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

Date:	**Wednesday, 6 March 2024**
Time:	**9.30am**
Meeting room:	**Council Chamber**
Venue:	**Level 2** **20 Don Street** **Invercargill**

Council Agenda
OPEN

MEMBERSHIP

Mayor	Rob Scott
Deputy mayor	Christine Menzies
Councillors	Jaspreet Boparai
	Don Byars
	Derek Chamberlain
	Paul Duffy
	Darren Frazer
	Sarah Greaney
	Julie Keast
	Tom O'Brien
	Margie Ruddenklau
	Jon Spraggon
	Matt Wilson

IN ATTENDANC

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

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Website: www.southlanddc.govt.nz
Online: Southland District Council YouTube

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.

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Mā te kōrero	Through talking
Mā te ngakau	From the heart
Mā te wairua	From the spirit
Mā te manaaki mai	Through giving
Mā te manaaki atu	And receiving respect
Ka puawai te maramatanga	Understanding will bloom
Tihei mauri ora	This is the essence of life

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Karakia Whakamutunga

Kia hora te marino	May peace be widespread
Kia whakapapa pounamu te moana	May the sea be like greenstone
Hei huarahi mā tātou i te rangi nei	A pathway for us all this day
Aroha atu, aroha mai	Let us show respect for each other
Tātou i a tātou katoa	For one another
Hui e! Tāiki e!	Bind us all together!

Workshops to be livestreamed when the Council meeting has concluded (or at the time indicated):

1pm – Beyond 2025

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 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."

5 Confirmation of Council Minutes

Meeting minutes of Council, 24 January 2024 and Extraordinary Council, 14 February 2024

6 Public Participation

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

Council

OPEN MINUTES

Minutes of a meeting of Council held in the Council Chamber, Level 2, 20 Don Street, Invercargill on Wednesday, 24 January 2024 at 9.31am. (9.31am – 11.12am, 11.32am – 12.21pm (PE 11.51am – 12.21pm)).

PRESENT

Mayor	Rob Scott
Deputy mayor	Christine Menzies
Councillors	Jaspreet Boparai
	Don Byars (9.31am – 11.12am, 11.32am – 12.18pm)
	Derek Chamberlain
	Paul Duffy
	Darren Frazer
	Sarah Greaney (via video link)
	Julie Keast
	Tom O'Brien
	Margie Ruddenklau
	Jon Spraggon
	Matt Wilson

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

Mayor Scott opened the meeting with a karakia timatanga as follows:

Mā te whakarongo	Through listening
Mā te kōrero	Through talking
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Mā te manaaki atu	And receiving respect
Ka puawai te maramatanga	Understanding will bloom
Tihei mauri ora	This is the essence of life

1 Apologies

There were no apologies.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

Councillor Wilson declared a conflict of interest in relation to item C8.1 - Milford Community Trust - appointment of an interim chair. He advised that he would take part in discussion but not vote on the matter.

4 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

5 Confirmation of Council Minutes

Resolution

Moved Cr Keast, seconded Cr Frazer **and resolved:**

That the Council confirms the minutes of the meeting held on 13 December 2023 as a true and correct record of that meeting.

6 Public Participation

Doug Fraser addressed the meeting regarding item 7.2 - Proposed Regional Climate Change Strategy for Murihiku Southland.

Reports

7.1 Granting of consent for an easement over Te Anau gardens recreation reserve, Little Park Lane, Te Anau

Record No: R/24/1/303

Senior property advisor – Megan Cowley was in attendance for this item.

The purpose of the report was for Council to consent under delegated authority from the Minister of Conservation, to authorise Council as the administering body, to grant a 'Right to Convey Electricity' easement in gross to The Power Company Limited over part of Council owned Te Anau gardens - recreation reserve at Little Park Lane, Te Anau, legally described as Lot 5, DP 404512.

The Te Anau gardens reserve is a recreation reserve subject to the Reserves Act 1977. Section 48 of the act allows easements to be created by the administering body but only with the consent of the Minister of Conservation.

The July 2013 delegations issued by the Minister of Conservation grants Council the authority to make that decision on behalf of the Minister. However, the covering letter to this delegation states that the Minister's powers must be retained by Council and not be sub-delegated to staff.

Resolution

Moved Deputy mayor Menzies, seconded Cr Boparai **and resolved:**

That Council:

a) Receives the report titled "Granting of consent for an easement over Te Anau gardens recreation reserve, Little Park Lane, Te Anau".

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 consent pursuant to section 48(1) of the Reserves Act 1977 and acting under delegated authority from the Minister of Conservation to Council as the administering body, the granting of a Right to Convey Electricity easement in gross over Lot 5, deposited plan 404512, as shown as area A on LT 547000.

7.2 Proposed Regional Climate Change Strategy for Murihiku Southland

Record No: R/24/1/482

Climate change lead – Rochelle Francis and Team leader environmental policy – Francisco Barraza were in attendance for this item.

The purpose of the report was to provide information regarding the Proposed Regional Climate Change Strategy for Murihiku Southland that has been developed to enable a regional approach to respond to our changing climate. Council is asked to endorse the proposed strategy to enable public consultation to be undertaken by Environment Southland.

The proposed strategy has been developed by the Regional Climate Change Working Group over several months, and represents contributions from governance and staff members from Te Ao Mārama Inc and the four Southland councils.

During discussion, there was agreement to recommend a change to the name of the strategy and that the working group feedback be shared with a wider audience.

