	Central on bridge	80%	10
2	2459.001	Argyle Otahuti Rd	Central on bridge	Light vehicles only	
3	1253.001	Badwit Rd	Central on bridge	50%	10
4	2865.001	Benmore Otapiri Rd	Central on bridge	80%	10
5	2865.003	Benmore Otapiri Rd	Central on bridge	70%	10
6	2865.004	Benmore Otapiri Rd	Central on bridge	80%	10
7	2895.002	Benmore Rd	Central on bridge	80%	10
8	1186.001	Birch Rd	Central on bridge	80%	10
9	2494.001	Breeze Rd	Central on bridge	70%	10
10	1606.001	Bridge Inn Rd	Central on bridge	100%	10
11	1056.001	Buckingham Rd	Central on bridge	60%	30
12	3353.001	Carter Rd	Central on bridge	50%	10
13	2563.001	Channel Rd 1	Central on bridge	Light vehicles only	10
14	3654.001	Cumming Rd	Central on bridge	100%	10
15	3047.001	Cunningham Rd	Central on bridge	100%	10
16	1565.002	Davidson Rd 3	Central on bridge	80%	10
17	2371.002	Dunearn Rd	Central on bridge	80%	10
18	3363.001	Duthie Rd 2 (Bdy Rd)	Central on bridge	80%	10
19	2115.003	Feldwick Rd	Central on bridge	80%	10
20	1373.001	Frazer Rd (Bdy Rd)	Central on bridge	70%	10
21	1992.001	Fryer Rd	Central on bridge	80%	10
22	2373.002	Harbour Endowment Rd	Central on bridge	90%	10
23	2373.001	Harbour Endowment Rd	Central on bridge	100%	10
24	3626.003	Hillas Rd	Central on bridge	100%	10
25	3902.002	Horseshoe Bay Rd	Central on bridge	80%	10
26	3736.001	Hume Rd	Central on bridge	100%	10
27	1658.001	Kirkbride St	Central on bridge	40%	10

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No	STRUCTURE NUMBER	NAME OF ROAD	WEIGHT LIMITS MAX WT ON ANY AXLE(KG) POSITION ON BRIDGE	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (KM/HR)
28	1332.001	Klondyke Rd	Central on bridge	90%	10
29	3407.002	Lake Monowai Rd		Axles 7,000 kg, Gross 28,500 kg Heavy vehicles cross bridge one at a time	10
30	3407.004	Lake Monowai Rd		80%	10
31	3004.002	Lang Rd 2	Central on bridge	50%	10
32	1376.001	Lauderdale Bush Rd	Central on bridge	100%	10
33	3026.001	Level Street		Light vehicles only, 3500kg Gross	
34	2623.001	Mandeville Rd	Central on bridge	70%	10
35	1008.001	Manse Rd	Central on bridge	50%	10
36	1065.001	Marinui Rd	Central on bridge	70% Class 1 Axles 6,600kg	10
37	1281.001	Mataura Island Titiroa Rd	Central on bridge	Light vehicles only, Gross 3,500 kg	10
38	1334.002	Matheson Rd 2	Central on bridge	80%	10
39	2868.002	Matthews Rd	Central on bridge	100%	10
40	2868.003	Matthews Rd	Central on bridge	60%	10
41	3002.002	McDonald Rd 4	Central on bridge	70%	10
42	1584.001	McKerchar Rd 1	Central on bridge	70%	10
43	2515.001	McKinnon Rd 2	Central on bridge	70%	10
44	1086.001	Morrison Rd West	Central on bridge	100%	30
45	3158.002	Murphy Rd		50%	10
46	9576.001	Off Webb Rd	Central on bridge	60%	10
47	1206.001	Orr Rd 1	Central on bridge	80%	10
48	2828.007	Otapiri Mandeville Rd	Central on bridge	90%	10
49	2055.005	Papatotara Coast Rd	Central on bridge	80%	10
50	1002.001	Progress Valley Rd	Central on bridge	100%	10
51	2128.001	Purvis Rd	Central on bridge	100%	10
52	2897.001	Riverside School Rd	Central on bridge	70%	10
53	2897.002	Riverside School Rd	Central on bridge	50%	10
54	1054.001	Scrubby Hill Rd	Central on bridge	100%	10

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No	STRUCTURE NUMBER	NAME OF ROAD	WEIGHT LIMITS MAX WT ON ANY AXLE(KG) POSITION ON BRIDGE	AXLE WEIGHT / % CLASS 1	MAX SPEED LIMIT (KM/HR)
55	2555.001	Sharks Tooth Rd	Central on bridge	70%	10
56	3652.005	Sutherland Rd	Central on bridge	70%	10
57	3144.001	Tomogalak Rd	Central on bridge	100%	10
58	2856.002	Turnbull Rd	Central on bridge	100%	10
59	1168.001	Waghorn Rd	Central on bridge	50%	10
60	3617.001	West Dome Station Rd	Central on bridge	70%	10
61	3147.001	Wilson Rd 7	Central on bridge	80%	10
62	2858.001	Winton Channel Rd	Central on bridge	90%	10
63	1355.001	Woods Rd 1	Central on bridge	90%	10

Table A-2 Posted bridges replaced in 2021/2022 - the posted weight restrictions are revoked

Item	Structure No	Name of road
1	2825.001	Caird Road
2	2896.001	Dipton Flat Road
3	3015.004	Dipton Mossburn Road
4	2826.001	McBride Road
5	3048.001	McLeod Road 2

Table A-3 Closed Bridges - unchanged during 2021/2022

Item	Structure No	Name of Road
1	2444.001	McLeish Rd 2
2	2475.001	Nelson Rd
3	2596.001	Scott Rd 2
4	2526.001	Thomsons Crossing Rd
5	2654.001	Welsh Rd East

Financial Report for the period ended 31 March 2022

Record No: R/22/4/16043
Author: Brie Lepper, 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 nine months to 31 March 2022 by the seven activity groups of Council, as well as the financial position, and the statement of cash flows as at 31 March 2022.
2. This report summarises Council's financial results for the nine months to 31 March 2022.

Recommendation

That the Council:

- a) **receives the report titled "Financial Report for the period ended 31 March 2022"** dated 5 May 2022.

Attachments

A Financial Report - March 2022 [↓](#)



Financial report

March 2022

Southland District Council
Te Rohe Pōtae o Murihiku

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Executive summary

This report summarises Council's financial results for the nine month period to 31 March 2022.

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, approved unbudgeted expenditure reports and approved forecasting changes
- 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, approved unbudgeted expenditure reports and forecasting changes.

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.

Carry forwards and forecasting approved by Council in September 2021 and March 2022 respectively, have been included in the projection column.

Phasing of budgets occurred in August, and after 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.

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.

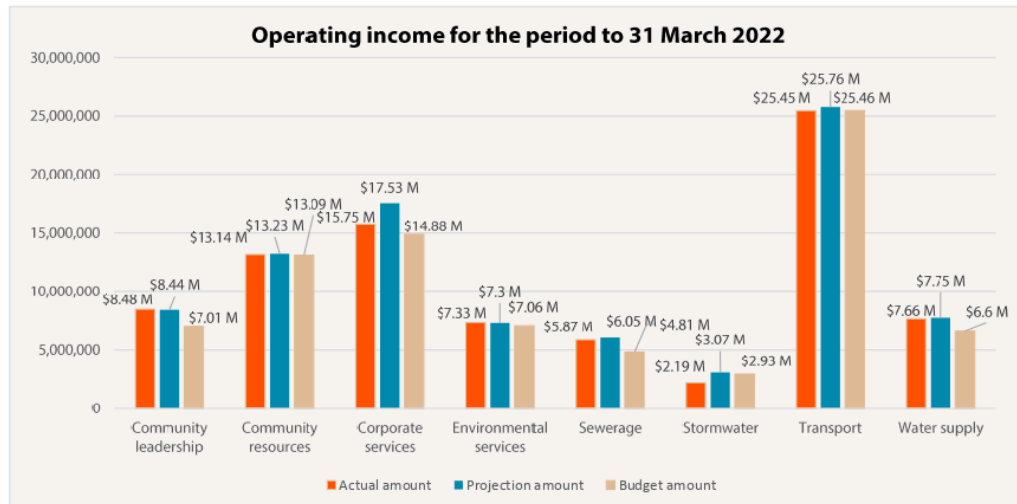
Abbreviation explanation

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

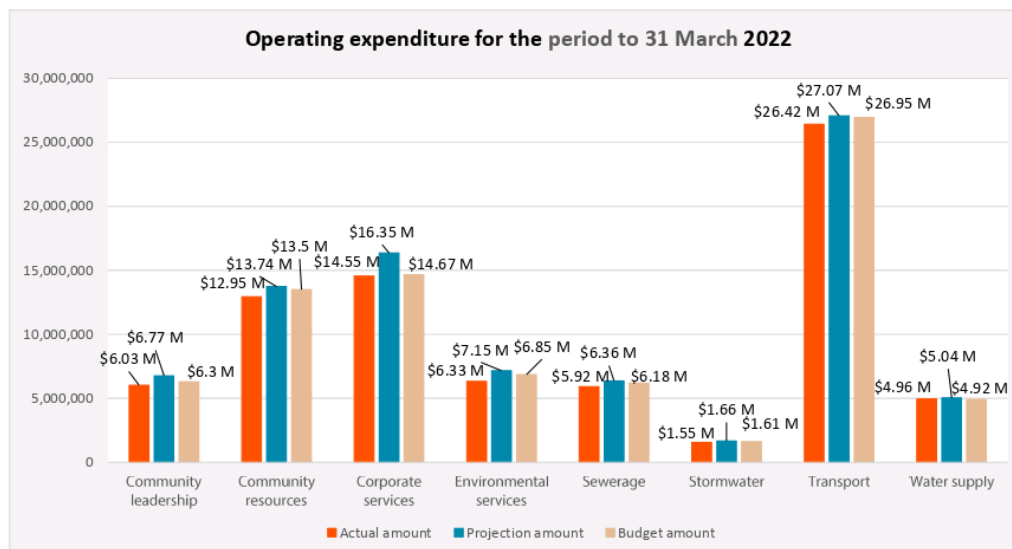
Operating income for the nine-month period to 31 March 2022 is \$3.26 million (4%) below projection for the period to date (\$85.9 million actual vs \$89.1 million projection). The key reasons for the variances in each activity area are discussed below.



- corporate services** income is \$1,784,796 (10%) lower than projection largely due to investment income being \$1,562,417 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, and therefore 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. Due to an oversight, these income and expenditure items were not revised as part of the forecasting round approved by Council on 29 March 2022. Council staff have therefore prepared a separate report (included in this agenda) to approve the forecasting adjustments required relating to borrowing and investing income and expenditure.
- stormwater** income is \$882,276 (29%) lower than projection. Although Council has received the stimulus grant funds, it is not being recognised as income until the costs are incurred, see the capital expenditure discussion below for further details. 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 as the work is completed.

Expenditure

Operating expenditure for the nine-month period to 31 March 2022 is \$5.43 million (6%) below projection for the period to date (\$78.7 million actual vs \$84.1 million projection). The key reasons for the variances in each activity area are discussed below.



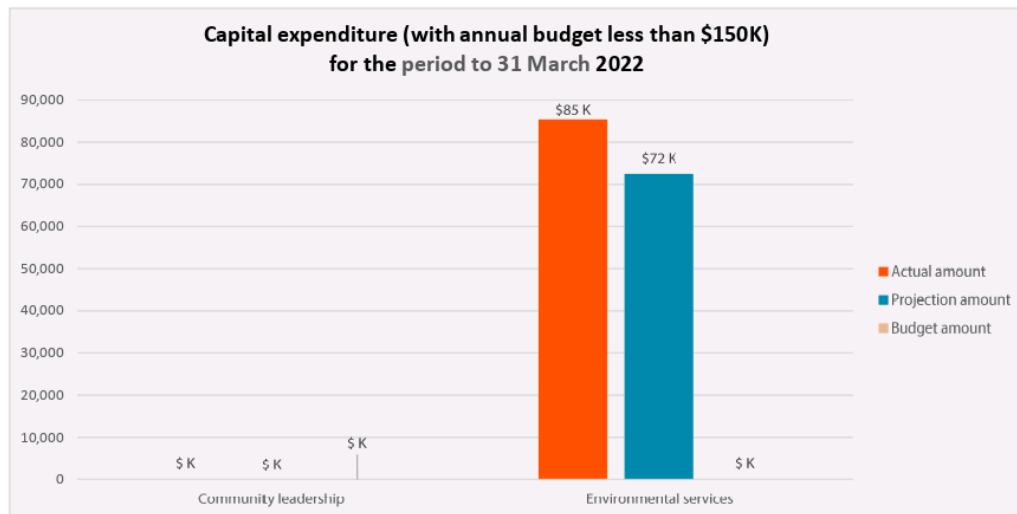
- **community leadership** operating expenditure is \$733,743 (11%) less than projected, predominantly due to staff vacancies. Additionally, Councillor's travel and mileage costs, conference costs and catering are lower than projected due to less travel and face to face meetings as a result of Covid-19 restrictions.
- **community resources** operating expenditure is \$788,584 (6%) lower than projection. The main variances include:
 - streetscapes costs are \$295,161 (25%) under projection. This is a decrease of 7% from the previous month. The majority of this for gardening, tree & hedge maintenance, mowing, general maintenance, projects and street litter bins. This is due to the timing of invoices, the impact of Covid on contractors and tourist numbers, and new contracts. Tree and hedge maintenance is expected to be caught up by June, however, there is still anticipated to be an significant favourable variance in streetscapes at year end.
 - parks and reserves costs are \$192,126 (14%) less than projected. There are a number of maintenance projects that have yet to be completed, contributing to the under spend. The current buoyant market is impacting Council's ability to engage contractors to undertake smaller maintenance projects and some of these will need to be carried forward to next year.
 - hall costs are \$113,869 (22%) lower than projection. Of the total underspend, \$83,011 (73%) relates to council owned halls, with the remainder non-Council owned halls. The underspend is due to minimal reactive maintenance, electricity and operating costs and this should continue until year end. The fly and spider control, spouting cleaning and annual wash downs are scheduled in the last quarter of the financial year. Staff are continually working with the non-council hall committees to ensure the grants are uplifted quarterly.

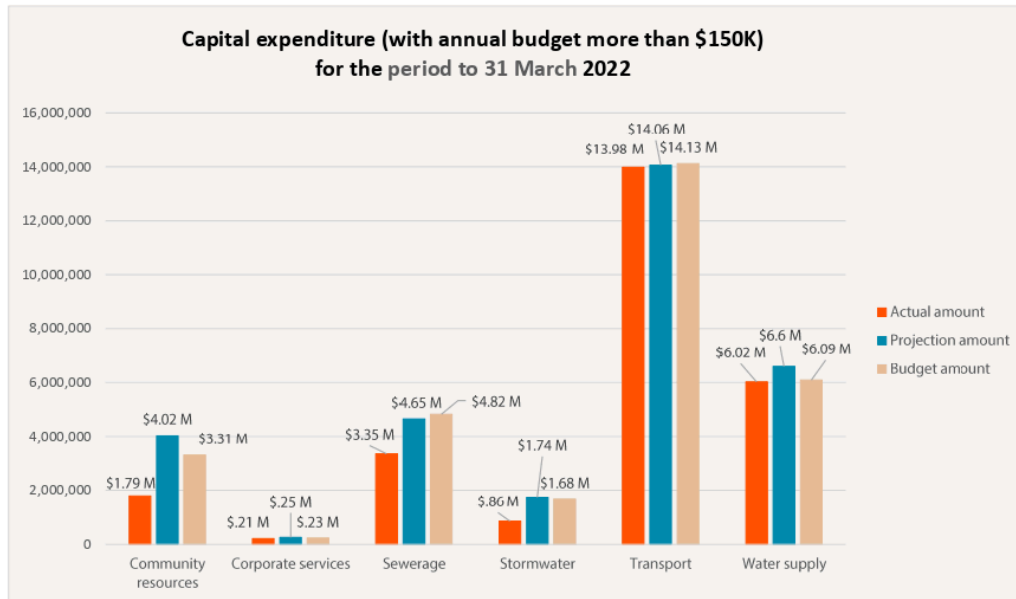
- office and building expenditure is \$111,547 (4%) lower than projection. The majority of which, relates to an underspend of \$66,354 for internal services. Of the \$66,000, \$32,016 is for internal interest in loans that is yet to be allocated. The remainder is the allocation of the internal services for the Project Delivery Team, Property Admin and Open Spaces/Property Management Services as there have been underspends to date as a result of Covid-19 restrictions, less training and vehicle costs.
- other property costs are \$101,972 (43%) under projection primarily due to unspent Luxmore subdivision costs. This land is now on the market, and the associated costs are expected as this process continues.
- **corporate services** operating expenditure is \$1,799,609 (11%) below projection. The main variances include:
 - investment operating costs which are \$1,006,532 lower than projected. As detailed in the income section of this report, the new borrowing and investment strategy is still in progress, resulting in a lower level of external borrowings, directly impacting external interest costs. Due to an oversight, these expenditure items were not revised as part of the forecasting round approved by Council on 29 March 2022. Council staff have therefore prepared a separate report (included in this agenda) to approve the forecasting adjustments required relating to borrowing and investing income and expenditure.
 - information management operating costs are \$131,466 under projection and primarily reflects the phasing of software license renewals and timing of consultancy services. Costs are expected to be under at year end.
 - People and capability operation costs are \$102,317 less than projection due to vacancies within the team for the first half of the year and less uniform, recruitment and health and safety expenses to date.
- **environmental services** operating expenditure is \$824,587 (12%) below projection. The main variance relates to resource management costs which are \$390,195 (20%) less than anticipated. Staff costs are (\$364,941) lower due to vacancies. Recruitment processes have been delayed due to the legislative changes around ecology/biodiversity not being passed, as well as Covid-19 and immigration challenges. Additionally, costs in the consenting and compliance business unit are \$112,137 under budget, however this is expected to be spent before the end of the financial year. Building regulation is \$195,000 under projection predominantly due to staff vacancies.
- **sewerage** operating expenditure is \$439,107 (7%) less than projected. Condition assessment work undertaken (part of the stimulus package) is \$258,000 below projection, which is a timing difference. Planned maintenance is \$150,000 underspent due to the timing of the sludge removal project in Te Anau. Routine maintenance is also \$155,000 lower than budget as there has been cost savings as a result of the timing of the Te Anau Wastewater (TAWW) project going live. Both these have been offset by an increase in unplanned maintenance work of \$161,000 throughout the network.
- **transport** operating expenditure is \$646,035 (2%) below projection. The main variances include:
 - Roading – district wide is \$165,000 under budget. \$89,000 relates to footpath maintenance with this work scheduled to commence in April. There are several other areas which are either slightly ahead or slightly behind projected budget, the main being emergency reinstatement (\$129,000 behind) and unsealed pavement maintenance (\$379,000 ahead) due to the timing of the work program.