Resolution

Moved Deputy mayor Menzies, seconded Cr Spraggon **recommendations a to d and new e and f (as indicated) and resolved:**

That the Council:

a) receives the report titled "Proposed Regional Climate Change Strategy for Murihiku Southland".

b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.

c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

d) agrees to endorse the Proposed Regional Climate Change Strategy for Murihiku Southland for public consultation by Environment Southland.

New e) agree to recommend a request to the Regional Climate Change Working Group to change the name of the Proposed Regional Climate Change Strategy for Murihiku to Proposed Local Government Regional Climate Change guiding principles and aspirations for Murihiku.

New f) agree that the working group feedback be shared with a wider audience including a workshop with Southland District Council.

(The meeting adjourned for morning tea at 11.12am and reconvened at 11.32am.)

7.3 SIESA price adjustment 2024

Record No: R/23/12/60465

Commercial infrastructure manager – Stuart O'Neill was in attendance for this item.

The purpose of the report was to recommend to Council that the price of per kilowatt hour (Kwh) for SIESA increases, due to the increasing cost of diesel, to the value of $0.85 Kwh.

On 14 December 2023 the Stewart Island/Rakiura Community Board resolved to increase the price per kilowatt hour from $0.81 to $0.85. Once approved the price change will take effect on 1 March 2024 with consideration to customer notifications as per the Electricity Regulations 2010.

The March 2024 power invoices will contain the new charges which will be payable from the receipt of the April 2024 invoices going forward.

Resolution

Moved Cr Spraggon, seconded Deputy mayor Menzies **recommendations a to c and a new d (as indicated) and resolved:**

That Council:

a) Receives the report titled "SIESA price adjustment 2024".

b) Determines that this matter or decision be recognised 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.

New d) Agrees to change the Stewart Island Electricity Supply Authority (SIESA) schedule of fees and charges for 2023/2024 for the SIESA standard rate per unit to $0.85 with the increase to take effect from 1 March 2024 and electricity used in March 2024 will be invoiced in April 2024 at the new rate and then thereafter.

7.4 Proposed update to Delegations Manual

Record No: R/24/1/386

Democracy advisor – Michal Gray was in attendance for this item.

The purpose of the report was to present an amended version of the Delegations Manual to Council for adoption.

On 6 September 2023 Council adopted an updated manual that included changes to incorporate a realignment of roles within Council. Staff advised that they would bring the manual to Council to remove disestablished roles once the realignment process was complete.

The manual contained in attachment A of the officers report contained the following amendments:

- changes to ensure delegations align to Council's staffing structure following the re-alignment process
- alterations or further delegations made by the chief executive since the manual was adopted on 6 September 2023
- updating delegations to the District Licensing Committee and changes to delegations to staff under the Sale of Alcohol Act 2012 and the Sale and Supply of Alcohol (Fees) Regulations 2012
- updating delegations under the Food Act 2014
- additional delegations and changes to delegations under the Resource Management Act 1991
- minor typographical and grammatical changes.

Resolution

Moved Cr Keast, seconded Cr Frazer **and resolved:**

That the Council:

a) receives the report titled "Proposed update to Delegations Manual ".

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 and adopts the amended Delegations Manual (attached to the minutes as appendix A which incorporates the following changes:

i. changes to ensure delegations align to Council's staffing structure following the re-alignment process

ii. alterations or further delegations made by the chief executive since the manual was adopted on 6 September 2023

iii. updating the delegations to the District Licensing Committee and changes to delegations to staff under the Sale of Alcohol Act 2012 and the Sale and Supply of Alcohol (Fees) Regulations 2012

iv. updating the delegations under the Food Act 2014

v. **additional delegations and changes to delegations under the Resource Management Act 1991**

vi. **minor typographical and grammatical changes.**

Public Excluded

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

Resolution

Moved Cr Keast, seconded Cr Boparai **and resolved:**

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

C8.1 Milford Community Trust - appointment of an interim chair

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
Milford Community Trust - appointment of an interim chair	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 11.51am.

(Councillor Byars left the meeting at 12.18pm.)

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 12.21pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE COUNCIL HELD ON WEDNESDAY 24 JANUARY 2024.

DATE:.....

CHAIRPERSON:.....

APPENDIX A

To be inserted

Extraordinary Council

OPEN MINUTES

Minutes of a meeting of Extraordinary Council held in the Council Chamber, Level 2, 20 Don Street, Invercargill on Wednesday, 14 February 2024 at 9.18am. (9.18am – 9.25am)

PRESENT

Mayor	Rob Scott
Councillors	Jaspreet Boparai
	Don Byars
	Derek Chamberlain
	Paul Duffy
	Darren Frazer
	Sarah Greaney (via videolink (9.22am – 9.25am))
	Julie Keast
	Tom O'Brien
	Margie Ruddenklau
	Jon Spraggon
	Matt Wilson (via videolink)

APOLOGIES

Councillor Christine Menzies

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

Mayor Scott opened the meeting with a karakia timatanga as follows:

Whakataka te hau, ki te uru	Cease the winds from the west
Whakataka te hau, ki te tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the ocean
E hī ake ana, te atakura	Let the red-tipped dawn come with a
He tio, he huka, he hau hū	sharpened air.
Tīhei mauri ora!	A touch of frost, a promise of a glorious day.

1 Apologies

There were apologies for absence from Councillor Menzies.

Moved Cr Ruddenklau, seconded Cr Frazer and **resolved:**

That Council accept the apology.

2 Leave of absence

Councillor Ruddenklau requested a leave of absence from 14 March to 30 March 2024.

Moved Cr Boparai, seconded Cr Keast and **resolved:**

That Council agrees to the leave of absence request for Councillor Ruddenklau from 14 March to 30 March 2024.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

5 Public Participation

There was no public participation.

Reports

6.1 Approval of appointment of a Commissioner to the Environmental Protection Agency expert consenting panel for the Southland Windfarm consent application

Record No: R/24/2/5635

GM regulatory services – Adrian Humphries was in attendance for this item.

The purpose of the report was to approve the appointment of Rob van Voorthusyen as a Commissioner to the Environmental Protection Agency expert consenting panel for the Southland Windfarm consent application.

Under the COVID-19 Recovery (Fast-track Consenting) Act 2020, the commissioner panel must consult Councils on draft consent conditions and can choose to ask other questions of Council throughout the process.

As such, the Council, including planning and roading staff and advisers will have the opportunity, at the discretion of the expert panel, to input into the consent process.

(During discussion, Councillor Greaney joined the meeting via video link at 9.22am.)

Resolution

Moved Cr Duffy, seconded Cr Keast **and resolved:**

That the Council:

a) receives the report titled "Approval of appointment of a Commissioner to the Environmental Protection Agency expert consenting panel for the Southland Windfarm consent application".

b) determines that this matter or decision be recognised 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 appoint Rob van Voorthusyen as an appointee to the Fast Track Consenting Expert Panel for the Southland Wind Farm.

The meeting concluded at 9.25am.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE COUNCIL HELD ON WEDNESDAY 14 FEBRUARY 2024.

DATE:.....

CHAIRPERSON:.....

Review of rates remission decision - 10 Rata Street Stewart Island/Rakiura

Record no: R/24/2/7104
Author: Nicole Taylor, Finance development co-ordinator
Approved by: Anne Robson, Group manager finance and assurance

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 The purpose of this report is to consider a ratepayers request for Council to review the staff decision made under delegated authority not to reduce rates for 10 Rata Street, Stewart Island/Rakiura for the 2023/2024 financial year.

Executive summary

2 Council was contacted by the ratepayer of a vacant residential section at 10 Rata Street Stewart Island/Rakiura in October 2023 querying the increase in rates for the property between 2022/2023 ($348.68) and 2023/2024 ($1,743.95).

3 The ratepayer is of the opinion that the increase is drastically unfair and unjust and has requested that the rates be reduced. The emails in attachment A have been supplied by the ratepayer in support of this request.

4 Finance staff have identified that the main reason for the rate increase was actually due to a change in ownership in June 2023 which changed the property from paying partial rates as a contiguous property (a rating unit in common ownership), to paying full rates from 1 July 2023.

5 Staff have explained to the ratepayer that the change in ownership and removal of contiguous status was the reason for the increase in rates.

6 Despite this change and the correct process being followed to set rates, the ratepayer is of the view that the amount of the increase from 2022/2023 to 2023/2024 is unfair and they have urged Council to consider reducing the rates in 2023/2024.

7 Under legislation Council is only able to reduce or postpone the payment of rates where this is specifically provided for in any rate remission or postponement policy adopted by Council under sections 109-110 of the Local Government Act (LGA) 2002 or where Council has made an error.

8 Given that no error has been made, staff have reviewed the rate remission and postponement policy (attachment B) and determined that a remission in this circumstance is not in line with the policy and have advised the ratepayer that no remission will be given.

9 While the decision made by Council staff under this policy is final, as delegated by Council, the ratepayer has subsequently requested to speak to a higher authority about the matter. As such, staff have prepared this report to provide an opportunity for the ratepayer to express their views direct to Council whilst providing context about the legislative and policy considerations used by staff to inform their decision.

10 Council staff also offered extended payment arrangements to the ratepayer to provide a greater amount of time to pay the rates without penalty. However, the ratepayer did not express any interest in this option during discussions with staff.

Recommendation

That the Council:

a) receives the report titled "Review of rates remission decision - 10 Rata Street Stewart Island/Rakiura".

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) note the supporting information supplied by the ratepayer of 10 Rata Street, Stewart Island/Rakiura (attachment A of the report).

e) agree to confirm that no rate remission be applied to 10 Rata Street, Stewart Island/Rakiura for the 2023/2024 financial year.

Background

11 Council was contacted by the ratepayer of a vacant residential section at 10 Rata Street Stewart Island/Rakiura in October 2023 querying the increase in rates for the property between 2022/2023 ($348.68) and 2023/2024 ($1,743.95).

12 The ratepayer is of the opinion that the increase is drastically unfair and unjust and has requested that the rates be reduced. The emails in attachment A have been supplied by the ratepayer in support of this request.

13 Finance staff have identified that the main reason for the rate increase was actually due to a change in ownership in June 2023 which changed the property from paying partial rates as a contiguous property (a rating unit in common ownership), to paying full rates from 1 July 2023.

14 For the 2022/2023 financial year, 10 Rata Street was one of three neighbouring rating units in common ownership (9, 10, 11 Rata Street) and considered to be contiguous (owned by the same person, used jointly as a single unit and contiguous or separated only by a road) under section 20 of the Local Government Rating Act (LGRA).