- roading administration costs are \$182,000 under projection. Recovery of wage costs are higher than anticipated, resulting in a cost reduction of \$110,000. This recovery is expected to continue and has been adjusted through the forecasting process, however the budget phasing needs adjusting. This will occur in April.
- no expenditure has occurred on special purpose roading for the year to date and therefore costs are \$97,000 (100%) lower than projection. This is not unexpected as the actual cost in any year depends on the needs. This relates to the nature and timing of work and invoicing from Waka Kotahi (Milford alliance). Any costs incurred are recovered in full from Waka Kotahi.

Capital expenditure (CAPEX)

Capital expenditure for the nine-month period to 31 March 2022 is \$5.09 million (16%) lower than projection (\$26.3 million actual vs \$31.4 million projection). The key reasons for the variances in each activity area are discussed below.





- community resources** capital costs are \$2,235,916 (56%) lower than projection. The main variances include:
 - toilets are \$1,667,622 (91%) lower than projection. The toilet capital projects are now starting to be delivered and have been scheduled to be completed by the end of June, however this may be further impacted by Covid-19. The refurbishment projects at the Waikawa, Edendale and Curio Bay and Otautau toilets have now been completed, with the final costs coming in over the next month. The new toilets in Winton, Edendale/Wyndham, Manapouri and Balfour are still in progress.
 - parks and reserves are \$408,240 (64%) under projection. Tenders for the capital works have been received and contracts awarded. Staff have had on-site visits with the contractors and work has begun on these projects, however the market is dictating the contractor's ability to deliver. Staff are expecting to have this work completed by the end of June 2022.
 - SIESA is \$120,000 (100%) under projection due to no capital expenditure for the generation and distribution network occurring to date. A review of work required is underway.
- sewerage** capital costs are \$1,297,210 (28%) below projection. The main variances being the timing of the delivery of the stimulus packages (\$1,010,000). The delivery of the Caswell Road project in Te Anau is \$602,000 behind the phased budget. 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. The Stewart Island stimulus project is \$258,000 behind the phased budget, this project is due to start in April 2022.
- stormwater** capital costs are \$875,835 (50%) less than projection. The capital programme currently being delivered is related to the stimulus work, with a number of projects not incurring costs with delays in the phased start times. These being Edendale/Wyndham, Woodlands, Stewart Island and Orepuki. The commencement date for the Woodlands project has been deferred to line up with April school holidays to minimise disruption and is expected to be completed before the end of June. The Edendale/Wyndham project is behind the phased budget, however this work is now under way. The

Stewart Island work is due to be undertaken in May and the Orepuki work is expected to start in May. All of the stimulus projects are on track to be completed by 30 June 2022.

- **water supply** capital costs are \$574,921 (9%) under projection, largely as a result of the phasing of projects. The projects in Te Anau are behind budget by \$258,000 with the Lakefront Drive project final costs delayed while waiting on completed as-builts. Caswell Road watermain project has commenced so the variance to budget is timing.

Council summary by Activity Group

Southland District Council financial summary
for the period to 31 March 2022

Operating income									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	8,476,690	8,435,756	7,010,498	40,933	0%	10,982,979	9,557,721	(1,425,258)	(13%)
Community resources	13,140,035	13,227,159	13,087,348	(87,124)	(1%)	19,362,966	18,192,965	(1,170,000)	(6%)
Corporate services	15,747,183	17,531,979	14,880,024	(1,784,796)	(10%)	22,160,677	19,474,114	(2,686,563)	(12%)
Environmental services	7,333,940	7,301,280	7,064,927	32,660	0%	9,663,379	9,335,696	(327,683)	(3%)
Sewerage	5,873,198	6,052,107	4,808,402	(178,909)	(3%)	9,788,820	7,210,702	(2,578,118)	(26%)
Stormwater	2,186,172	3,068,448	2,934,561	(882,276)	(29%)	3,388,631	3,254,744	(133,887)	(4%)
Transport	25,447,662	25,757,980	25,463,625	(310,318)	(1%)	34,981,541	34,129,768	(851,773)	(2%)
Water supply	7,662,699	7,747,928	6,601,117	(85,230)	(1%)	9,192,741	8,045,929	(1,146,812)	(12%)
Total	\$85,867,578	\$89,122,638	\$81,850,503	(3,255,060)	(4%)	\$119,521,734	\$109,201,639	(10,320,095)	(9%)
Operating expenditure									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	6,033,200	6,766,943	6,298,539	(733,743)	11%	11,138,682	9,373,552	(1,765,130)	(16%)
Community resources	12,946,951	13,735,535	13,503,909	(788,584)	6%	19,994,639	19,551,548	(443,091)	(2%)
Corporate services	14,553,487	16,353,096	14,665,786	(1,799,609)	11%	20,830,923	19,234,329	(1,596,594)	(8%)
Environmental services	6,327,276	7,151,864	6,847,872	(824,587)	12%	10,411,710	10,087,029	(324,681)	(3%)
Sewerage	5,919,315	6,358,422	6,180,454	(439,107)	7%	8,117,918	7,927,450	(190,468)	(2%)
Stormwater	1,548,822	1,659,292	1,614,790	(110,470)	7%	2,176,366	2,119,684	(56,682)	(3%)
Transport	26,423,181	27,069,216	26,953,190	(646,035)	2%	35,918,268	35,533,789	(384,479)	(1%)
Water supply	4,957,031	5,040,433	4,921,304	(83,402)	2%	6,658,798	6,489,669	(169,129)	(3%)
Total	\$78,709,264	\$84,134,800	\$80,985,844	(5,425,537)	6%	\$115,247,304	\$110,317,050	(4,930,254)	(4%)
Net surplus/deficit	\$7,158,315	\$4,987,838	\$864,658	2,170,477	(10%)	\$4,274,430	(\$1,115,411)	(5,389,841)	(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	1,786,580	4,022,496	3,312,076	(2,235,916)	(56%)	7,516,482	6,335,714	(1,180,768)	(16%)
Corporate services	209,903	254,623	233,205	(44,719)	0%	611,204	1,079,210	468,006	0%
Environmental services	85,282	72,329	-	12,953	0%	248,046	108,500	(139,546)	(56%)
Sewerage	3,351,465	4,648,674	4,820,364	(1,297,210)	(28%)	6,281,091	6,140,314	(140,777)	(2%)
Stormwater	859,772	1,735,607	1,677,728	(875,835)	(50%)	2,285,607	2,208,402	(77,205)	(3%)
Transport	13,983,287	14,059,801	14,125,977	(76,514)	(1%)	20,045,361	20,711,721	666,360	3%
Water supply	6,024,860	6,599,781	6,094,239	(574,921)	(9%)	8,633,124	9,937,875	304,751	4%
Total	\$26,301,149	\$31,393,312	\$30,263,589	(5,092,162)	(16%)	\$45,699,915	\$45,600,736	(99,179)	(0%)

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	<p>Community assistance (includes Community Partnership Fund which supports local initiatives and projects, along with grants and donations)</p> <p>Community futures (includes district development services which includes community leadership, regional development funding and Stewart Island Visitor Levy)</p> <p>Representation and advocacy (includes governance, elected members, elections and chief executive)</p>	<p>Community facilities (includes public toilets, community centres/halls, office/library/amenity buildings and dump stations)</p> <p>Community services (includes cemeteries, community housing and library services)</p> <p>Open spaces (including parks, reserves, playgrounds and streetscapes)</p> <p>Waste services</p> <p>Stewart Island Electrical Supply Authority (SIESA)</p>	<p>Animal control</p> <p>Building solutions</p> <p>Emergency management</p> <p>Environmental health</p>	<p>Airport</p> <p>Cycle trails</p> <p>Footpaths</p> <p>Roading</p> <p>Water facilities (includes boat ramps, Riverton Harbour and Stewart Island Jetties)</p>
<p>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.</p>				

Statement of comprehensive income

Statement of comprehensive revenue and expenses for the period to 31 March 2022					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	40,365,831	40,498,701	40,498,701	54,179,025	54,179,024
Other revenue	10,845,218	10,109,430	7,029,994	12,437,829	9,214,042
Interest and dividends	55,172	1,514,699	1,514,699	2,019,599	2,019,599
NZ Transport Agency funding	11,734,722	12,150,954	12,023,904	15,489,551	15,327,781
Grants and subsidies	9,184,694	10,428,854	6,412,468	15,462,248	8,668,794
Other gains/losses	78,350	46,501	0	760,412	647,085
Vested assets	0				
Development and financial contributions	30,000	0	0	36,189	10,445
	72,293,985	74,749,139	67,479,766	100,384,853	90,066,770
Expenditure					
Employee benefit expense	11,959,223	13,198,357	13,043,284	17,119,441	16,907,216
Depreciation and amortisation	20,347,711	20,407,481	20,407,481	27,209,974	27,209,974
Finance costs	251,561	948,794	948,794	1,265,059	1,265,059
Other Council expenditure	32,577,176	35,206,669	32,215,349	50,515,948	45,799,932
	65,135,670	69,761,301	66,615,108	96,110,423	91,182,181
Total comprehensive income	7,158,315	4,987,838	864,658	4,274,430	(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 March 2022 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.

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 March 2022		
	Actual 31-Mar-22	Actual 30-Jun-21
Equity		
Retained earnings	728,743,113	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>1,630,790,093</u>	<u>1,623,631,777</u>
Represented by:		
Current assets		
Cash and cash equivalents	8,081,843	1,674,768
Trade and other receivables	7,517,113	10,683,506
Inventories	126,353	126,353
Other financial assets	7,168,346	2,522,901
Property, plant and equipment	-	-
	<u>22,893,655</u>	<u>15,007,527</u>
Non-current assets		
Property, plant and equipment	1,619,861,107	1,613,474,356
Intangible assets	4,448,003	4,835,073
Forestry assets	13,270,000	13,270,000
Internal loans	52,455,124	52,455,124
Work in progress	406,721	452,965
Investment in associates	1,418,176	1,418,176
Other financial assets	421,062	1,579
	<u>1,692,280,193</u>	<u>1,685,907,272</u>
Total assets	<u>1,715,173,848</u>	<u>1,700,914,799</u>
Current liabilities		
Trade and other payables	11,182,423	15,534,466
Contract retentions and deposits	693,687	538,012
Employee benefit liabilities	1,584,953	2,098,531
Development and financial contributions	1,631,375	1,620,697
Borrowings	-	5,000,000
Provisions	3,023	3,023
	<u>15,095,461</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
Borrowings	16,800,000	-
	<u>69,288,294</u>	<u>52,488,294</u>
Total liabilities	<u>84,383,755</u>	<u>77,283,022</u>
Net assets	<u>1,630,790,093</u>	<u>1,623,631,777</u>

Statement of cash flows

Statement of cashflows for the period to 31 March 2022	
	2021/2022
	YTD Actual
Cash flows from operating activities	
Receipts from rates revenue	41,425,795
Receipts from other revenue (including NZTA)	33,398,527
Cash receipts from interest and dividends	55,172
Payment to suppliers	(36,537,152)
Payment to employees	(12,472,800)
Interest paid	(251,561)
GST general ledger (net)	276,823
Net cash inflow (outflow) from operating activities	25,894,803
Cash flows from investing activities	
Receipts from sale of PPE	78,350
(Increase)/decrease other financial assets	(5,064,929)
Purchase of property, plant and equipment	(26,688,219)
Purchase of forestry assets	-
Purchase of intangible assets	387,070
Net cash inflow (outflow) from investing activities	(31,287,728)
Cash Flows from financing activities	
Increase in term loans	36,800,000
Repayment of term loans	(25,000,000)
Increase/(decrease) finance leases	-
Net cash inflow (outflow) from financing activities	11,800,000
Net increase/(decrease) in cash and cash equivalents	6,407,075
Cash and cash equivalents at the beginning of the year	1,674,768
Cash and cash equivalents at the end of February	8,081,843

Cash and cash equivalents

- At 31 March 2022, Council had \$2,140 cash on hand.
- Funds on call at 31 March 2022:

	Amount	Bank	Account	Interest rate
SDC	\$ 7,228,854	BNZ	Funds on call	0.25%
	\$ 10,000	BNZ	Operating bank acc	0.05%
	\$ 526,894	BNZ	Restricted funds acc	0.05%
SIESA	\$ 313,957	BNZ	Funds on call	0.05%
Total	\$ 8,079,704			

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)	\$ 8,079,704
Total cash and cash equivalents per the statement of financial	\$ 8,081,843

Other financial assets

- At 31 March 2022, Council had \$5.0 million invested in two term deposits as follows:

SDC Investments - Term Deposits				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 3,000,000	1.15%	24-Feb-22	19-Apr-22
ANZ	\$ 2,000,000	1.10%	21-Mar-22	19-Apr-22
Total	\$ 5,000,000			

- At 31 March 2022, 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			

5. At 31 March 2022, Council had \$420,000 of LGFA borrowers notes as follows:

LGFA Bonds				
	Amount	Interest Rate	Establishment date	Maturity Date
LGFA	\$ 210,000	3.14%	15-Dec-21	15-Apr-36
LGFA	\$ 210,000	3.10%	15-Dec-21	15-May-35
Total	\$ 420,000			

Reconciliation to statement of financial position	Amount
Other financial assets	
<i>Current assets</i>	
SDC Investments (Note 3)	\$ 5,000,000
SIESA Investments (Note 4)	\$ 1,720,000
Loans - community	\$ 27,061
Civic Assurance shares	\$ 12,986
Milford Sound Tourism shares	\$ 408,299
Total current financial assets per the statement of financial position	\$ 7,168,346
<i>Non - Current assets</i>	
LGFA bonds (Note 5)	\$ 420,000
Loan advances - Development contributions	\$ 1,062
Total non-current financial assets per the statement of financial position	\$ 421,062

External Borrowings

SDC Borrowings				
Lender	Amount	Interest Rate	Date Drawdown	Maturity Date
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	\$ 16,800,000			

Reconciliation to statement of financial position	Amount
Borrowings	
<i>Current liabilities</i>	
Borrowings	\$ -
<i>Non-current liabilities</i>	
Borrowings	\$ 16,800,000
Total borrowings per the statement of financial position	\$ 16,800,000

Compliance with Council policies

Council's Investment and Liability Management Policy states that Council can invest no more than \$10 million with one bank. Investments and funds on call at 31 March 2022, comply with the SDC Investment and Liability Management Policy (\$9,779,704 invested in BNZ).

Dog registration fees for 2022/2023

Record no: R/22/4/16299

Author: Erin Keeble, Acting manager environmental health/team leader monitoring and enforcement

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

☒ Decision

☐ Recommendation

☐ Information

Purpose of report

- 1 Council at its meeting on Wednesday, 27 April 2022 laid the dog registration fees report for 2022/2023 on the table to enable Council staff time to answer questions over the reasons for the substantial increase in reserves.

Further information

- 2 The report to Council on 27 April 2022, noted the
 - balance of the loan at 30 June 2021, \$178,915
 - the balances of the reserve over a 10 year period, which accumulated in a balance of \$319k at the end of 10 years.
- 3 The committee asked staff to provide further information as to why the reserve was so high and if this could mean a reduction in fees proposed.
- 4 The reserve balances outlined in the report were as follows

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(\$64k)	\$0	\$15k	\$66k	\$87k	\$108k	\$135k	\$168k	\$204k	\$240k	\$278k	\$319k

- 5 Staff can now advise Council that the reserve balances presented above are based on the 2021-2031 Long Term Plan budgets amended for only the changes to the 2022-2023 financial year Annual Plan.
- 6 After making the changes to years two to 10, for the repayment the loan over the remaining four years and a reduction in the administration services required from customer services the balance of the reserve is as follows

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(\$64k)	\$0	\$15k	\$66k	\$64k	\$63k	\$63k	\$63k	\$107k	\$151k	\$197k	\$243k

- 7 In the meeting, councillors also asked about the internal services cost line in Attachment B, and what these related too. To confirm, this includes an allowance for internal services such as computer services, financial services, building rent. It also includes a charge for the use of customer services staff to undertake support of the team during the year and in particular at dog registration time. Improved efficiencies in dog registration processes (including making changes

to the RFS system and encouraging dog owners to register online and confirm their details) has reduced the resource required from customer support.