10 Rata Street (also showing 9 & 11 Rata)

15 This meant that the three properties were treated as one unit for assessing rates with only capital value rates and half charge wastewater rates charged on 10 and 11 Rata Street and full rates (both capital value and fixed rates) charged on the primary unit at 9 Rata Street.

16 In June 2023, the property at 10 Rata Street was sold to a new owner which meant that it was no longer eligible to be treated as a rating unit in common ownership. As such full rates were applied to the property from 1 July 2023 as shown in the table below.

Rates for 10 Rata Street	Basis	2022/2023 (incl GST)	2023/2024 (incl GST)
Roading - Residential	Capital value (CV)	$26.80	$27.68
District - General Rate	Capital value (CV)	$31.72	$33.52
District Wastewater Rate - Half Charge	Fixed amount per unit	$290.16	$350.12
Uniform Annual General Charge (UAGC)	Fixed amount per rating unit	-	$780.82
Roading	Fixed amount per rating unit	-	$92.00
SIESA - Half Charge	Fixed amount per unit	-	$100.00
Stewart Island/Rakiura Community Board	Fixed amount per rating unit	-	$257.80
Stormwater - Full charge	Fixed amount per rating unit	-	$102.01
Total rates		**$348.68**	**$1,743.95**

17 Staff have explained to the ratepayer that the change in ownership and removal of contiguous status was the reason for the increase in rates. The contiguous status of rating units is highlighted in rating unit information supplied as part of a Land Information Memorandum (LIM). Had the ratepayer obtained a LIM prior to purchase, it would have shown an adjoining ratepayer owns the

property and the property was rated by $1,355.11 less than what would be charged if owned by a different ratepayer.

18 Despite this change and the correct process being followed to set rates, the ratepayer is of the view that the amount of the increase from 2022/2023 to 2023/2024 is unfair and they have urged Council to consider reducing the rates in 2023/2024.

19 The emails in attachment A have been provided by the ratepayer to provide support for the request to reduce rates. In summary the points raised by the ratepayer include:

- the increase from $348.68 to $1743.95 consists of 500% rates increase in one year
- the rates being demanded for a $50,000 capital value vacant section, with ZERO services based on previous year being $348.68 then increased to $1743.95 is drastically unfair and unjust
- that the increase for the property is above the average 13% ($400) published rate increase for Southland District for 2023/2024
- the rating valuation has remained unchanged (capital value $50,000)
- the section has no services - no water, no sewage, no stormwater retention, no power, a gravel/muddy road with no footpath or streetlighting
- the section has been in existence for many years and has had no alterations to it, no buildings or caravans so no contribution is required to support any new infrastructure
- no additional services have been added to the section since the prior year's rates
- charging $2,000 rates for a serviceless section with a value of $50,000 is desperately unfair particularly considering Westland district charges $2,000 for a property with a capital value of $370,000
- the ratepayer lives in Christchurch, has no vehicle on the Island and therefore and does not use Southland roads.

Issues

20 Under legislation Council is <u>only</u> able to reduce or postpone the payment of rates where this is specifically provided for in any rate remission or postponement policy adopted by Council under sections 109-110 of the Local Government Act (LGA) 2002 or where Council has made an error.

21 Given that no error has been made, staff have reviewed the rate remission and postponement policy to determine whether any remission or postponement would be applicable in this instance.

22 The objectives of the policy are:

- *to provide financial assistance and support to ratepayers where it is fair and reasonable to do so*
- *to address rating anomalies*
- *to provide Council with the ability to act reasonably in administering its rating powers and policies*
- *to support broader Council outcomes and specific objectives as detailed in this policy.*

23 Of the specific remission and postponement categories provided for in the policy, staff have considered whether the remission for extreme financial hardship (sections 1.8) or remission for exceptional circumstances (section 1.7) may apply in this case.

> *1.7 Remission of rates in exceptional circumstances*
>
> ***Objective***
>
> *To provide rates or penalty remission in other instances where Council considers relief by way of rates remission is justified in the circumstances.*
>
> ***Conditions and criteria***
>
> *The criteria for consideration for remission of rates (in full or part) in exceptional circumstances include, but are not limited to instances where:*
>
> - *there are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit rates are disproportionate to those assessed for comparable rating units*
> - *the rating unit has been completely destroyed by fire (with any remission to be applied from the first of the month following the fire).*
>
> *Each circumstance will be considered by Council on a case by case basis.*
>
> *1.8 Remission of rates for extreme financial hardship*
>
> ***Objective***
>
> *To assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.*
>
> ***Conditions and criteria***
>
> *Each application for remission due to extreme financial hardship will be considered on its own merits. Applications for the remission of rates (in full or part) may be made by a ratepayer, or their authorized representative, where the following can be demonstrated to Council's satisfaction:*
>
> - *that the rating unit to which the application relates is the primary private residence owned and occupied by the ratepayer. Companies, trusts and other similar ownership structures of these properties do not qualify for this remission*
> - *the property is used solely for residential purposes*
> - *the ratepayer does not own (or have an interest in) any other rating units, including investment properties (whether in the district or elsewhere)*
> - *the ratepayer has no assets except a low value property upon which rates are owed*
> - *the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is entitled to receive to assist with the payment of rates (including the government rates rebate scheme)*
> - *the ratepayer does not have the financial capacity to pay their rates or the rates would create extreme financial hardship for the ratepayer.*
>
> *Council may also consider whether postponement of rates is a more suitable option.*

24 Given that 10 Rata Street is not the ratepayer's primary residence and the ratepayer owns other property, there is no ability under the policy to reduce payment of rates due to extreme financial hardship (1.8).

25 Staff also consider that remission of rates in exceptional circumstances (1.7) does not apply given that the property is being rated in the same way to other separately owned non-contiguous vacant land on Stewart Island/Rakiura and across the district (all of which pay full rates). If a remission

was given, this property would then be rated disproportionately less than other similar separately owned vacant properties which staff consider to be against the policy intent.

26 As such staff consider that a remission in this circumstance is not in line with the policy (as outlined above) and have advised the ratepayer that no remission will be given.

27 While the policy makes it clear that all decisions made by Council and Council staff under this policy are final, the ratepayer has subsequently requested to speak to a higher authority about the matter. As such, staff have prepared this report to provide an opportunity for the ratepayer to express their views direct to Council whilst providing context about the legislative and policy considerations used by staff to inform their decision.

28 The discussion may also provide additional clarity around the interpretation of exceptional circumstances provided for in the policy or identify areas for further development for future reviews.

29 Given the impact of the change of ownership structure on the rates for the property, Council staff also offered extended payment arrangements to the ratepayer to provide a greater amount of time to pay the rates without penalty. However, the ratepayer did not express any interest in this option during discussions with staff.

Factors to consider

Legal and statutory requirements

30 The Local Government (Rating) Act (LGRA) 2002 identifies that Council is only able to reduce or postpone the payment of rates (section 85 and 87) where this is specifically provided for in any rate remission or postponement policy adopted by Council under sections 109-110 of the Local Government Act (LGA) 2002 and where the conditions and criteria of the policy are met. The only other instance where Council may reduce rates is where Council has made an error in the rates record (section 40-41 LGRA).

31 Paragraphs 22 to 23 above outline the relevant sections of the Council's remission policy (refer attachment B).

Community views

32 Council carried out consultation on the rate remission and postponement policy when it was last reviewed in 2021. One submission was received which opposed the policy on the basis that it is unfair to ask other ratepayers to make up for the loss in rates income resulting from the remission and postponement provisions.

33 The emails in attachment A have been provided by the ratepayer to provide support for the request to reduce rates. The main points are summarised in paragraph 19.

Costs and funding

34 Where a rate remission is applied to a property, it reduces the rates income collected by Council for the relevant financial year.

35 The report indicates that Council staff do not consider that a rate remission should be applied to 10 Rata Street for the 2023/2024 financial year. There are no financial impacts associated with this approach.

36 Alternatively, if elected members consider that relief by way of rates remission for exceptional circumstances is justified in this instance, a decision will also be needed on the amount of the remission to be provided in 2023/2024.

37 Given the recommendation not to apply remission, staff have not considered what amount of remission may be applicable. In email correspondence with the ratepayer on the matter in October 2023, the ratepayer suggested a transition payment period and proposed a 300% increase on 2022/2023 rates to be paid in the 2023/2024 financial year moving to full rates in 2024/2025.

38 A 300% increase on $348.68 (2022/2023) would equate to rates of $1,046.04 in 2023/2034. With full rates of $1,743.95 in 2023/2024, the effect of this proposal would be to provide a remission of $697.91 (40%) on 2023/2024 rates.

Policy implications

39 If elected members believe that remission is appropriate in 2023/2024 this decision may set a precedent for other properties which have had a significant percentage rate increase between years due to a change to ownership removing contiguous status.

40 For clarity, this would likely require an additional remission to be added to the remission policy given that Council is required to apply rates to the property using the information in Council's property rates record (rating information database) at 1 July. This means that the rates set for the coming financial year must incorporate any changes to the property up to 30 June including any change in ownership, values, buildings etc.

41 While this is an option for Council, staff consider that the onus is on the person purchasing a property to carry out due diligence. To help with this, Council LIM's identify where a property has lower rates because it is owned by an adjoining ratepayer and rates staff are also available to provide information to prospective purchasers.

42 To assist with this going forward additional information has been added to the Council's online rates search to highlight that where a property has lower rates (only capital value and service rates) it is likely to be owned by an adjoining ratepayer and pay partial rates and that any change in ownership would likely result in full rates being payable. Staff will also look at how these contiguous properties can be better identified in the rates search results in the future.

Analysis

Options considered

43 Option 1 - Confirm that no rate remission be applied to 10 Rata Street, Stewart Island/Rakiura for the 2023/2024 financial year

44 Option 2 - Agree to provide a partial rate remission of 40% equating to $697.91 for 10 Rata Street, Stewart Island/Rakiura for the 2023/2024 financial year with full rates to be applied from 1 July 2024

Analysis of Options

Option 1 – Confirm that no rate remission be applied to 10 Rata Street, Stewart Island/Rakiura for the 2023/2024 financial year

Advantages	*Disadvantages*
• ensures that the property is rated in line with how other non-contiguous vacant sections in the district are rated • consistent with the existing decision of Council staff and their interpretation of the policy • provides additional clarity about the elected members views about remission for exceptional circumstances in relation to removal of contiguous status	• not in line with the ratepayer request

Option 2 – Agree to provide a partial rate remission of 40% equating to $697.91 for 10 Rata Street, Stewart Island/Rakiura for the 2023/2024 financial year with full rates to be applied from 1 July 2024

Advantages	*Disadvantages*
• in line with the ratepayer's request and their suggestion of the amount for a staged increase in rates through to 2024/2025 • provides additional clarity about the elected members views about remission for exceptional circumstances in relation to removal of contiguous status	• may set a precedent for other similar properties that have had a change in contiguous status part-way through 2022/2023 with full rates payable in 2023/2024 • while the partial remission for 10 Rata Street will have minor impact on Council's rates income, the financial impact of providing a similar remission for other properties in the same situation is unknown

Assessment of significance

45 If elected members confirm that no remission is applicable this is not a significant issue. However, if elected members consider that a partial remission should be applied, staff may need to reassess the significance of the matter given the potential precedence.