- 8 In reviewing the cost of personnel for the Dog and Animal Control activity, it is important to refer to balances and movements in three lines, internal income, staff costs and internal expenses. Because every staff member has a business unit to which their full costs are coded, it is necessary for some to seek recovery from (internal income) or be charged (internal expense) from other areas where they undertake duties for those areas.
- 9 The key change in resourcing in dog and animal control was recognition of the additional work undertaken by customer services to manage the dog registration process and the additional compliance support in the Fiordland area. The support by customer service will continue to be reviewed and refined as improvements are made to systems and better tracking of resource requirements is undertaken.

Revised approach

- 10 The report presented to Council on 27 April proposed an increase to fees of \$1 for working dogs and \$3 for non-working dogs. This increase would result in an additional \$25,000 (incl GST)
- 11 Based on the above review of reserves, Council staff have outlined what would happen to reserves if instead of an increase to fees they were held at the current level being \$40 for a working dog and \$100 for non-working dogs (reduced to \$50 if all discounts apply). A fee summary is provided below:

	No. of dogs	Discount	27th April Proposal		Current Proposal	
			Fees	Income	Fees	Income
		Incl. GST	Incl. GST	Incl. GST	Incl. GST	Incl. GST
Working	5,430	N/A	41	222,630	40	217,200
Non-working dogs						
P - No Discounts	45	-	113	5,085	110	4,950
P1 - Neutered	-	10	103	-	100	-
P2 - Fenced/controlled	469	20	93	43,617	90	42,210
P3 - Responsible(microchipped)	40	30	83	3,320	80	3,200
P12 - Neutered and Fenced/controlled	114	30	83	9,462	80	9,120
P13 - Neutered and Responsible(microchipped)	14	40	73	1,022	70	980
P23 - Fenced/controlled and Responsible(microchipped)	2,792	50	63	175,896	60	167,520
p123 - Neutered and Fenced/controlled and Responsible(microchipped)	2,981	60	53	157,993	50	149,050
Base fee			50		50	
Late fees (estimated)				11,500		11,500
TOTAL	11,885			630,525		605,730

- 12 The resulting impact on reserves, still allowing for an inflationary increase annually for fees in 2022/2023 onwards would result in the following change to reserves over the 10-year period.

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(\$64k)	\$0	\$15K	\$44K	\$21K	(\$2K)	(\$24K)	(\$45K)	(\$24K)	(\$1K)	\$23K	\$48K

- 13 It is important to note that budgets will continue to be reviewed annually to recognise any further efficiency gains or changes in work practices along with cost movements.

Recommendation

- 14 It is proposed that the dog registration fees remain the same being \$40 for a working dog and \$100 for non-working dogs (reduced to \$50 if all discounts apply). This is Option 1 in the 27 April 2022 report to Council.

Other matters

- 15 The fees have been updated increasing the price of collars from \$9 to \$10, to include the sale of leads (\$12), which was previously omitted, and to update the sustenance rate for impounded dogs from \$20 to \$25 per day. The actual costs for euthanasia are to be charged (this was previously \$40).

Recommendation

That the Council:

- a) **Receives the report titled “Dog registration fees for 2022/2023” dated 5 May 2022.**
- b) **Receives the report titled “Dog Registration Fees for 2022/2023” dated 27 April 2022** (previously on the agenda for the 27 April 2022 meeting).
- c) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- d) 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.
- e) Agrees to set the dog control fees (effective 1 July 2022 and inclusive of GST) for the 2022/2023 registration year as follows:

REGISTRATION - DOG (NON-WORKING)	\$110.00
DISCOUNTS	
(a) the dog is spayed or neutered	-\$10.00
(b) the dog is in a fenced or controlled property	-\$20.00
(c) responsible owner (according to Council's criteria) and microchipped dog	-\$30.00
REGISTRATION FEE (NON-WORKING) INCLUSIVE OF (A), (B) AND (C) DISCOUNTS	\$50.00
REGISTRATION - WORKING DOG	\$40.00
LATE REGISTRATION - ALL DOGS	+50%
A dog impounded by SDC released to SDC authorised rehoming provider for either fostering or rehoming (initial registration only)	Free
A dog received by SDC authorised rehoming provider for the purpose of rehoming, that is either from Southland District, or to be rehomed in Southland District (initial registration only)	Free
DOG CONTROL FEES	
(a) dog hearing lodgement fee	\$100.00
(b) multiple dog licence application fee	\$50.00
(c) sale of collars	\$10.00
(d) sale of leads	\$12.00

(e) withdrawal of infringement fee, per infringement \$30.00

MICROCHIPPING

(a) microchipping of a dog registered by SDC Free

(b) commercial breeders that require more than four pups to be microchipped per registration year \$30.00 per dog for the fifth and subsequent dog

DOG IMPOUNDING FEES

(a) impounding of dogs \$150.00

(b) sustenance of impounded dog per day or part thereof \$25.00

(c) euthanasia Actual cost

f) Agrees to publicly notify the fees during the weeks starting 30 May 2022 and 27 June 2022.

Attachments

A 27 April 2022 report to Council - item 8.2 Dog registration fees 2022/2023 [↓](#)

Dog Registration Fees for 2022/2023

Record No: R/22/3/11778

Author: Erin Keeble, Acting manager environmental health/team leader monitoring and enforcement

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

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of the report is to set the dog control fees for the 2022/2023 year.

Executive Summary

- 2 Council's dog control fees must be prescribed by resolution of Council.
- 3 It is proposed to increase the working dog fee from \$40 to \$41, and the non-working dog fee from \$100 to \$113.

Recommendation

That Council:

- a) **Receives the report titled “Dog Registration Fees for 2022/2023” dated 20 April 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 to set the dog control fees (effective 1 July 2022 and inclusive of GST) for the 2022/2023 registration year as follows:

REGISTRATION - DOG (NON-WORKING)	\$113.00
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DISCOUNTS

(a) the dog is spayed or neutered	-\$10.00
(b) the dog is in a fenced or controlled property	-\$20.00
(c) responsible owner (according to Council's criteria) and microchipped dog	-\$30.00

REGISTRATION FEE (NON-WORKING) INCLUSIVE OF (A), (B) AND (C) DISCOUNTS	\$53.00
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REGISTRATION - WORKING DOG	\$41.00
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LATE REGISTRATION - ALL DOGS	+50%
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A dog impounded by SDC released to SDC authorised rehoming provider for either fostering or rehoming (initial registration only)	Free
--	------

A dog received by SDC authorised rehoming provider for the purpose of rehoming, that is either from Southland District, or to be rehomed in Southland District (initial registration only)	Free
---	------

DOG CONTROL FEES

(a) dog hearing lodgement fee	\$100.00
(b) multiple dog licence application fee	\$50.00
(c) sale of collars	\$10.00
(d) sale of leads	\$12.00
(e) withdrawal of infringement fee, per infringement	\$30.00

MICROCHIPPING

(a) microchipping of a dog registered by SDC	Free
(b) commercial breeders that require more than four pups to be microchipped per registration year	\$30.00 per dog for the fifth and

		subsequent dog
	DOG IMPOUNDING FEES	
(a)	impounding of dogs	\$150.00
(b)	sustenance of impounded dog per day or part thereof	\$25.00
(c)	euthanasia	Actual cost

- e) Agrees to publicly notify the fees during the weeks starting 30 May 2022 and 27 June 2022.

Background

- 4 The Dog Control Act 1996 requires territorial authorities to set dog control fees. Council currently has almost 12,000 registered dogs within its district.
- 5 The dog control service operates a register of dogs, investigates complaints about dogs, monitors the district, and promotes responsible dog ownership.
- 6 The dog control business unit is staffed by a manager, two full-time and one part-time dog control officer, and an environmental services co-ordinator. Support services are provided by a contractor (Armourguard). Council has a combined dog pound with Invercargill City Council. Council has a licence to occupy the pound with an exclusive licence to use five of the 28 kennels.
- 7 The dog control business unit retains its budget reserve, as required by the Dog Control Act.

Issues

Increase in fees

- 8 The table below shows the projected reserve balances for the animal control budget, the years representing the 30th of June that year:

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
(\$64K)	\$0	\$15K	\$66K	\$87K	\$108K	\$135K	\$168K	\$204K	\$240K	\$278K	\$319K

- 9 These figures incorporate the recommended fee increases in this report, and also annual increases of about 2.6% (projected inflation).
- 10 The loan of \$178,915 drawn down at 30th June 2021 has corrected the overdrawn reserve position.
- 11 **Attachment A** sets out the dog control fees that are proposed to be effective from 1 July 2022.
- 12 **Attachment B** provides a financial breakdown and commentary, advising of the main reasons why the animal control business unit is in this situation.
- 13 A breakdown of income from the proposed fees is as follows:

	No. of dogs	Discount Fees		Income
		Incl. GST	Incl. GST	Incl. GST
Working	5,430	N/A	41	222,630
Non-working dogs				
P - No Discounts	45	0	113	5,085
P1 - Neutered	0	10	103	0
P2 - Fenced/controlled	469	20	93	43,617
P3 - Responsible (microchipped)	40	30	83	3,320
P12 - Neutered and Fenced/controlled	114	30	83	9,462
P13 - Neutered and Responsible (microchipped)	14	40	73	1,022
P23 - Fenced/controlled and Responsible (microchipped)	2,792	50	63	175,896
P123 - Neutered and Fenced/controlled and Responsible (microchipped)	2,981	60	53	157,993
Base fee			53	
Late fees (estimated)				11,500
TOTAL	11,885			630,525

Comparisons with other councils

- 14 A comparison of fees and rates funding of dog control with other Southern councils is in **Attachment C**.
- 15 The comparisons show that the proposed fees compare favourably with other councils locally, particularly in light of the comparatively low ratepayer funding of the service.

Potential upcoming efficiencies and increases in income

- 16 Potential upcoming efficiencies and increases in income are discussed in Attachment D.

Factors to Consider

Legal and Statutory Requirements

- 17 Section 37 of the Dog Control Act 1996, is concerned with fee setting, and is attached to this report in **Attachment E**.
- 18 Council is legally required to set the fees by resolution and to subsequently publicly notify these fees.

Community Views

- 19 The views of the community are not required to be sought, either under the Dog Control Act 1996, or in accordance with Council's Significance and Engagement Policy.
- 20 Council will note that its proposed 2022/2023 fees and charges schedule, that includes the proposed dog registration fees in this report, are in Council's LTP consultation document. Even so, Section 37 of the Dog Control Act 1996 enables Council to make the recommended resolutions in this report.

Costs and Funding

- 21 The dog control service is funded mainly from registration fees, and also from infringements, and fees and charges. Council has resolved that dog control is to be fully funded by fees and charges.

Policy Implications

- 22 This report is consistent with Council's Policy on Dogs 2015, in particular clauses 5.2 and 5.3.

Analysis of Options

Option 1 – Do not increase fees – status quo.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> dog owners would appreciate the status quo 	<ul style="list-style-type: none"> would result in an increasing overdrawn reserve Council would need to increase the rates contribution to repay the overdrawn reserve

Option 2 – That Council sets the dog control fees in Attachment A for the 2022/2023 registration year.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> enables full cost recovery and repayment of the negative reserve reflects Council's intention that this business unit is self-funding through fees generated 	<ul style="list-style-type: none"> some negative feedback from district dog owners

Assessment of Significance

- 23 This matter is considered to be of low significance in accordance with Council's Significance and Engagement Policy.

Recommended Option

- 24 Option 2, so that Council's dog control activity can continue to be sufficiently funded by dog registration fees.

Next Steps

- 25 Council's decision will be publicly notified and also on Council's website. The fees will come into effect on 1 July 2022.

Attachments

- A Dog Control Registration Fee Schedule 2022/2023
- B Financial Breakdown
- C Comparison with other councils
- D Potential efficiencies
- E Section 37 Dog Control Act 1996

Dog control fee schedule – effective 1 July 2022

All fees GST inclusive

REGISTRATION - DOG (NON-WORKING)	\$113.00
DISCOUNTS	
(A) THE DOG IS SPAYED OR NEUTERED	-\$10.00
(B) THE DOG IS IN A FENCED OR CONTROLLED PROPERTY	-\$20.00
(C) RESPONSIBLE OWNER (ACCORDING TO COUNCIL'S CRITERIA) AND MICROCHIPPED DOG	-\$30.00
REGISTRATION FEE (NON-WORKING) INCLUSIVE OF (A), (B) AND (C)	\$53.00
DISCOUNTS	
REGISTRATION - WORKING DOG	\$41.00
LATE REGISTRATION - ALL DOGS	+50%
A DOG IMPOUNDED BY SDC RELEASED TO SDC AUTHORISED REHOMING PROVIDER FOR EITHER FOSTERING OR REHOMING (INITIAL REGISTRATION ONLY)	Free
A DOG RECEIVED BY SDC AUTHORISED REHOMING PROVIDER FOR THE PURPOSE OF REHOMING, THAT IS EITHER FROM SOUTHLAND DISTRICT, OR TO BE REHOMED IN SOUTHLAND DISTRICT (INITIAL REGISTRATION ONLY)	Free
DOG CONTROL FEES	
(A) DOG HEARING LODGEMENT FEE	\$100.00
(B) MULTIPLE DOG LICENCE APPLICATION FEE	\$50.00
(C) SALE OF COLLARS	\$10.00
(D) LEADS	\$12.00
(E) WITHDRAWAL OF INFRINGEMENT FEE, PER INFRINGEMENT	\$30.00
MICROCHIPPING	
(A) MICROCHIPPING OF A DOG REGISTERED BY SDC	Free
(B) COMMERCIAL BREEDERS THAT REQUIRE MORE THAN FOUR PUPS TO BE MICROCHIPPED PER REGISTRATION YEAR	\$30.00 per dog for the fifth and subsequent dog
DOG IMPOUNDING FEES	
(A) IMPOUNDING OF DOGS	\$150.00
(B) SUSTENANCE OF IMPOUNDED DOG PER DAY OR PART THEREOF	\$25.00
(C) EUTHANASIA	Actual cost

Financial breakdown

Budgets and commentary

Budgets – actuals and budgets

The table below summarises the animal control budgets over a four-year period.

	Actuals <u>Jun-20</u>	Actuals <u>Jun-21</u>	LTP Yr 1 <u>Jun-22</u>	Annual Plan <u>Jun-23</u>
Dog and Animal Control				
<u>Income</u>				
Rates	0	0		
User Charges and Fees	436,888	510,513	603,082	627,035
Internal Income	104,835	96,790	146,132	151,054
	541,723	607,303	749,214	778,089
<u>Direct Expenditure</u>				
Advertising	-	-		-
Communications	4,372	5,631	3,400	3,499
Conferences and courses	580	2,566	4,133	4,232
Insurance	2,425	1,638	1,676	1,996
Contractors	61,552	23,563	35,000	36,015
Other Expenditure	45,225	47,270	48,964	51,669
Postage and Stationery	6,116	12,917	7,600	7,821
Professional Services	6,932	2,530	6,000	6,174
Staff Costs	231,779	260,793	359,852	368,632
Supplies and Materials	6,222	1,555	1,000	1,029
Travel and Accommodation	1,517	1,996	500	512
Vehicle Expenses	29,763	29,495	33,349	34,316
	396,483	389,954	501,474	515,895
<u>Indirect Expenditure</u>				
Depreciation (Funded)	21,600	23,125	23,835	23,835
Internal Expenses	196,135	310,096	209,062	131,949
	217,735	333,221	232,897	155,784
Net Surplus/(Deficit)	(72,495)	(115,872)	14,843	106,410
<u>Capital Expenditure</u>				
	0	49,343	0	74,000
<u>Funded by</u>				
Funding adjustments	11,036	(50,163)		(55,051)
Term Loan		(178,915)		
Loan Repayments				36,277
District Operations Reserve	0	0		
Dog and Animal Control Reserve	(83,531)	63,863	14,843	51,184
	0	0	0	0
<u>Dog & Animal Control Reserve</u>				
Opening Balance	19,668	(63,863)	0	14,843
Plus Transfer to/(from) reserve	(83,531)	63,863	14,843	51,184
Closing Balance	(63,863)	0	14,843	66,027

Commentary

Here is some commentary around the more significant changes in the budgets.

June 21

1. The internal charge relating to customer services increased by \$115K. Customer services undertook analytics of the time spent at dog registration time and determined that 2.5 FTE of staff time was required during the three-month period, and an increase in funding was approved. Direct expenses are in line with the previous year.
2. In order to correct the negative balance in the reserve a loan was drawn down at year end.

June 22

Budget changes in the Long Term Plan:

1. Dog registration income increasing due to the recommended increase in registration fees.
2. Internal income increased due to a new internal charge. This relates to the part-funding of the new Te Anau based animal control officer from the environmental health business unit.
3. Total expenditure is in line with the previous year with movement between direct and indirect expenditure due to the funding of a new fulltime Te Anau based animal control officer. The officer started in December 2020, which is offset by the reduction in the internal charge for customer services to 1.0 FTE, and transferring the costs of the 0.5 FTE dog control coordinator role from customer services to dog control.
4. The budget shows a small surplus of \$15K to transfer to the reserve.

June 23

Changes in the 2022/23 annual plan compared to 2021/22:

1. Dog registration income increasing because of the recommended increases in registration fees as part of the Long Term Plan process.
2. Reduction in costs due to implementing tag for life – reduction in costs to Council for the tag and postage costs (one tag only and small number of replacements) and reduction in internal staff costs regarding time spent issuing new tags every year, resulting in less waste.
3. The efficiencies gained in process changes has reduced internal support costs and resulted in a projected increase in the reserve of \$51K.

Comparison with other councils

Fees and rates funding

Rates funding comparison

In February 2021, a recent series of posts on the NZ Institute of Animal Control Officers email forum advised of the following rates funding percentages of their dog control budgets:

- Dunedin – 30% rates
- Whakatāne – 30%
- Waikato – 47%
- Hamilton – 35%
- Tauranga – 10%.

Fees comparison

The table over page has SDC's proposed 2022/2023 fees compared with the 2021/2022 fees of other councils (simplified).

COUNCIL	WORKING					NON WORKING
		Standard fee before discounts	Discounts			Fully discounted fee
			<i>Neutering</i>	<i>Good history</i>	<i>Fencing</i>	
SOUTHLAND (PROPOSED)	\$41	\$113	- \$10	-\$30	-\$20	\$53
INVERCARGILL	\$35	\$100	- \$15	-\$35		\$50 (the lowest potential fee)
GORE	\$25 +\$20 for poor history	\$120	- \$40	-\$20		\$60
CLUTHA	\$40	\$50 (rural non- working)				
		\$40 (rural working)				
		\$70 urban (working and non-working)				
		\$50 responsible				\$50
CENTRAL OTAGO	\$12	\$55				\$55
DUNEDIN	\$53 \$28 (2 nd and subsequent)	\$109	- \$10	- \$48		\$51
QUEENSTOWN	\$80 -\$20 fencing -\$20 good history	\$165	-\$40	-\$30	-\$30	\$65 (the lowest potential fee)

Potential efficiencies and increases in income

This attachment discusses some potential upcoming efficiencies and increases in income for the animal control business unit.

One-tag-for-life

In 2021 the Hutt City Council dog control team started issuing one-tag-for-life in partnership with Wellington City and Selwyn District Councils. All existing registered dogs with those councils, and new dogs, received a new aluminium tag last year, that will last for the life of the dog. This year dog owners will receive a re-registration invoice but will keep the same tag.

If investigations of Councils who already have one-tag-for life show the implementation to be successful, the intention is for a tag-for-life to be put in place across Southland (Gore District Council, Invercargill City Council and Southland District Council) in 2022/2023 or 2023/2024.

Re-issuing of tags every year significantly adds to the cost of dog registration (postal charges and staff time in processing) and creates waste.

SDC login

Again this year Council will be encouraging dog owners to create a login to Council's website (to become "registered users"). This will make their dog registration process easier.

The greater the proportion of dog owners who register online, the more efficient the registration process is.

Working dogs

A number of dogs that have been registered as working dogs may not be working dogs. A staff project is to review these dogs and ensure that they are correctly registered. An increase in the proportion of non-working dogs will increase income from fees.

Unregistered dogs

Part of dog control monitoring is the identification of unregistered dogs. The more dogs that are found and registered, the greater the income from dog registration fees (and infringement fees).

Section 37 Dog Control Act 1996**Territorial authority to set fees**

- (1) The dog control fees payable to a territorial authority shall be those reasonable fees prescribed by resolution of that authority for the registration and control of dogs under this Act.
- (2) Any resolution made under subsection (1) may—
 - (a) fix fees for neutered dogs that are lower than the fee for dogs that have not been neutered:
 - (b) fix fees for working dogs that are lower than the fee for any other dog, and may limit the number of working dogs owned by any person which qualify for lower fees under this section:
 - (c) fix different fees for the various classes of working dogs:
 - (d) fix fees for dogs under a specified age (not exceeding 12 months) that are lower than the fee that would otherwise be payable for those dogs:
 - (e) fix, for any dog that is registered by any person who demonstrates to the satisfaction of any dog control officer that that person has a specified level of competency in terms of responsible dog ownership, a fee that is lower than the fee that would otherwise be payable for that dog:
 - (f) fix by way of penalty, subject to subsection (3), an additional fee, for the registration on or after the first day of the second month of the registration year or such later date as the authority may fix, of any dog that was required to be registered on the first day of that registration year:
 - (g) fix a fee for the issue of a replacement registration label or disc for any dog.
- (3) Any additional fee by way of penalty fixed under subsection (2)(f) shall not exceed 50% of the fee that would have been payable if the dog had been registered on the first day of the registration year.
- (4) In prescribing fees under this section, the territorial authority shall have regard to the relative costs of the registration and control of dogs in the various categories described in paragraphs (a) to (e) of subsection (2), and such other matters as the territorial authority considers relevant.
- (5) Where any 2 or more territorial authorities have formed a joint standing or joint special committee in accordance with section 7, the resolution of that committee under subsection (1) may fix different fees in respect of dogs kept in the different districts, having regard to the costs of registration and dog control in the districts concerned.
- (6) The territorial authority shall, at least once during the month preceding the start of every registration year, publicly notify in a newspaper circulating in its district the dog control fees fixed for the registration year.
- (7) Failure by the territorial authority to give the public notice required by subsection (6), or the occurrence of any error or misdescription in such public notice, shall not affect the liability of any person to comply with this Act or to pay any fee that is prescribed by the territorial authority under subsection (1).
- (8) No increase in the dog control fees for any year shall come into effect other than at the commencement of that year.

Milford Community Trust - Statement of Intent 2022-2025

Record No: R/22/4/12823
Author: Simon Moran, Community partnership leader
Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To seek endorsement of the Milford Community Trust's Statement of Intent 2022-2025.

Executive Summary

- 2 The Milford Community Trust has approved the attached Statement of Intent and is seeking Council endorsement of it.
- 3 The impacts of COVID-19 on the tourism operators that fund the Milford Community Trust continues to affect both revenue and the recreation centre project.
- 4 It is recommended that the Council endorse the Milford Community Trust's Statement of Intent 2022-2025.

Recommendation

That the Council:

- a) **Receives the report titled "Milford Community Trust - Statement of Intent 2022-2025" dated 2 May 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) **Endorses the Milford Community Trust's Statement of Intent 2022-2025.**

Background

- 5 At its meeting on 21 February the Milford Community Trust discussed the attached Statement of Intent 2022-2025. It was subsequently approved by all Trustees.

Issues

- 6 The ongoing impacts of COVID-19 on the tourism industry continues to affect the revenue of the Trust as it has again decided not to invoice operators, this time for the entire 2022/2023

financial year. That decision has significant implications for both the revenue stream and the key capital project which is the construction of the recreation centre that has been deferred. The Trust is however, still in a strong financial position.

Factors to Consider

Legal and Statutory Requirements

- 7 The Statement of Intent is a legally mandated document that the Trust must produce annually that covers a rolling three-year period. The Local Government Act 2002 section 64 details the requirements for a statement of intent for council-controlled organisations.

Community Views

- 8 There is no requirement to specifically consult with the community on the Statement of Intent.

Costs and Funding

- 9 The costs and funding outlined in the Statement of Intent are borne by the Milford Community Trust which receives its funding by directly invoicing the operators in Milford.

Policy Implications

- 10 There are no policy implications.

Analysis

Options Considered

- 11 The Milford Community Trust is required to produce a Statement of Intent and Council's only options are to either endorse it or not endorse it.

Assessment of Significance

- 12 The activities and work programme in the Statement of Intent do not trigger any of the significance policy criteria.

Recommended Option

- 13 That Council endorses the Milford Community Trust's Statement of Intent 2022-2025.

Attachments

- A Draft Milford Community Trust Statement of Intent 2022-2025 [↓](#)



MILFORD COMMUNITY TRUST

STATEMENT OF INTENT 2022 - 2025

STATEMENT OF INTENT

1. Introduction

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

The Trust Deed defines Milford as the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. It defines the Milford community as being the residents of Milford, the holders of concessions from the Crown operating at Milford and Iwi.

The purpose of this Statement of Intent (SOI) is to:

- Set out the proposed activities of the Trust.
- Provide an opportunity for stakeholders to influence the direction of the organisation.
- Provide a basis for accountability of the Trustees to their stakeholders for the performance of the organisation.

This Statement of Intent covers the three years from 1 July 2022 to 30 June 2025. This statement is updated annually.

2. Objectives of the Trust

The objectives of the Trust are:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.

- (f) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

3. Statement on the Trust's Approach to Governance

Establishment

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford in accordance with the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust was incorporated under the Charitable Trusts Act 1957 on 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

The Trust reports to the Southland District Council.

Trust Structure

In accordance with Section 9 of the Trust Deed (as amended in 2020) the Trust is governed by a board of five Trustees. The current trustees are shown in the table below:

Designation	Name	Term Expires 30 June
Independent Chair	Ebel Kremer	Dec 2022
Milford Community appointee	Brad Johnstone	2023
Milford Community appointee	Rosco Gaudin	2023
Milford Community appointee	Tony Woodham	2024
Milford Community appointee	Steve Norris	2024

Trust Operations

The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings. The Trustees also undertake to meet the regulatory and stakeholder requirements for governance, reporting and planning, particularly the local government reporting requirements and recognition of the National Park and World Heritage Area status of the Milford Sound *Piopiotahi* area.

Resources Available to the Trust

Standing Orders, a Code of Conduct for Trustees and administrative support are available from Southland District Council.

Significant Policies

Financial Delegations Policy
Suspected Fraud Policy
Sensitive Expenditure Policy

Where appropriate, further policy guidance is obtained from relevant council's and other statutory authorities and reviewed and updated as necessary.

4. The Nature and Scope of the Activities to be Undertaken

Vision

The Trust's vision is:

The long-term sustainability of Milford Sound Piopiotahi, with a community focus.

Strategic Goals

The primary goals of the Trust are to:

- Provide leadership and governance for the Milford community in Milford Sound *Piopiotahi*.
- Advocate for the general benefit of the Milford community.

Within the over-arching vision and strategic goals, the more specific focus areas for 2022 – 2025 are:

Planning:

- Determine the future direction of the Trust.

Communication:

- Maintain relationships with the community and Milford infrastructure providers.
- Provide clear information to concessionaires regarding intentions and implementation of Trust policies.
- Consult with the community and concessionaires to develop a strategic project plan for the Trust to deliver for the benefit of the community.

Advocacy:

- Advocate, as required, on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, Iwi and other authorities.
- Advocating for better planning to address specific issues: highway safety, control of illegal camping, toilet facilities, community facilities, coordinated emergency response, and recognition of the area's World Heritage status.

Planned Activities/Services**2022/23:**

- Advocate with, and assist, other organisations for strategic improvements in community planning and development in Milford Sound.

2023/24:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Review the feasibility of the recreation centre
- Undertake planning for the recreation centre project, if appropriate.
- Review the future of the Trust

2024/25:

- Advocate with, and assist, other organisations for strategic improvements in community planning in Milford Sound.
- Facilitate the construction of the Milford recreation centre once project has been approved by Department of Conservation.
- Maintain oversight of the management of the Milford Recreation Centre.

5. Ratio of Total Assets: Equity

Total assets are defined to include cash, investment and bank balances, accounts receivable, investments, prepayments, fixed assets (net of accumulated depreciation), intangible assets (net of accumulated amortisation), loans (none), etc.

Total equity is defined to include accumulated funds and retained earnings.

6. Significant Accounting Policies

The following accounting policies have been adopted by the Trust.

Revenue Recognition*Concessionaires Fees*

Revenue is recorded when the fee is due to be received.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest

Interest revenue is recorded as it is earned during the year.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Term Deposits

Term Deposits with Banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight line and diminishing value basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Recreational Pad	3%	Diminishing Line
Buildings	2%	Straight Line

Income Tax

The Trust is exempt from income tax as it is a Charitable Trust registered with the Charities Commission.

Loans

Loans are recognised at the amount borrowed from the lender, less any repayments made.

Budget Figures

The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

7. Key Performance Targets

These are agreed by the Trust and made available to the public, by inclusion in Southland District Council's Long Term Plan (LTP).

Level of service	Key performance indicator	Actual	Target				Confirmation source
		20/21	22/23	23/24	24/25		
Maintain a structure that facilitates local decision making.	Number of Milford Community Trust meetings held annually.	3	2	2	2	Agenda/minute records on file.	
Keep the Milford community informed about Trust plans and outcomes.	Hold public forums in Milford each year.	0	1	1	1	Agenda/minute records on file which note meeting location	

8. Information to be reported to Council

In each year the Trust will comply with all reporting requirements under the Local Government Act 2002 (particularly Sections 66 to 69 of that Act). In particular, it will provide:

- A draft Statement of Intent detailing all matters required under the Local Government Act 2002 by 1 March each year for consideration prior to commencement of the new financial year.
- A half yearly report by the end of February each year (specific dates as set by Council).
- An annual report by the end of September each year (specific dates as set by Council).

Copies of the Trust's reports are made publicly available on the Southland District Council's website.

9. Key Issues

- Decide whether or not it is feasible to proceed with the development of a recreation centre building.
- There is a need to understand which concessionaires are still operating both from a stakeholder perspective and for the purposes of apportioning the implied concession activity fee that generates the Trust's revenue.
- To decide when to reinstate invoicing concessionaires and for how much.

10. Activities for which Other Investment is sought

The value of the annual concession to be charged will continue to be reviewed each year. For 2022/2023, the total amount being sought from concessionaires is \$0.00.

Included within the Forecast Expenditure of the Trust is Management and Administration costs of \$30,526 (excluding GST).

The operational and project costs are those which the Milford Community Trust considers will provide benefit for all concessionaires at Milford and should be recovered from the Milford concessionaires through the Implied Concession Activity Fee, apportioned as per the Department of Conservation apportionment of cost schedule. The costs indicated above in the supporting forecasted accounts are funded from the annual implied concession activity fee and monies held.

Future budgeted costs are indicative only and will be reviewed annually by the Trustees.

Other Project Funding:

In addition to the above operational and project costs, there may at times be costs associated with other significant projects that fall either directly or indirectly under the influence of the Milford Community Trust but have all or a majority of proposed funding through means other than apportioned implied concessionaires fees. There may also be a portion of public good associated with these projects.

Due to the economic effects on Milford tourism operators the Trust has chosen not to collect any revenue for some time. On top of this there has also been an increase in construction costs which means it is now unlikely that the Trust would be able to cash fund the build unless construction is delayed until invoicing operators has resumed (assuming that it would be at previous levels). The most likely scenario is that the Trust would need to seek to debt fund at least part of the costs of the building.

In accordance with sections 3.3 and 3.4 of Southland District Council Investment and Liability Management Policy, Milford Community Trust has the ability to approach Southland District Council to borrow funds, in the instance the Trust has insufficient cash to fund the recreation centre project. The trust may also need to consider borrowing from standard market lenders such as a bank.

11. Estimate of Value of Stakeholders Investment

The net value of the stakeholders' investment in the Trust is estimated to be valued at \$100. This value shall be reassessed by the Trustees on completion of the annual accounts or at any other

time determined by the Trustees. The method of assessment will use the value of stakeholders' funds as determined in the annual accounts as a guide.

12. Other Matters

No distribution is intended within the period of this Statement or succeeding years, noting the Trust's status as a charitable organisation.

Any subscription for, purchase or otherwise acquiring shares in any company or other organisation requires the prior approval of the Trustees.

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Financial Performance

Account Description	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
<u>Income</u>					
Concessionaires Income		-	-	150,000	150,000
Grant	-	-	-	-	-
Trustee Fees Forgiven	2,700	-	-	-	-
Interest	5,799	-	-	-	-
	8,499	-	-	150,000	150,000
<u>Expenses</u>					
<u>Management/Administration</u>					
Accommodation and Meals	-	500	500	500	500
Administration	44	-	44	44	44
Advertising	-	600	600	600	600
Audit Fees	4,316	4,451	4,585	4,750	5,000
Bank Fees	40	40	40	40	40
Catering Expenses	-	500	500	500	500
Chairperson's Fees	10,000	-	10,000	10,000	10,000
Depreciation - Recreational Pad	1,457	1,413	1,371	1,330	1,291
Depreciation - Recreational Centre	-	-	-	-	-
General Expenses	-	500	500	500	500
Operations and Maintenance of Rec Centre	-	-	-	-	30,000
Legal Costs	822	-	-	-	-
Mileage	-	1,500	1,500	1,500	1,500
Project Development and Planning	-	5,000	5,000	5,000	5,000
RNZ Licence	-	370	370	370	370
Room Hire	-	100	100	100	100
Trustees Fees	3,300	2,400	2,400	2,400	2,400
Insurance	2,900	2,958	3,017	3,078	3,139
	22,879	34,091	30,526	30,712	60,984
<u>Grants</u>					
	-	-	-	-	-
	-	-	-	-	-
Total Expenses	22,879	34,091	30,526	30,712	60,984
Net Operating Surplus/(Deficit)	(14,381)	(34,091)	(30,526)	119,288	89,016

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Changes in Equity

	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
Balance at 1 July	463,587	449,207	490,408	459,881	579,169
Net Surplus / (Deficit)	(14,381)	41,201	(30,526)	119,288	89,016
Capital Funding					
Equity at end of year	449,207	490,408	459,881	579,169	668,186

MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2022-2025
Prospective Statement of Financial Position

	Actuals 2020/2021	Forecast 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025
Equity					
Accumulated Funds	449,107	490,308	459,781	579,069	668,086
Trust Capital	100	100	100	100	100
	449,207	490,408	459,881	579,169	668,186
Represented by:					
Current Assets					
Accounts Receivable	100	100	100	100	100
Accrued income	556	-	-	-	-
Bank Account - 00	157	5,000	5,000	5,000	5,000
Bank Account - 25	19,661	10,000	10,000	10,000	10,000
Term Deposit - Recreation Centre	110,000	-	-	-	-
Term Deposit - Surplus Funds	280,000	432,446	404,805	482,906	37,190
GST Recievable	123	-	-	-	-
	410,597	447,546	419,905	498,006	52,290
Non Current Assets					
Recreational Pad	47,116	45,703	44,332	43,002	41,711
Recreational Centre	-	-	-	-	550,000
Recreational Centre - WIP	-	-	-	50,000	-
	47,116	45,703	44,332	93,002	591,711
Total Assets	457,713	493,249	464,237	591,008	644,001
Current Liabilities					
Accrued Expenses	8,506	5,000	5,500	5,500	5,500
Accounts Payable	-	-	-	-	-
GST Payable	-	(2,158)	(1,144)	6,339	(29,684)
	8,506	2,842	4,356	11,839	(24,184)
Non-Current Liabilities					
	-	-	-	-	-
	-	-	-	-	-
Total Liabilities	8,506	2,842	4,356	11,839	(24,184)
Net Assets	449,207	490,408	459,881	579,169	668,186

Tourism Infrastructure Fund - Round 6 (Matariki Wayfinders and supporting infrastructure)

Record no: R/22/4/15994

Author: Simon Moran, Strategic project lead

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To ask Council to retrospectively endorse the application that was made to the Ministry of Business Innovation and Employment (MBIE) for Round 6 of the Tourism Infrastructure Fund (TIF) and to seek approval of the consequential unbudgeted expenditure of the TIF funding if the application is successful.