Recommended option

46 Staff recommend Option 1 - confirm that no rate remission be applied to 10 Rata Street, Stewart Island/Rakiura for the 2023/2024 financial year

Next steps

47 Staff will advise the ratepayer of Council's decision.

48 Depending on the Council's decision, staff may also need to consider what changes to the policy may be required as part of future reviews to reflect any alternative collective interpretation of the policy criteria by elected members.

Attachments

A Supporting information from 10 Rata Street ratepayer (redacted)
B 2021 Rate Remission and Postponement Policy

From: [redacted]@gmail.com>
Sent: Wednesday, 8 November 2023 5:55 pm
To: Nicole Taylor
Subject: Re: [PATHWAY] Allocated: Request 165354 Priority 3: Rates/Water Enquiries (incl Abandoned Land).
Attachments: noname

This message is from an external sender

Hi Nicole,

Thank you for your reply ,

Here are some of the points I would like to be known , which I believe have not been taken into consideration when rating 10 Rata street, feel free to transfer any of these points to the report your presenting to council.

I have Atached both rates from 2022/2023 & 2023/2024

I have also attached a southland aerial photo to enable better understanding of my section location to the center of the town of Oban.

As I have said verbally and in the written email form, the rates being demend for a $50,000 GV valuation vacant section , with ZERO services based on previous year being $348.68 then increased to $1743.95 is drastically unfair and unjust.

The reason for any increases the best I can find out is a "new coding". Demend "fair" by the rates clerk Shelly and Nicole.

I think the following issues with my section where not taken into consideration when a new council matrix was imposed upon my vacate servicless section.

Points :

There has been Zero increase to the valuation of my section from one rates billing period to another

So the math is

2022/2023
$50,000 GV rates $348.68

2023/2024
$50,000 GV rates $1743.95

For an increase of 500 percent !!!!!!

Services

NO SERVICES HAVE BEEN ADDED TO THE SECTION IN THE RATABLE PERIOD.

So the section has

NO WATER
NO SEWAGE
NO SEALED ROAD
NO STORMWATER

1

NO FOOTPATH
NO STREET LIGHTING

The section has had no alterations to it , no buildings, no caravan nothing.

Please imaging if your rates increased by 500% and not one thing had changed.

Because there has been a name change the council demanding a 500% increase.

This is not a new section , it is nearly as old as the original Oban town plan when first surveyed.

So no contribution required to support any new infrastructure.

ZERO HAS CHANGED.

Rata street for it to run parallel to the main street in Oban (no more than 60 meters away) and it to be Unsealed and have No storm water retention or footpaths or guttering is a sad indictment on the road division within the council.

Rata street still remains the only road within 1km of the city center that is in its disgraceful gravel state. Please refer the attachment to see what residents have had to put up with for over 100 years.

Every other road on the island with the same vacinity to the city center as mine has been sealed ,so close to the center and not sealed is abhorrent.

As my section is in the low point of the road my section is a natural overland flow path so my section gets all the road runoff , this runoff appears on my section as a filth muddy mess - this all because Southland roading think this scenario 60 meters from the wonderful Stewart island information center , And the super helpful Doc center , and the local hub (the pub) which 99.9% of visitors to the island see and remember is perfectly acceptable.

Rata street is not and has not been fairly treated. And I as the owner has to deal with the road runoff mess because guttering , roading, footpaths street lights (all Part of the rating matrix) has not been provided discriminating against my section.

Shelly told me I needed to pay the increase because I used services like roading , I said seriously !

I in formed her that I live on Christchurch so i fly to invercargill airport - then I fly to the Island and I have NO vehicle on the island, so NO I do not use southland roads.

I don't use water - because there is none provided by the council on the island , so NO o do not use southland water.

The section is not connect to sewage , but I pay a fee , I contacted sewage department asked to find the connect on my section , I was told good luck we need a camera to put down the lines to find it , and main land sewage wont give it to us , (again refer to the map to see the Bush covering the section)

There is no power to the section - the list goes on and on , for rating purposes there are ZERO services to the section.

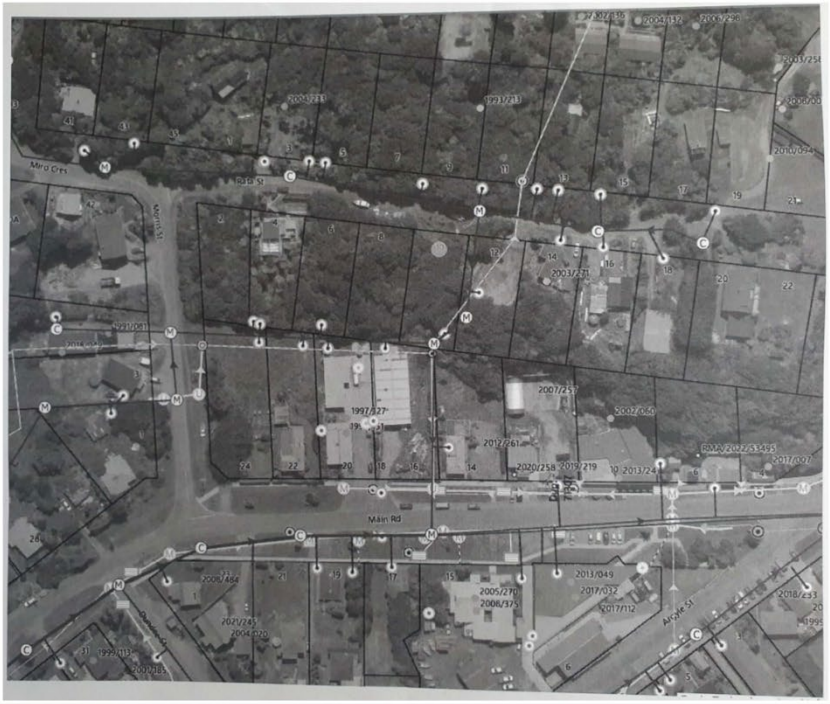
To be charged $1743 for zero council services , i believe mine section is a case which needs to be reviewed.

Eventually after phone calls and emails , I'm finally informed both Shelly and Nicole have no authority to change anything , staff simple say , " it all looks good to us "

Your urgent consideration of this issue is greatly appreciated.

Kind regards

2



3/23, 10:41 AM Southland District Council Rates Search

Go back | Print

10 Rata Street, Stewart Island / Rakiura

Valuation Number	3029005208
Legal Description	Lot 8 Blk III DP 1044
Title	SL-2A/145
Area	0.085 ha
Ward	Stewart Island Rakiura
Land Value	$50,000
Improved Value	$0
Capital Value	$50,000
Gross Rates	$348.68
Rebates	$0.00
Adjustments	$0.00
Net Rates	$348.68

Current Rate Types for the period of 1 July 2022 - 30 June 2023

Rate Description	Factor	Valuation/Unit	Rate	Charge	Amount
District General Rate	CV	50,000	0.00063433		$31.72
District Wastewater Rate-Half Charge	UTR per unit	1	290.16		$290.16
Roading: Residential	CV	50,000	0.00053603		$26.80

https://www.southlanddc.govt.nz/home-and-property/rates/rates-search/

$348.68

SOUTHLAND DISTRICT COUNCIL

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
rates@southlanddc.govt.nz
southlanddc.govt.nz

Tax Invoice/Credit Note/Debit Note

GST Reg No.	**51-850-238**
Total Annual Rates including GST	**$1,743.95**
Invoice date	**12-Oct-2023**

Valuation Number	3029005208
Billing Number	207670
Property Location	10 Rata Street, Stewart Island / Rakiura

Land Value	50,000
Improved Value	
Capital Value	50,000
Area (Hectares)	0.0850
Legal Description	
Lot 8 Blk III DP 1044	

For period	01-Jul-2023
to	30-Jun-2024
Instalment No.	2 of 4

STATEMENT OF ACCOUNT

Arrears at 01-Jul-2023	0.00
Instalments already invoiced	435.98
Penalties applied to date	0.00
Adjustments to date	0.00
Payments to 09-Oct-2023	-435.98
This Instalment (instalment 2 of 4)	**435.98**
AMOUNT DUE	**$435.98**
Last Day for Payment	**24-Nov-2023**
Total to clear Rates for Year (Incl GST)	$1,307.97

GST Included in Current Instalment @ 15% **$56.87**

7730063 00237 01 00271

SOUTHLAND DISTRICT COUNCIL

SOUTHLAND DISTRICT COUNCIL
PO BOX 903, INVERCARGILL 9840

To change your address please go to Council website:
www.southlanddc.govt.nz

Rates Remittance Notice
(see back of form for payment options)

Billing Number	**207670**
Instalment Number	**2 of 4**

DIRECT DEBIT CUSTOMER

INFORMATION PURPOSES ONLY

$26.80

[redacted]

From: [redacted]@gmail.com>
Sent: Monday, 20 November 2023 11:04 am
To: Nicole Taylor
Subject: Location on 10 rata street in relation to "planning for the future"
Attachments: 20231120_103424.jpg; 20231120_103049.jpg; 20231120_103234.jpg

This message is from an external sender

Good morning Nicole

After reading the council publication " Murihiku Southland Destination Strategy 2023 - 2029"

Please add my attachments to the report your presenting to council.

I've attached an attachment of my serviceless section at 10 Rata street , in relation to the " Planning for the future of golden bay" display - as im unsure if council are aware of the location of Rata st unsealed muddy gravel road location to central Planning.

Also an attachment from the same council publication on "enable visitors to travel...." basically on the important of roading networks and other infrastructure.

I haven't included the "De-carbonsing" goals of southland district as the diesel generators that feed the island - because it's an absolute abhorant un arguable situation , southland council shameful.

But am fully aware the council has again approved another insanely inane power report investigation of stewart island, the cost of over $275,000 to conclude the same results as the other 27 reports previously done. Abhorate waste of valuable stewart island infrastructure dollars , but I suppose some consultant is again laughing - we all understand that the first three letters in the name consultant is actually what's going on.....