Executive summary

- 2 Round 6 of the Tourism Infrastructure Fund opened on 1 March and closed on 28 March. The tight timeframes of these funding application rounds means that it is often not possible to follow the typical order for getting an application approved by Council prior to submitting it before the deadline. Council is consequently being asked to formally receive and endorse it retrospectively.
- 3 The following report outlines what is in the application which is attached. For more detail please refer to that document.
- 4 All applications have a local funding component that needs to have been endorsed by Council.
- 5 The application was submitted, and as at the time of writing staff are waiting to hear back from Ministry of Business, Innovation and Employment officials regarding the progress of the application.

Recommendation

That the Council:

- a) receives **the report titled “Tourism Infrastructure Fund - Round 6 (Matariki Wayfinders and supporting infrastructure)” dated 2 May 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) endorses the Southland District Council application to the Tourism Infrastructure Fund (Matariki Wayfinders and supporting infrastructure) as submitted.
- e) agrees in principle the local co-funding component of the application of \$427,500 from existing budgets including the open spaces strategy capital development budget in the Long Term Plan 2021-2031.
- f) approves the unbudgeted expenditure of up to \$427,500 that will be received from the Tourism Infrastructure Fund if the application is successful.

Background

- 6 Round 6 of the Tourism Infrastructure Fund opened on 1 March and closed on 28 March. The key criteria for this round was for infrastructure projects to support the celebration of Matariki, New Zealand’s newest public holiday and the first to recognise Te Ao Māori.
- 7 Council did not have any projects that were specifically being planned that could be put forward as an application but there were and are projects across the district that are aligned such as ‘Dark Skies’ and astro tourism in Rakiura, Fiordland, and the Slope Point. What is currently missing from those ideas is a way to tie it all together across the region and Round 6 of the TIF allowed staff to put forward a project that may assist with that.
- 8 The application contains a ‘bundle’ of projects in that there are multiple sites where the pou whenua (carved post) would be located along with different levels of supporting infrastructure. In accordance with the ideas that Catlins Coast Inc. have been promoting a shelter and toilet were included for Slope Point and a shelter was also included for Te Anau to support both the project and potentially the cycle trail depending on the ultimate location of the pou. All sites would have interpretation signage.

The Project

- 9 Southland is rapidly becoming well known for its dark skies. Rakiura is already internationally recognised and further work is being undertaken across the region including in Fiordland and specifically the Te Anau Basin.

- 10 The project will involve the placement of nine pou whenua across the region. The number of pou reflects the number of stars in the constellation and each will be supported by interpretation panels that tell the story of that particular star and the Matariki. There are also some locations where supporting infrastructure such as shelters and toilets would be appropriate to assist with visitor comfort.
- 11 The pou will also act as wayfinders encouraging people to visit the other parts of the region in order to complete the story.
- 12 The project will be co-designed with Te Ao Marama and the Murihiku rūnanga. The initial idea is for the constellation to be sited at locations in the region that conceptually align with the shape of the Matariki constellation although that will need to be determined through the co-design process.

Issues

- 13 The main issue is whether or not Council is comfortable with the application and the co-funding requirement. The funding component is discussed in more detail below.
- 14 It is also important to note that given the relationship the project has with a time for reflection and celebration of Matariki (New Zealand's most recently created anniversary holiday), and therefore Te Ao Maori, that the application has been specifically created with a co-design approach with the Murihiku rūnanga. This means that the project has allowed a reasonable amount of time for the co-design process and would be completed late in the 2022/2023 financial year.

Factors to consider

Legal and statutory requirements

- 15 Council will have the standard resource management and building consents that it will need to apply for as well as concessions from the Department of Conservation if there are any sites that are on public conservation land.
- 16 Contractual obligations will also be created if Council is successful in getting the applications accepted by the TIF Assessment Panel and subsequently enters into a funding agreement with MBIE.
- 17 Although not specifically a legal or statutory requirement the Council should give effect to its own planning documents where it can. The Open Spaces Strategy 2014 – 2024 is an important non-statutory document that has some significant statements in it that support the intent of the project such as:
 - “open spaces protect and preserve cultural and natural heritage resources such as significant geological and archaeological sites, historic buildings, monuments and public art
 - many of our open spaces have special significance for Māori and provide the opportunity to protect and preserve waahi tapu as well as the opportunity to inform and educate about tangata whenua
 - public open spaces help define and reflect our communities’ sense of identity and provides opportunities for celebrating who we are”.

- 18 In particular the following Outcome and Strategic Priorities are relevant -

Outcome	Strategic Priorities	We'll Know We're Succeeding When
Our open spaces are places where our communities meet, connect and celebrate	<ul style="list-style-type: none"> Public open spaces are used by our communities for a range of events and activities Provide public open spaces that encourage our communities to meet and connect Celebrate our culture and history 	<ul style="list-style-type: none"> Public places and open spaces are well used by people of all ages People of all ages connect and participate in civic and community life We have a diverse range of well attended festivals, events and cultural activities that celebrate who we are Residents of all ages have a good quality of life Our history and cultural heritage is preserved and celebrated

Community views

- 19 Many of the elements of this project, such as recognising Maori as well as other cultures, have been signalled in consultation documents including Te Tangi a Tauira, the Community Board Plans and the Open Spaces Strategy. It is intended that this project recognises Maori culture and place in the landscape and will be co-designed in partnership with mana whenua.
- 20 The application was prepared following preliminary discussions with Te Ao Marama Inc. and received a letter of support from it which was included.
- 21 Wider engagement with the community is yet to be undertaken as the funding application first needs to be successful and then the concept itself needs to be further developed through the co-design process. Co-design is a partnership approach and one that cannot be rushed if it is to be done properly, therefore it is programmed to take place throughout the rest of this year. As that progresses SDC and mana whenua will be in a position to engage with the local communities on the basis of a specific plan.
- 22 It is noted though that the chairs of the Fiordland and Waihopai Toetoe community boards and Catlins Coast Inc. along with staff at Great South have provided letters of support for the application.

Costs and funding

- 23 Successful applications to the TIF require a 50% local funding contribution. The bundle of projects in the application have not been individually included in the Long Term Plan but there is a budget in that document for open spaces strategy capital development projects. That budget is for \$5.4 million over the first eight years of the 2021-2031 LTP
- 24 The total value of the project is budgeted to be \$855,000 with 50% funding from the TIF and the other 50% (\$427,500) from council.

- 25 If Council endorses the application and it is successful some of that open spaces budget may need to be brought forward into the 2022/23 financial year.
- 26 It is also important to consider that there is an opportunity cost to using funding from the open spaces budget. Other projects, which the budget could be used to fund, will be developed over the next few years and may or may not include similar types of projects to the one proposed. Using \$427,500 of that budget now for this project means that projects aren't able to be compared with each other to determine their relative priority for funding. Given the funding in the LTP is spread over eight years that is likely to be the case for a number of projects as the capital programme will evolve over time however, it is worth being aware of when making a decision.
- 27 A resolution for unbudgeted expenditure for this project has also been included in this report to address the use of the unbudgeted revenue from MBIE/TIF that will occur if Council is successful with the TIF application.

Policy implications

- 28 There are no policy implications.

Analysis

Options considered

- 29 The options for consideration are to:
- endorse the application as submitted; or
 - reduce the scope of the application; or
 - not endorse the application.

Analysis of Options

Option 1 – Endorse the application as submitted

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• If the application is successful there is an opportunity to enhance the experience both visitors and locals get from the district's open spaces and facilities.• It will be a project that contributes to achieving an outcome and strategic priority of the Council's Open Space Strategy.	<ul style="list-style-type: none">• The value used from the open spaces strategy capital development funding budget would not be available for other projects.

Option 2 – Reduce the scope of the application

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• The overall cost of the project would be lower which would in turn reduce the cost of the local share.• The funding that would have otherwise gone to this project would be available for other open spaces projects in the future.	<ul style="list-style-type: none">• The intent of the project to be a district/region wide asset and story could be lost. That may reduce the benefit to broader set of communities.• Some issues that have been identified as benefitting from the work proposed in the applications would be delayed.

Option 3 – Not endorse the application

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• There would be no cost to Council.• The funding that would go to this project would be available for other open spaces projects in the future.	<ul style="list-style-type: none">• An opportunity to recognise mana whenua in Council's open spaces by creating significant co-designed cultural infrastructure would be lost for the moment.• The opportunity to attract external funding would be lost and the cost to undertake a similar project in the future would fall fully on Council.

Assessment of significance

- 30 What is being proposed does not meet the 'significant' threshold of any of the significance policy tests. Although the specific project has not been consulted on the general funding for 'open spaces' projects is in the Long Term Plan which has recently been consulted on and adopted by Council.

Recommended option

- 31 Option 1 – Endorse the application as submitted and approve the unbudgeted expenditure of the funding from TIF if the application is successful.

Next steps

- 32 Staff will advise MBIE officials of Council's decision.

Attachments

- A Matariki Wayfinders and supporting infrastructure [↗](#)



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HŌKINA WHAKATUTUKI

TOURISM INFRASTRUCTURE FUND

Application Form

March 2022

Tourism Infrastructure Fund

Completing this form

This form is designed to be completed in association with the 'Guidance for Applicants' document. If you need any assistance with completing this form, please contact the TIF secretariat on tif@mbie.govt.nz.

Please complete the form in full, and submit it electronically to tif@mbie.govt.nz. Completed proposals must be received by the TIF secretariat no later than 5pm on the deadline date. All deadlines are available on the TIF website and are subject to change.

MBIE reserves the right to accept late proposals in the following situations:

- if it is MBIE's fault that the proposal was received late
- in exceptional circumstances, where MBIE considers that there is no material prejudice to other applicants. MBIE will not accept a late proposal if it considers that there is risk of collusion on the part of an applicant, or the applicant may have knowledge of the content of any other proposal.

There is no scope within the TIF process to assess out-of-round applications (including for feasibility studies). Applications submitted to the TIF Secretariat between funding rounds will be returned to the applicant for resubmission at the next funding round.

Proposal checklist

Before you apply be sure to complete the following:

- ☐ Check the TIF website to ensure you have downloaded the most recent version of each document.
- ☐ Read the 'Guidance for Applicants' document available on the website.
- ☐ Read the supporting information on the TIF website

When filling out this form please ensure:

- ☐ All answers are typed into the space provided for each section in font no smaller than size 10 point.
- ☐ You provide the information required for each question. This is outlined clearly within the TIF 'Guidance for Applicants' document.
- ☐ You have read and understood the declaration details outlined in Section 4 and have signed the declaration.

MBIE-MAKO-18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022

Once you have completed this form, email a copy to the TIF secretariat at tif@mbie.govt.nz and ensure that you attach any supporting information you wish to provide.

Note: There is a 20MB size limit for emails. For larger applications, please separate them into different emails.

Evidence

When MBIE assesses proposals against the eligibility and/or the assessment criteria, we will consider whether the evidence provided supports the claims, as well as the quality of that evidence. Where questions ask for evidence to support claims, it is highly recommended that you provide reference sources that attest the accuracy and quality of the evidence.

MBIE will assess the application using the information provided by the applicant.

Section 1: Eligibility and project overview

1.1 Eligibility checklist

Do you meet AT LEAST one of the eligibility criteria below:	
Annual tourism revenue in your territorial authority less than \$1 billion	<input checked="" type="checkbox"/> Yes
Visitor to rating unit ratio of 5 or more	<input checked="" type="checkbox"/> Yes
Local Government Finance Agency lending limits have been reached	<input type="checkbox"/> Yes
Project eligibility:	
Is your project for publicly-available infrastructure used significantly by visitors?	<input checked="" type="checkbox"/> Yes
Is your project for new facilities or enhancements?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not for the development of new attractions, accommodation or commercial activities?	<input checked="" type="checkbox"/> Yes
Have you ensured your project will not compete with local private commercial activities?	<input checked="" type="checkbox"/> Yes
Are you seeking co-funding of \$25,000 or more?	<input checked="" type="checkbox"/> Yes
Is your project financially sustainable?	<input checked="" type="checkbox"/> Yes
Have you ensured your project is not receiving NZTA funding?	<input checked="" type="checkbox"/> Yes
NOTE: If you do not answer 'Yes' to the project eligibility questions above, your project is unlikely to be eligible for TIF co-funding.	<input checked="" type="checkbox"/> Yes

1.2 Project overview

a. Is your project addressing a need that is current or anticipated?	<input checked="" type="checkbox"/> Current <input checked="" type="checkbox"/> Anticipated
b. Will your project deliver visitor benefits and also benefits to your local community?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
c. Is TIF co-funding critical to the project starting, happening sooner, or being of better quality [Tick all relevant boxes]	<input checked="" type="checkbox"/> Starting <input checked="" type="checkbox"/> Happen sooner <input checked="" type="checkbox"/> Better quality
d. Is your proposed co-funding the maximum you can commit to the project, and in monetary form only?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
e. Do you have certainty of land access over the expected life of the proposed infrastructure?	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
f. Does your organisation have systems in place to ensure the proposed project complies with health and safety regulations? (You will need to demonstrate this prior to contracting)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
g. Do your procurement processes require all external contractors involved in construction projects to have valid health and safety processes/plans in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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Section 2: Proposal and applicant key details

Please enter answers in the right-hand column.

2.1 Proposal key details	
Name of project [A short title that describes your proposed project.]	Matariki wayfinders and supporting infrastructure
Short description of proposed project to be co-funded	<p>Southland is rapidly becoming well known for its dark skies. Rakiura is already recognised and further work is being undertaken across the region including in Fiordland and specifically the Te Anau Basin, an area hit incredibly hard by the impacts of Covid-19 on tourism.</p> <p>The project will involve the placement of nine pou whenua across the region. The number of pou reflects the number of stars in the constellation and each will be supported by interpretation panels that tell the story of that particular star and the Matariki. There are also some locations where supporting infrastructure such as shelters and toilets would be appropriate to assist with visitor comfort.</p> <p>The pou will also act as wayfinders encouraging people to visit the other parts of the region in order to complete the story.</p> <p>The project will be co-designed with Te Ao Marama and the Murihiku rūnanga. The initial idea is for the constellation to be sited at locations in the region that conceptually align with the shape of the Matariki constellation although it is possible that some of the locations could be related to the meanings of the stars themselves.</p>
Estimated total cost of project	\$855,000
Amount of TIF co-funding sought – this must exceed \$25,000 (excl. GST)	\$427,500
Is this a discrete project or a bundle of projects?	<input type="checkbox"/> Discrete project <input checked="" type="checkbox"/> Bundle of projects

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2.2 Applicants' key details	
Applicant Organisation name	Southland District Council
Applicant address, including postcode	P O Box 903, 15 Forth Street Invercargill 9840 www.southlanddc.govt.nz
Contact person	Cameron McIntosh
Job title or Role	Chief Executive Officer
Contact phone	0800 732 732
Contact email address	cameron.mcintosh@southlanddc.govt.nz
Contact postal address (including postcode)(if different to applicant address)	

Section 3: Project Description

3.1 Problem definition and need for additional infrastructure

3.1.1 Briefly describe the challenge(s) you are facing as a result of current or anticipated visitor growth that underpin this application. Where possible, please provide qualitative and/or quantitative evidence to indicate the scale of challenge(s).

1. There are a number of challenges that arise from the changing face of tourism. Prior to 2020 there was an increasing appetite to become more invested in the people, place and the environment of the areas that people were visiting. This was also noted in Southland as is especially true of cultural and environmental tourism including astro-tourism.

There is a definite trend towards slow tourism – which recognises the environmental impact of travel and the growing desire of tourists to fully experience a destination, its place and culture. Southland has a strong FIT travel market and our roading and touring networks support this. The Southern Scenic Route has been named one of the top self-drive routes in the world. Cultural interpretation and the story of Matariki being told around the region aligns well with this. The erosion of the mass tourism model means tourists are naturally more independent, more informed and knowledgeable and better at deciding if a location lacks in authenticity. Tourists are emerging new social needs that 'holidays' are expected to satisfy. They are no longer considered an escape from the daily routine or solely leisure but are increasingly seen as an instrument associated with culture and discovery. – Great South

Astro-Tourism Market

Rakiura Stewart Island is already a Dark Sky Sanctuary, the Fiordland Basin is looking at whether it can get similar recognition. Southland generally has large areas with little light pollution and is ideal for astro-tourism which links well with the Matariki project and means the infrastructure proposed will serve both Matariki celebrations and Dark Skies tourism more generally.

Global Context

- Light pollution is caused by the inappropriate or excessive use of light at night.
- In many places artificial lights overpower darkness and can cause environmental consequences for humans, wildlife and our climate.
- Approximately 80% of Earth's land mass suffers from light pollution, with the night sky obscured by artificial lighting for 99% of people in Europe and the USA. (*Light Pollution Science and Technology Institute*)
- A hundred thousand generations before us saw the Milky Way every night. But then the outdoors were lit up and we literally lost sight of it.

'As Earth grows ever more populous and cities expand, opportunities for humanity to look up at the rest of the universe decrease. Across the planet, travellers are now seeking out the world's last-remaining dark skies where they can get a clear, unpolluted view of the stars.' Lonely Planet 2019

Global View

- Global interest continues to grow with Stargazing and Astro-tourism noted as one of the top travel trends for 2019 by Lonely Planet, Airbnb and National Geographic.

- Astro-tourists are reconnecting with something that has a deep meaning to humans, while providing a fascinating sense of perspective about our place in the universe.
- Stargazing offers a way to reconnect with the natural world during a time when we spend most of our day interfacing with technology. It's a way to disconnect and plug back into the intelligence of the universe.
- Brings the benefits of tourism to more remote and rural areas, with a focus on sustainability

Airbnb Insights

- Strong growth in travel linked to astronomical events and destinations known for stargazing.
- In 2017, more than [50,000 Airbnb guests from 26 countries](#) traveled to the US for the solar eclipse
- Nearly 3,000 homes listed offer telescopes.
- The United States, France and Italy are the three countries with the highest number of stargazing-ready listings on Airbnb.
- Airbnb has listed their top destinations to stargaze worldwide.
 - Locations are worldwide and in places with a protected night sky
 - Annual guest growth in each location ranges from 52% to 327%

Stewart Island Rakiura

- Gained International Recognition in January 2019
- The world's southern-most Dark Sky Place
- Strong media interest
 - Featured in articles from Canada, United States, India, China, Australia
- Growth in visitor numbers after accreditation at 17% (April to September 2019)

Aoraki Mackenzie

- Growth since accreditation
 - International spend up 251%
 - Domestic spend up 62%

Slope Point

We can see from the 2019 data that 3% of visitors to the Slope Point area went there during the hours of darkness which suggests that night sky viewing is already an attraction.

2. A key issue that came up through the Milford Opportunities Project partnership with mana whenua was the sense of loss of recognition of their place in the landscape. There are not many places where mana whenua have truly had input into the stories that are being told and how they are being told. It is the authenticity that is often missing even when there are efforts to provide more cultural information.

The following extracts are from the Mana Whenua report undertaken for the Milford Opportunities Project (<https://www.milfordopportunities.nz/assets/Projects/210331-Mana-Whenua-Aspirations-Values-Report.pdf>) but are also relevant for this proposal.

Embedding this cultural narrative into both the Master Plan and the experiences of Ngāi Tahu Whānui and manuhiri revives the stories, places names and insight needed to recognise Ngāi Tahu as mana whenua and proprietors of its own history, stories, and culture. The narrative also provides a platform for Treaty Partnership and Master Plan outcomes that deliver intergenerational benefits for Ngāi Tahu.

Te Tangi a Tauira

All councils recognise that integrating the policies within the Plan [Te Tangi a Tauira] into planning and implementation frameworks will enhance relationships, including understanding tangata whenua values and policy and assist communities in achieving good environmental outcomes and healthy environments

The shift required to raise awareness, understanding, quality and articulation of mana whenua narratives will take time, resources and education. It is critical that this shift happen as quality, authentic narratives are important for the visitor experience and recognising Ngāi Tahu in the land and sea scape. Approval processes need to be considered in the Implementation stage, alongside the challenging issues of indigenous intellectual property, authenticity and cultural appropriation.

As noted by the Associate Minister for Arts, Culture and Heritage Kiri Allan recently on the launch of Feast Matariki "the inaugural Matariki public holiday on 24 June is an opportunity for people across Aotearoa New Zealand to celebrate together, and for Māori around the country to share their traditions, history and stories with the rest of Aotearoa".

3. Often visitors do not know where they could go outside of the "top 10 things to do" searches which drive visitor behaviour and lead to over-tourism at some sites and not many visitors at others. The infrastructure itself should help people to understand a wider range of immersive options and can act as way-finders that build a new and greater experience as part of the journey.

Slow/ Immersive Travel trends

Slow travel mainly refers to the speed of which a trip is taken, where travellers take a train through Europe instead of flying, for example. However, it also has a broader meaning of tourists staying in destinations for longer, emphasizing a connection with local people, culture, food and music. This means that slow travel is also more sustainable for local communities and the environment.

<https://www.traveldailymedia.com/slow-travel-could-be-the-next-big-tourism-trend/>

Intrepid Travel – predicted holiday trends for 2021

Slow travel, go your own way, go under your own power – cycling/ walking etc

<https://www.intrepidtravel.com/nz/how-to-go-2021>

4. Often activities are not linked, for example, Feast Matariki and Dark Skies have related themes but do not necessarily have any clear linking infrastructure.

Tourism NZ Report – importance of Māori history culture and stories – this project would help us to deliver this within the region, providing iwi with an opportunity to share their stories through an activity visitors can engage in

<https://www.mbie.govt.nz/dmsdocument/6974-the-tourism-new-zealand-report>. The report states -

Internationally New Zealand is viewed as a friendly, safe and beautiful country to visit. The richness of Māori culture is seen as a point of differentiation for New Zealand's tourism proposition and is increasingly reported as one of the highlights of international visitors' time in New Zealand.

Māori history, culture and stories are an increasingly integral and valued part of the tourism experience and of TNZ's marketing. TNZ should continue to make sure Māori history, culture and stories remain an integral element of its marketing activities.

When Minister Nash announced funding for Feast Matariki he stated that "... Feast Matariki will act as further draw card for visitors to districts that have been hard hit by the absence of international visitors. There is already much to celebrate in these regions and Matariki festivals add a unique and special extra layer." To be able to link events such as this to the wider region will be very important for the visitor experience and the economic revival of tourism businesses.

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3.2 Proposed infrastructure

3.2.1 Briefly describe the infrastructure you propose to construct, and how it addresses the challenge(s) you have identified above. Please also list the other options considered and explain why the proposed project is fit-for-purpose and offers value for money.

The project will be co-designed with mana whenua therefore the proposal included in this application is an initial concept that is supported by representatives of Te Ao Marama Inc. That concept may change to some degree in terms of how the Matariki constellation is spatially represented but is unlikely to change with regard to the principle idea of having nine pou.

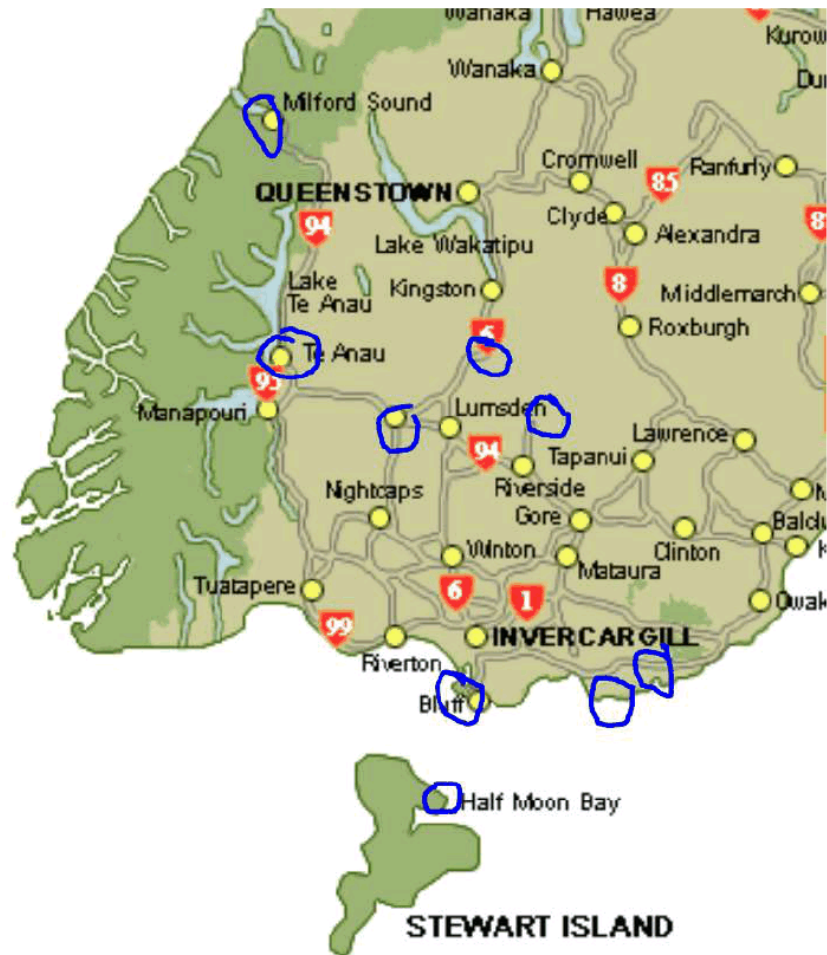


Figure 1 – possible spatial representation of the Matariki constellation.

Pou whenua

The nine pou will support the growing desire of New Zealanders and visitors to 'connect' with the places they visit, including the people and the culture. They will be a focal point for those wanting to know more about Matariki and at the same time are looking to experience what the wider Southland region has to offer.

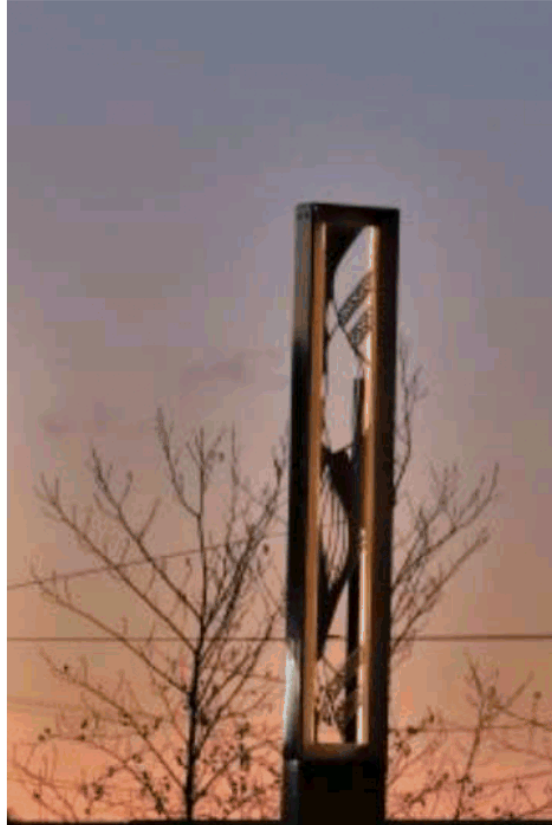


Figure 2 – An example of what the pou could look like although their design would be based on Matariki.

Matariki is a significant time for Maori and warrants a significant project to reflect that. A smaller scale project could have proposed, even a single pou, but it is unlikely that it would have the same gravitas. What this project seeks to do is to use infrastructure to support multiple activities across Southland - linking Matariki with mana whenua being recognised in the landscape, with Feast Matariki, and with immersive tourism.

Interpretation panels

At each site the pou will be supported by interpretation panels that provide an opportunity to convey the story of Matariki, the meaning of the individual star the pou represents, and other history/information that mana whenua would like to share. As wayfinders the information with each pou would direct people to the other pou so that the story of each star can be followed in greater detail at each site.

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Slope Point

Slope Point, as the southern most point of Te Wai Pounamu (South Island), is getting increasing numbers of visitors now that the access road and the road between Fortrose and Curio Bay has been sealed. It is a site steeped in history from early Maori navigation, to Cook's deviation around Rakiura not realising Foveaux Strait was navigable water, to the scientific observatory for studying the *Aurora Australis*.

The location has been identified as a likely place for a pou to be sited but there is limited infrastructure there to support visitors beyond the recently extended carpark. This project will enable a shelter and toilet to be provided at the site to support the visitor experience. The shelter will contain the information panels to protect both them and the visitors from the elements on this exposed site. The toilet will reduce the level of toileting that currently occurs in the shelter plantings on the privately owned property over which access to Slope Point is gained.

A single pan Norski dry vault toilet is proposed for the site due to the lack of water, power, and disposal field at the site. Consideration was given to whether a two pan toilet was needed but it was decided that a single pan toilet would effectively deal with the existing toileting issues and enable SDC to more accurately gauge the level of demand for toilets at the site. If larger infrastructure is needed in the future then the Norski toilet could be added to or replaced. If it were replaced then the Norski could be relocated to another site where it was needed.

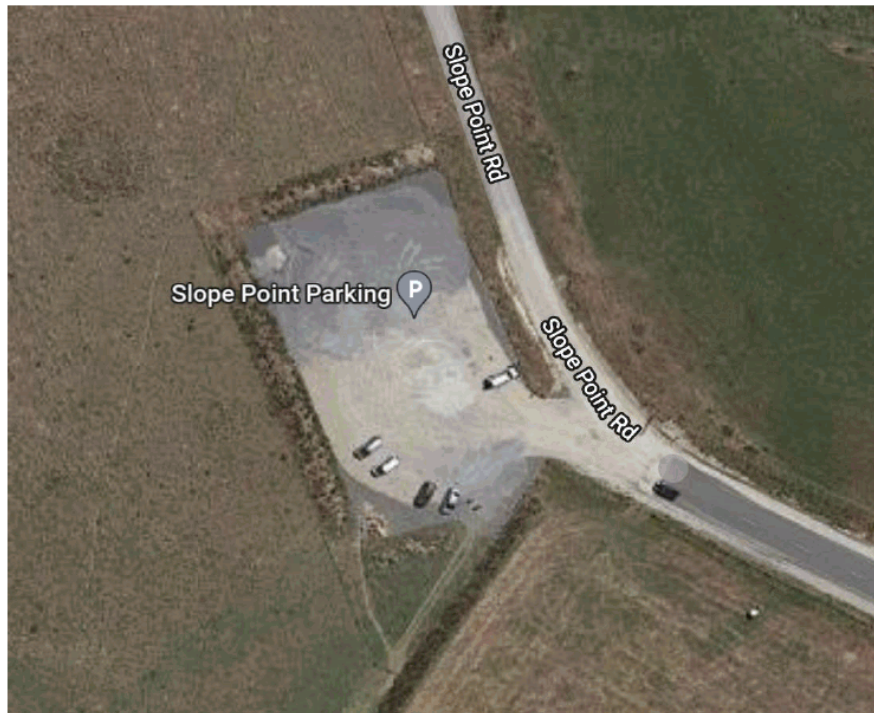


Figure 3 – Slope Point car park. The access track to the point is at the bottom middle of the photo.

It is noted in the Southland Murihiku Destination Strategy 2019 – 2029, which is our region's destination management guiding strategy, that there is strong alignment between the 16

Destination Management components as identified by MBIE in their Best Practice guides, with Amenities, Services and Infrastructure a key focus with an awareness of importance as enablers to manage current and support future growth.

For Southland to develop and grow as a sustainable visitor destination a number of challenges and barriers need to be addressed. The strategy has identified one of the key barriers to growth is **limited public toilet facilities**. Consultation feedback from Government agencies, community and industry sources indicates concern at the lack of public toilets in both town and remote locations near visitor attractions. This reflects both a lack of any toilets and a lack of sufficient public toilet capacity leading to environmental degradation and potential public health issues.



Figure 4 – an example of the type of toilet to be installed at Slope Point

Shelters

There will be two shelters associated with the pou, one will be at Slope Point and the other will be in Te Anau. As stated above, the shelter at Slope Point will contain the information panels to protect both them and the visitors from the elements on this exposed site.



Figure 5 – the much photograph windswept trees at Slope Point

The shelter at Te Anau is also likely to contain interpretation panels and is likely to be located where it is also able to serve as a shelter for those visitors using the walking/cycling trail that is proving to be so popular in the Te Anau basin.

In both instances the shelter is important due to the location of the pou. Slope Point is already an isolated place and it is likely that either the pou or the shelter in Te Anau will be located in an area somewhat remote from the town to enhance the night sky view and therefore shelter is important for those who are there at night.

Not having shelters at those particular locations is likely to lessen the experience for visitors.



Figure 6 – an example of a recent shelter that SDC constructed at Colac Bay for visitors



Figure 7 – an example of the type of 'remote' location along the Te Anau walking/cycling trail where the shelter may be located

3.2.2 Please demonstrate that the proposed project has the support of the local community (e.g. has gone through some type of consultative process), and has support from the local economic development agency or regional tourism organisation.

Please Note: During the project recipients will be asked to keep the Ministry aware of any subsequent consultation process which could result in the project either not proceeding or requiring significant change from the original proposal.

Many of the elements of this project have been signalled in recent consultation documents including Te Tangi a Tauria, the Community Board Plans and the Open Spaces Strategy. However, this project will be co-designed in partnership with mana whenua there hasn't been all consultation on the specific project yet with the wider public.

Co-design is a partnership approach and one that cannot be rushed if it is to be done properly, therefore it is programmed to take place throughout the rest of this year. As that progresses SDC and mana whenua will be in a position to engage with the local communities on the basis of a specific plan. Having said that there is a substantial amount of preliminary engagement that has been done.

Te Ao Marama Inc (TAMI)

Initial discussions with TAMI have been positive with the idea getting good support. It is still subject to a wider discussion with the Murihiku rūnanga but TAMI have provided a letter of support for the application (Appendix A).

Community Boards

The project has been discussed with the Fiordland and Waihopai Toetoe Community Boards in particular as those areas have additional infrastructure included in the application. The Boards are

supportive of the whole application and have provided letters of support (Appendices B and C respectively).

Catlins Coast Inc,

The Catlins Coast Inc. aim is to protect the natural environment and resources of The Catlins by working alongside and fostering co-operation between local authorities, relevant government departments and community groups. The Catlins Coast Inc. enhances education by encouraging the provision of quality interpretation at key attractions, and promoting local and natural history.

This group has been advocating for a shelter, interpretation, and a toilet at Slope Point for some time and is supportive of the project. They have provided a letter of support (Appendix D).

Great South

Great South is the Southland economic development agency. They have provided information for this application that demonstrates the changing 'face' of tourism and have been heavily involved in the Dark Skies work that has and is occurring in the region. They have provided a letter of support (Appendix E).

Open Spaces Strategy

The Strategy has some significant statements in it that support the intent of the project such as:

"open spaces protect and preserve cultural and natural heritage resources such as significant geological and archaeological sites, historic buildings, monuments and public art

many of our open spaces have special significance for Māori and provide the opportunity to protect and preserve waahi tapu as well as the opportunity to inform and educate about tangata whenua

public open spaces help define and reflect our communities' sense of identity and provides opportunities for celebrating who we are".

In particular the following Outcome and Strategic Priorities are relevant -

Outcome	Strategic Priorities	We'll Know We're Succeeding When
Our open spaces are places where our communities meet, connect and celebrate	<ul style="list-style-type: none"> Public open spaces are used by our communities for a range of events and activities Provide public open spaces that encourage our communities to meet and connect Celebrate our culture and history 	<ul style="list-style-type: none"> Public places and open spaces are well used by people of all ages People of all ages connect and participate in civic and community life We have a diverse range of well attended festivals, events and cultural activities that celebrate who we are Residents of all ages have a good quality of life Our history and cultural heritage is preserved and celebrated

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3.2.3 List all the benefits that you expect will flow from your proposed project (focusing particularly at the visitor benefits).

Visitors are likely to explore other areas of Southland rather than just remain in one part, which is why it is good to look at visitor experiences in the broader sense. The combination of these projects improves the overall co-ordination and flow across the Southland area, using not only the Southern Scenic Route but a number of other routes that will enable visitors to experience the region.

The benefits from the Matariki Wayfinders and supporting infrastructure projects tie in with the Southland Regional Development Strategy 2015-2025 which identifies improving tourism experience and opportunities as the second challenge in diversification of the regional economy.

Southland Murihiku Destination Strategy 2019 - 2029

The Southland Murihiku Destination Strategy 2019 – 2029 was a key outcome from the Southland Regional Development Strategy 2015 – 2025. The strategy is our regions destination management framework which demonstrates strong alignment to the New Zealand-Aotearoa Government Tourism Strategy. The strategy demonstrates strong alignment with the 16 Destination Management components as identified by MBIE in their Best Practice guides.

Amenities, Services and Infrastructure are a key focus of the Strategy to manage current and support future growth.

The greatest benefit, and consequently the greatest risk, is to New Zealand's tourism brand. The Matariki Wayfinder projects are important pieces of infrastructure that will support telling the Matariki story as well as helping to provide greater recognition of mana whenua in council/visitor infrastructure. At one level the projects will assist with the fundamental needs of visitors and the community i.e. shelters and toilet, particularly in relation to what they expect in the way of services and on their perceptions of the place. At another level the visibility of the 'cultural narrative' is something that is important both for New Zealanders and for the international visitors that were/are starting to emerge who want a slower more emersive and authentic experience. The project will enable Southland to further grow as a regional destination in its own right over time and will have significant benefits in terms of visitor enjoyment of specific sites and the region as a whole.

Link to other strategic programmes

Stage 2 of the Milford Opportunities Project, had representation of a number of government agencies on the governance group including DOC, NZTA, MBIE, as well as Ngai Tahu and the Mayors of both Southland and Queenstown.

Milford Opportunities recommended a number of visitor related projects that will improve the Milford experience and link with improving tourism in the wider Southland area. These projects are broad ranging and include looking at ways to develop and promote Te Anau as the gateway to Fiordland and enhance the Milford journey which will tie in with the drive toward the regional distribution of visitors. Modern, user friendly, safe and compliant facilities and structures will increase the visitor experience as a package.

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3.3 Funding the project

3.3.1 Briefly describe the current financial situation of your organisation and why TIF co-funding is required for the proposed project.

To support your application, please provide the following information:

- How the proposed project will be funded if TIF co-funding is not received (from debt, cash flow, or some other source)
- If funded from rates, what will be the impact be on ratepayers? Will the impact be on a specific group or general ratepayers? If this will impact on a specific group, please identify the financial impact and which group this will be.
- Brief analysis of the Council's unallocated reserves (what are these, forecast levels, and proposed use over the period of the LTP)

On paper Southland District Council has a strong financial position with \$1.62 billion in net assets on its balance sheet at 30 June 2021. However, the majority of the value is associated with infrastructure assets that are not easily realisable on the open markets (roads, water, wastewater and stormwater) totalling \$1.61 billion.

Council's actual cash position is in the order of \$2 million. Southland District Council has \$40.9 million of reserves at 30 June 2021. A significant portion of these reserves are held for a community or specific asset class. These funds have predominately been loaned out to our communities by way of internal loans to assist with asset development across the district.

Council has three general reserves with a balance of \$11.7 million at 30 June 2021.

The interest income from one of those general reserves (balance of \$8.5 million) has traditionally been used to offset the roading rate, this is due to the reserve being created when the roading operation was sold. However, as part of the long-term plan 2021-2031 half of these funds will be used to fund some of the increased roading capital programme in the first four years. The expected balance at the end of 2030-31 is \$4.2 million.

The other two reserves have a total balance at 30 June 2021 of \$2.2 million are intended to provide coverage in the event of unexpected costs (including a natural disaster). These two reserves are forecast to be \$1.75 million at the end of 2030-31.

There are currently no projects included in the long-term plan (LTP) relating specifically to this proposal. There is a general provision in the LTP relating to open spaces projects that may be brought forward to cover the local share of the project, however, that programme is intended to be loan funded rather than coming from any existing reserves.

If the additional \$427,500 requested through the tourism infrastructure fund for the project had to be funded from the general rate an additional \$54,408 per annum (0.25%) would be required in 2023/24 from the district ratepayers.

Refer to Appendix F for 2019 2020 Southland District Household Rates Affordability table.

3.3.2 Describe what alternative sources of funding were explored before this co-funding request was made.

Tourism infrastructure funding is not a funding priority for community funders and even more so in today's COVID-19 funding environment.

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3.3.3 Please list any other active TIF funded projects and provide an update on progress.

Please Note: strong preference will be given to applications from councils that have completed previously approved projects.

TIF Round 5 projects

These projects include Ulva Island Wharf, Observation Rock, Manapouri projects, Te Anau projects, and Te Anau Wastewater. With the exception of the Te Anau Wastewater project which has recently been completed and is operating, the other projects are at various stages of development.

The Manapouri and Te Anau projects have been tendered but are awaiting the relevant consents and/or contractor availability. The approved funding agreements are expected to be entered into in April to enable elements of these projects to be completed, in particular the toilets.

The technical assessment for the Ulva Island wharf has been completed in relation to the new site that is proposed and consents are about to be sought for that structure.

The design for the Observation Rock project is nearly complete and the process for transferring the portion of the road reserve on which the existing platform sits is underway. Once detailed design plans are completed and approved the relevant consents will be applied for – that is expected to occur by the end of May.

Southern Scenic Route

This was a bundle of projects involving the upgrading of visitor facilities at multiple sites along the Southern Scenic Route. All work has been completed and the facilities have significantly improved the visitor experience for people at those sites.

3.3.3 Financials for proposed project Provide a breakdown of the tasks and associated costs required to complete the project. All costs should exclude GST. Use the 'insert row' function if you wish to add more milestones/tasks.

Marginal operating and maintenance costs for the first 2 years may be taken into consideration by the TIF Panel when assessing an appropriate level of funding, i.e. the additional operational and maintenance costs when the proposed project is completed.

Note: In most circumstances TIF co-funding will not be available of obtaining land access, resource consents, building consents, staff resourcing or on-going servicing of existing infrastructure.

Note: The TIF decision-making process could take up to 2-3 months from the closing date of applications. Please take this into account when planning your project timeline, especially if the project start date is contingent on TIF funding being secured.

Milestones and Project Tasks	Estimated Start Date	Estimated Completion Date	Total cost	TIF funding sought	Applicant co-funding	Key assumptions made in estimating costs
'Milestone one' - Planning and Design						
Co-design the pou and supporting information with mana whenua	1 June 2022	20 December 2022	\$30,000	\$15,000	\$15,000	
Detailed design of structures – cultural and engineering	1 September 2022	31 October 2022	\$80,000	\$40,000	\$40,000	
Obtain the relevant consents (can only be done following detailed design)	1 November	20 December 2022	\$60,000	\$30,000	\$30,000	
Project management	1 June 2022	30 December 2023	\$60,000	\$30,000	\$30,000	
Sub-Totals (do not include Annual operating / maintenance):			\$230,000	\$115,000	\$115,000	
Annual operating / maintenance cost only:						

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‘Milestone two’ – tender and construction						
Tendering	31 January 2023	28 February 2023	\$20,000	\$10,000	\$10,000	
Construction – pou, interpretation panels, shelters, toilet	1 March 2023	30 June 2023	\$527,500	\$263,500	\$263,500	That the final design and materials that the pou are constructed from means the cost falls within the estimate. The estimate has been determined through discussions with Te Ao Marama representatives who have knowledge of other recent pou projects.
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$547,500	\$273,500	\$273,500	
Annual operating / maintenance cost only:						
‘Milestone three’ - Completion						
Contingency	1 June 2022	30 June 2023	\$77,500	\$38,750	\$38,750	
Project completion		30 June 2023				
Sub-Totals (do <u>not</u> include Annual operating / maintenance):			\$77,500	\$38,750	\$38,750	
Annual operating / maintenance cost only:						
			Total Cost	TIF funding sought	Applicant co-funding	
Totals (do <u>not</u> include Annual operating / maintenance): (Must equate to the project cost detailed in Section 1.1)			\$855,000	\$427,500	\$427,500	
Total Annual operating / maintenance costs only:						

In-kind

Although not explicitly included in the 'cash' costs above it is important to note that both SDC staff and mana whenua representatives will contribute time to the project that is likely to amount to at least a further \$40,000 if it were to be included as cost that needed to be funded.

3.4 Risks and Mitigations

Describe any risks associated with this project that you have identified and list the mitigations for each risk.

	Risk	Mitigation
1	Cost escalation	Allowed for a cost contingency but this remains a key risk
2	Unfavourable weather conditions cause a schedule delay	Works will be timed to occur in the most likely to be favourable construction times to allow for better conditions.
3	Availability of materials and contractors	Package this work together with other projects that have been identified in the LTP to make it more attractive to prospective tenders
4	Unfavourable ground conditions	Obtain a geotechnical assessment prior to starting any work.
5	Visitor activity to continue through construction phase	Schedule work outside peak visitor times.

Section 4: Declaration by lead applicant

I declare on behalf of the applicant(s), that:

- I have read this form, and the Guidance for Applicants, and fully understand the procedures, terms, conditions and criteria for TIF co-funding;
- this application form outlines the basis on which this application is made;
- I have read, understand and accept MBIE's standard form contract, including the terms and conditions, a copy of which is attached as Schedule 1 in the Guidance for Applicants;
- the statements in this application are true and the information provided is complete and correct and there have been no misleading statements or omission of any relevant facts nor any misrepresentation made;
- I understand MBIE and its advisers may disclose to or obtain from any government department or agency, private person or organisation, any information about the applicant(s) or project for the purposes of gaining or providing information related to the processing and assessment of this application;
- the applicant(s) will, if requested by MBIE or its advisers in connection with this funding process, provide any additional information sought and provide access to its records and suitable personnel;
- I understand MBIE may undertake due diligence checks as needed to meet government requirements, and I consent to checks required being carried for those purposes;
- I consent to the public release, including publishing on the Internet, of the name of the applicant(s), the amount of grant sought, contact details of the applicant(s) and a general statement of the nature of the activity/project, and undertake to cooperate with MBIE on communications relating to this application;
- I understand MBIE's obligations under the Official Information Act 1982 and that, notwithstanding any relationship of confidence created as a result of this application, the provisions of this Act apply to all of the information provided in this application;
- the application involves an activity/project that is a lawful activity that will be carried out lawfully;
- the applicant(s) is not in receivership or liquidation nor will the project be managed by an undischarged bankrupt or someone prohibited from managing a business;
- where external providers are being employed as part of the project/activity, the relevant providers will not be employees or directors of the applicant, and nor do they have any other direct or indirect interest in the applicant, whether financial or personal unless specifically stated in the application;
- I am authorised to make this application on behalf of the applicants identified in section 1;
- I understand that MBIE may withdraw its offer of funding should the proposed project fail to be completed within the agreed timeline (detailed in Section 3.2.4).

MBIE-MAKO-18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022

Signature of lead applicant This acknowledgment must be signed by a person with the legal authority to commit your organisation to a transaction (e.g. Chief Executive or Mayor)	
Name	Cameron McIntosh
Title	Chief Executive Officer
Organisation	Southland District Council
Signature	
Date	28 March 2022

Section 5: Attachments

[Attach here, as a PDF, any additional information you consider necessary to support your application. Note that there is a 20MB size limit]

Appendix A

MBIE-MAKO-18514486

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022



Ngai Tahu ki Murihiku Resource Management Consultants

28 March 2022

To whom it may concern, Tena koe

Re: Tautoko for Te Rohe Pōtae o Murihiku and the Whetu (Matariki/ Puanga) Wayfinder Project

Te Ao Marama Inc represents Ngai Tahu ki Murihiku tangata whenua for resource management and local government purposes. Te Ao Marama is made up of representatives of the four Murihiku Rūnanga Awarua, Hokonui, Ōraka-Aparima and Waihōpai, and works with the southern regional, district and city councils. The four Murihiku Rūnanga are part of the 18 Papatipu Rūnanga of Te Rūnanga o Ngai Tahu.

We are very pleased to be able to provide a letter of support for the Matariki Wayfinder and Supporting Infrastructure application to the Tourism Infrastructure Fund. We believe that the co-design approach that is outlined will give the Murihiku rūnanga time to work collaboratively with the Te Rohe Pōtae o Murihiku (Southland District Council) to produce an outcome that will contribute to ensuring our history is reflected in Southland's infrastructure and landscape. Te Rohe Pōtae o Murihiku are extremely interested in the Matariki kaupapa. We have supported them in their understanding of Matariki through presentations to staff and their councillors.

Celebrating Matariki as a national public holiday, the first to recognise Te Ao Māori, is a significant milestone. This project, particularly with it being a co-design partnership, reflects the importance of this achievement. Being able to work with the Te Rohe Pōtae o Murihiku to create and complete this project over the next 12 months will mean that we will end up with something meaningful rather than something rushed.

Awarua has been included as part of Feast Matariki and this project will tie nicely into that and potentially sit alongside the Rūnanga plans to develop an area on Motupōhue Bluff Hill to provide information to people.

Matariki Hunga Nui, Ahunga Nui, Manako nui.

Dean Whaanga
Kaupapa Taiao Manager

88 Gore St, Bluff, (03) 9311242, office@tami.maori.nz

MBIE-MAKO-18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022

Appendix B

MBIE-MAKO-18514486

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022



25th March 2022

Via Email c/o: simon.moran@southlanddc.govt.nz

TO WHOM IT MAY CONCERN

Re: Letter of Support

I am pleased to be able to provide this letter of support to present with the Southland District Council application for Tourism Infrastructure Funding. The board is fully supportive of efforts to grow opportunities for tourism within Fiordland and the broader Southland district, particularly when this involves increasing the opportunity for tourism in the quieter winter months.

The Matariki wayfinders project would link different locations through Southland and allow the opportunity to connect Southlanders to the history of Matariki that is not currently being told. These sites would have a multi-purpose use. Interpretation panels would tell the story of each star, as well as the story of the Matariki.

Within Fiordland we envisage that the pou and accompanying shelters housing the interpretation panels would provide stopping points and shelter on our network of cycle trails such as the Lake2Lake trail or Te Anau to Te Anau Downs trail and a place from which to view our expansive dark skies during the winter months.

Great South has already done significant work on Dark Skies and is moving forwards with making Fiordland a Dark Skies Sanctuary. The two projects are therefore well aligned with each other.

The Matariki Wayfinders project also links in with the Fiordland Community Board vision of encouraging visitors to stay longer in the area and would boost visitor nights by providing an additional reason to stay in the area.

In conclusion, this project can only be good for the Fiordland community, for Southland, and for visitors from around the globe. Environmental impacts would be minimal and the network of trails, which are still growing, would be further connected beyond Fiordland.

We hope that this project will be recognised for the benefits it brings to Fiordland and that appropriate funding assistance will be given.

Yours faithfully

Sarah Greaney
Chair
Te Anau Community Board

MBIE-MAKO-18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

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Appendix C

MBIE-MAKO-18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022



24 March 2022

Via Email c/o: simon.moran@southlanddc.govt.nz

To whom it may concern

Letter of support for Southland District Council application to the Tourism Infrastructure Fund for Matariki wayfinders and supporting infrastructure project

I would like to take this opportunity to formally support the Matariki wayfinders and supporting infrastructure project being undertaken by the Southland District Council.

The Waihopai Toetoe Community Board is comprised of 6 elected members as well as the local councillor. We are the formal voice for our community board area in Southland.

We see a number of benefits resulting from this project. Telling the story of Matariki through the placement of the nine pou whenua across the region is important and will be an interesting attraction for both locals and visitors.

We particularly support the inclusion of a toilet and shelter at Slope Point. Being the southern most point of the South Island, it is a popular tourist spot. The road has recently been sealed and the area is experiencing visitor growth, so the addition of a toilet would definitely benefit those stopping. We have been hearing feedback from visitors and locals for years that a toilet would be a necessary addition to Slope Point.

The Waihopai Toetoe Community Board fully support the Council's Matariki wayfinders and supporting infrastructure project, and ask that you consider their application favourably.

Yours faithfully

A handwritten signature in black ink, appearing to read "Pam Yorke".

Pam Yorke

Chair, Waihopai Toetoe Community Board

MBIE-MAKO-18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022

Appendix D

MBIE-MAKO-18514486

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022



Catlins Coast Incorporated
Chairperson Hilary McNab
18 Forrester Drive
Owaka 9586

25 March 2022

To Whom It May Concern

Catlins Coast Incorporated is an Incorporated Society and a register Charity. Our vision is:
The Catlins is one of New Zealand's most popular eco-tourism destinations with a thriving community, wildlife and environment that are respected and cared for by all.

To achieve our vision, our Strategy (originally prepared in 2010 with review of the 2016-2026 version currently being completed) outlines projects and actions which protect and preserve The Catlins Community, Wildlife and Environment. Our group focuses on actively maintaining relationships within the community – through both a variety of groups and individuals - along with our key partners: Te Ao Marama Inc, Awarua Runanga, Wai Kōau Ngai Tahu, Clutha District Council, Southland District Council, Department of Conservation, Environment Southland, Otago Regional Council, Clutha Development and Great South. We advocate and encourage cooperation and collaboration in the provision of necessary services and amenities, including Camping Rangers and consistent signage. At sites identified in our Strategy, we have been steadily working with locals and Runanga to collate the specific local history to ensure these key sites have Information Panels that provide details of the immediate area, it's history and flora and fauna.

We produce and distribute our Catlins Care Code, Tear off Map and Catlins brochure as well as maintain our website www.catlins.org.nz which are all geared to support local business operators and local events as well as provide information on the history and care of the flora and fauna of the Catlins.

Slope Point is the southernmost land of Te Wai Pounamu South Island. As a navigational way point, we understand it was significant to Māori on their traditional pathways gathering kai and is also notable as Captain Cook's turning point to head south in the Endeavour on his 1771 circumnavigation of Aotearoa – deeming, and mapping, Rakiura Stewart Island as a peninsula. Slope Point has the advantage of vast views across the sea to the horizon making it a great place for star gazing and viewing the aurora australis (southern lights) proven by the establishment by the DSIR of a Radar Research Station to study the phenomena in 1962 (closed in 1985). It is a site which we have been working alongside the locals and Runanga for some time and given the exposed nature of the site would like to be able to ensure the information panels are able to be read in relative shelter so agreeing an appropriate structure and securing funding are the next steps. The proposal to integrate the celebration of Matariki and the cultural history of the area at the site is one that is fully supported by our organisation.

As the southernmost point the popularity for visitors to make a trip to Slope Point on their journey is high with access being much easier with the sealing of the road by the Southland District Council in 2018 with addition of a suitably sized car park which eliminates the previous challenge turning camper vans and buses. Locals have been telling us and often reporting that they see plenty of evidence of the need for toilet facilities, this matter being highlighted by South Catlins Promotions in a letter to Southland District Council in 2019. We believe the addition of the Information Panel structure and the greater awareness of night sky viewing means it is very timely to put facilities in place which will improve the visitor experience and protect the environment.

Catlins Coast Inc. supports the Southland District Council's application to the Tourism Infrastructure Fund to secure funding support to ensure the facilities proposed for Slope Point are appropriate for this special area.

Yours faithfully

Hilary McNab

MBIE-MAKO-18514496

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022

Appendix E

MBIE-MAKO-18514486

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

TIF Application Form March 2022

GREAT SOUTH



22nd March 2022

To whom it may concern,

RE: Southland District Council – Matariki Infrastructure Application Tourism Infrastructure Fund

As Destination Development Manager for Great South, I am writing this letter in support of Southland District Council's (SDC's) application to the Tourism Infrastructure Fund for Matariki Infrastructure.

Great South is the regional development agency for Southland, responsible for the region's business, events, tourism and community development. Committed to driving economic, social and cultural growth, Great South has a clear mandate to leverage opportunities for Southland and encourage the region's overall wellbeing and success. The agency is supported by the Southland District, Invercargill City and Gore District Councils, and the region's two Regional Tourism Organisations (RTOs) operate out of Great South – Visit Fiordland and Visit Southland. These two RTOs promote and market Southland and Fiordland.

Tourism Benefit

Promoting and preserving dark skies in our region has been a focus of Great South for the last four years. The impetus for this came from the Stewart Island Rakiura community who identified the special nature of their night skies and wanted to see them protected from light pollution for years to come. They also saw significant value in being able to share this story with visitors, bringing them to the island during winter months, reducing the seasonality of their economy as a result. The protection of dark skies was also met with strong support from local iwi, namely Ngai Tahu ki Murihiku Runanga and Rakiura Maori Lands Trust, both recognising the cultural significance of the night sky. Great South, along with other key stakeholders, progressed this on behalf of the community, and Stewart Island Rakiura was recognised as an International Dark Sky Sanctuary in 2019. In the first winter period after accreditation visitor numbers to the island increased by 17%, a growth that had not been experienced in all the years since the Stewart Island Visitor Levy began (enabling visitor numbers to be accurately measured).

From a global perspective astro-tourism is seeing significant growth. Light pollution levels are growing internationally, and large numbers of the world's population can no longer see the stars. Astro-tourists are increasingly seeking out places where they can connect to the night sky and experience it first-hand. In 2019 dark skies was noted as one of the top travel trends by Airbnb, Lonely Planet and National Geographic. The international accreditation system run by the International Dark Sky Association is a means to connect with these visitors, as they know approved locations have an unpolluted night sky. Of 158 dark sky places worldwide, there are currently on 13 in the southern hemisphere, 4 of which are in New Zealand. With the southern hemisphere having a significantly different view than the north, this means New Zealand has a unique opportunity to attract astro-tourists to our country. All for an activity that is deeply imbedded in our cultural history and has a low environmental impact.

Southland Regional Development Agency

143 Spey Street, PO Box 1306, Invercargill, Southland, New Zealand
Phone +64 3 211 1400 Email info@greatsouth.nz

greatsouth.nz

Cultural Significance

Our Māori ancestors had an extensive knowledge of the night sky and the movements of constellations and stars. This knowledge has been passed down from generation to generation and is considered one of our special taonga (treasures). They referred to their astronomical knowledge as tātaiarorangi and it was important for many parts of daily life ranging from the spiritual to the growing of crops, fishing, and navigation, telling the time and changes in season. Of particular importance is Matariki, the star cluster which appears in the night sky during mid-winter. According to the Maramataka (Māori lunar calendar), the appearance of Matariki brings the year to a close and marks the beginning of the New Year. Matariki festivities highlight the tangata whenua view of the world and remind us of the cycle of life and natural ways of passing time. People come together to remember their ancestors, share kai (food), sing, tell stories and play music. It is a time of memory and contemplation. Viewing the stars and the Matariki star cluster is therefore of key cultural significance.

Matariki Infrastructure Project

Aotearoa's new public holiday celebrating Matariki will be our first to recognise Te Ao Māori. From a regional perspective it is very well aligned with the work that is being done to celebrate and protect our night sky, both for our local residents and for visitors to Southland. The proposed project will allow the cultural story of Matariki to be shared by attracting people to locations of significance around the Southland region, with those sites having been identified by local Rūnaka. It will support our wider dark skies story by elevating its cultural significance in an authentic way while also providing locations where Matariki gatherings and related events could be held, such as stargazing. It is envisioned that the infrastructure developed will also support tourism in our region by encouraging visitors to experience all 9 sites, encouraging length of stay and regional dispersal outside of our main centres. These sites would become a significant feature within the Southland portion of the 45 SOUTH NZ touring route, a project focussed on developing a network of touring routes within Otago and Southland that is currently being worked on by the 8 RTOs of the lower south.

Great South supports the application being made by Southland District Council, acknowledging that it will provide key infrastructure to support the celebration of Matariki in our region. It will work to further develop Southland's night sky interpretation and experiences available, in addition to the region already being home to the world's southernmost International Dark Sky Sanctuary of Rakiura. This project therefore has strong potential to attract visitors to Southland, while at the same time supporting iwi to share their cultural stories and creating sites of significance for our local communities.

Yours faithfully,



Amie Young

Destination Development Manager

Great South

Appendix F

Table 1: Southland Residential Household Rates Affordability Summary by Area Unit

Area Unit	Rates % Household Income	Median Household Income	Rates 2019 (SDC + ES)			Usually Resident Population (2013)	Number of Households (2013)	Number of Rating Units (selected)	Median Property Value (selected)		2018 NZ Deprivation Index ¹ (1 (best)-10 (worst))	Low Income Households (HH)		Rate Arrears		Rate Rebates		Accommodation Supplement	
			Median	Average	Total (\$m)				Capital Value	Land Value		% HH over AU share	% AU HH income under \$30k	% rating units over AU share	% AU rating units in arrears	% rating units over AU share	% AU rating units with rebate		% pop. over AU share
Waikato ^(U)	7.1%	\$71,364	\$7,275	\$9,480	\$2.3	942	354	243	\$3,52m	\$2,88m	6	10-20%		5-10%		<5%		<3%	
Ohaia ^(U)	8.31%	\$30,427	\$2,527	\$2,533	\$0.4	303	126	151	\$57k	\$15k	9	1-2%	30+	2-3%	15%+	3-6%	10-15%	2-3%	7%+
Karekū ^(U)	7.11%	\$88,072	\$6,262	\$8,364	\$1.4	567	204	166	\$2,92m	\$2,39m	5	<10%		<5%		<5%			
Riverton East ^(U)	7.01%	\$38,946	\$2,731	\$2,765	\$0.6	435	192	204	\$213k	\$57k	8	2-3%	30+	0-1%	5-10%	<3%	5-10%	2-3%	5-7%
Nightcaps ^(U)	6.81%	\$36,844	\$2,509	\$2,525	\$0.4	294	135	153	\$80k	\$22k	10	1-2%	30+	1-2%	10-15%	3-6%	10-15%	2-3%	7%+
Riverton West ^(U)	5.74%	\$51,559	\$2,959	\$3,015	\$2.5	999	459	823	\$360k	\$173k	6	2-3%	20-30%	1-2%	5-10%	3-6%	5-10%	2-3%	3-5%
Tuatapere ^(U)	5.65%	\$46,470	\$2,624	\$2,635	\$0.7	558	246	261	\$141k	\$32k	8	1-2%	20-30%	2-3%	15%+	6-10%	10-15%	2-3%	5-7%
Manapouri ^(U)	5.40%	\$55,264	\$3,010	\$3,206	\$0.8	228	105	244	\$315k	\$121k	4	<1%	20-30%		5-10%		<5%	<1%	3-5%
Wyndham ^(U)	5.35%	\$58,087	\$3,108	\$2,984	\$0.7	534	222	232	\$120k	\$17k	8	1-2%	20-30%	3%+	15%+	3-6%	5-10%	3-4%	7%+
Fairfax ^(U)	5.30%	\$84,863	\$4,499	\$7,340	\$3.7	1,908	693	510	\$1,97m	\$1,58m	5		10-20%		<5%		<5%		<3%
Otautau ^(U)	5.09%	\$52,887	\$2,694	\$2,707	\$0.9	669	291	320	\$185k	\$20k	8	1-2%	20-30%	2-3%	10-15%	3-6%	5-10%	5-6%	7%+
Lumsden ^(U)	5.06%	\$53,108	\$2,686	\$2,703	\$0.6	405	177	220	\$180k	\$29k	8	1-2%	20-30%	2-3%	10-15%	<3%	<5%	1-2%	5-7%
Te Anau ^(U)	4.96%	\$62,513	\$3,100	\$3,195	\$4.7	1,911	813	1,469	\$390k	\$155k	4	1-2%	10-20%		<5%		<5%		<3%
Winton ^(U)	4.66%	\$58,530	\$2,729	\$2,784	\$3.0	2,211	957	1,074	\$260k	\$99k	6	4%+	20-30%	5-10%	10%+	5-10%	6-7%	3-5%	
Balfour ^(U)	4.51%	\$55,985	\$2,526	\$2,453	\$0.2	126	54	64	\$158k	\$20k	2	<1%	20-30%		5-10%	<3%	<5%		
Nararua River ^(U)	4.08%	\$83,314	\$3,397	\$6,981	\$3.9	1,587	594	552	\$965k	\$390k	3	<10%		<5%		<5%		<3%	
Stewart Island ^(U)	3.95%	\$59,526	\$2,353	\$2,479	\$0.8	381	171	334	\$310k	\$126k	5	1-2%	20-30%		<5%		<5%		<3%
Milford ^(U)	3.91%	\$52,555	\$2,054	\$2,283	\$0.05	117	30	20	\$673k	\$570k	3				<5%				
Toetoe ^(U)	3.86%	\$71,033	\$2,742	\$4,551	\$2.8	1,647	582	624	\$945k	\$640k	5		10-20%		5-10%		<5%		<3%
Mossburn ^(U)	3.84%	\$58,973	\$2,262	\$2,755	\$0.3	210	87	97	\$165k	\$20k	5		10-20%	<1%	5-10%	<3%	<5%	<1%	<3%
Edendale ^(U)	3.63%	\$74,241	\$2,697	\$2,884	\$0.7	555	231	253	\$220k	\$67k	5	<1%	10-20%		5-10%	<3%	<5%	<1%	3-5%
Riversdale ^(U)	3.40%	\$63,819	\$2,165	\$2,175	\$0.4	372	159	185	\$200k	\$29k	5		10-20%	<1%	5-10%		<5%		<3%
Waituna ^(U)	3.29%	\$85,416	\$2,808	\$6,595	\$3.1	1,683	612	466	\$1,05m	\$785k	4	<10%		5-10%		<5%		<3%	
Waikaka ^(U)	3.15%	\$74,352	\$2,340	\$6,823	\$4.5	1,656	642	663	\$560k	\$220k	5		10-20%		5-10%		<5%		<3%
Te Waenae ^(U)	3.13%	\$65,168	\$2,043	\$4,396	\$2.7	1,380	534	604	\$465k	\$165k	6	1-2%	20-30%	<1%	5-10%		<5%		<3%
Hokonui ^(U)	2.98%	\$87,850	\$2,615	\$5,665	\$5.3	3,087	1,089	939	\$840k	\$275k	4	<10%		5-10%		<5%		<3%	
Wallacetown ^(U)	2.89%	\$78,999	\$2,281	\$2,353	\$0.6	663	243	263	\$255k	\$56k	4		10-20%	1-2%	10-15%	<3%	<5%		<3%
Dacre ^(U)	2.53%	\$93,161	\$2,356	\$5,309	\$2.7	1,617	579	504	\$933k	\$535k	4	<10%		5-10%		<5%		<3%	
Woodlands ^(U)	2.46%	\$71,918	\$1,769	\$2,789	\$0.3	264	111	111	\$340k	\$80k	4		10-20%		5-10%	<3%	<5%		<3%
Wainiwa ^(U)	2.29%	\$85,748	\$1,966	\$4,617	\$2.9	1,968	711	620	\$603k	\$228k	4	<10%		5-10%		<5%		<3%	
Nakarewa North ^(U)	1.74%	\$90,727	\$1,579	\$1,780	\$0.2	327	120	129	\$475k	\$170k	2		10-20%		<5%		<5%		
Southland	3.95%	\$70,590	\$2,789	\$4,317	\$54.0	29,613	11,523	12,498	\$365k	\$143k									

1 - These figures have been obtained by calculating the weighted average deprivation score for Statistical Area 1 areas contained within the specified area unit. Note - the 2018 figures are from the December 2019 Interim Research Report.

(U) denotes a mainly urban area; (R) denotes a mainly rural area; (M) denotes a mix of urban and rural areas