Again

CV $50,000
Rates $2,000 for

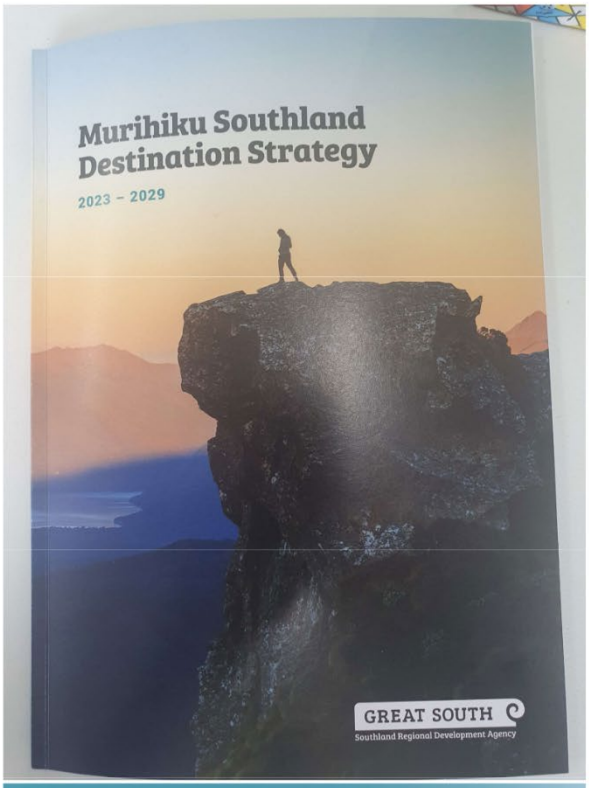
NO SERVICES
NO SEALED ROAD
NO WATER DISPERMENT
NO STREET LIGHT
NO FOOTPATH
NO GUTTERING
NO POWER
NO SEWAGE.

Zero Council services

Regards

[redacted]

1


Murihiku Southland
Destination Strategy
2023 – 2029
GREAT SOUTH
Southland Regional Development Agency

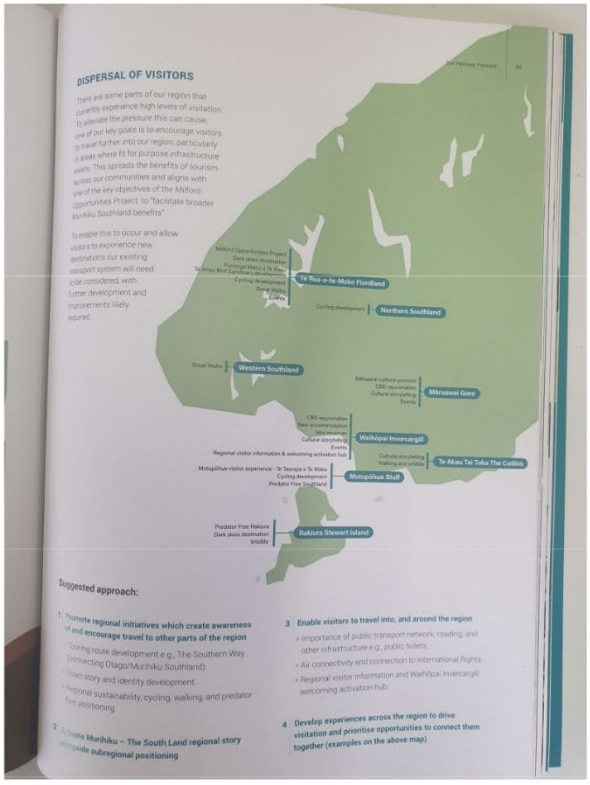
10MIN WALK FROM
GOLDEN BAY - 800M
OBAN
5MIN WALK FROM
GOLDEN BAY - 400M
FUSHA TRACK
RAROA RESERVE WALK
THULE BAY
GOLDEN BAY
GOLDEN BAY TRACK

efforts and feel there is potential for tourism businesses to connect visitors to existing volunteer groups working on these projects.

DECARBONISING THE REGION

The Beyond 2025 Southland Regional Long Term Plan identifies this as a key focus area to support and enable Murihiku Southland to achieve net zero emissions by 2050. The region is already on this journey having reduced our contribution to the country's emissions from 9.7% in 2018 to 9.2% in 2021. The Beyond 2025 Southland Regional Long Term Plan articulates the need for everyone to play their part to achieve further progress towards our goal.

Murihiku Southland's Regional Development Agency, Great South has a key focus on regional emissions reduction and undertakes annual monitoring. A low emission economy would provide Murihiku Southland with major opportunities to support economic and social prosperity while mitigating the risks posed by climate change. Over the last 15 years Great South



DISPERSAL OF VISITORS

There are some parts of our region that currently experience high levels of visitation. To alleviate the pressure this can cause, one of our key goals is to encourage visitors to travel further into our region, particularly in areas where fit for purpose infrastructure exists. This spreads the benefits of tourism across our communities and aligns with one of the key objectives of the Milford Opportunities Project, to "facilitate broader Murihiku Southland benefits".

To enable this to occur and allow visitors to experience new destinations our existing transport system will need to be considered, with further development and improvements likely required.

Suggested approach:

1. **Promote regional initiatives which create awareness of and encourage travel to other parts of the region**
   - Touring route development e.g., The Southern Way (connecting Otago/Murihiku Southland).
   - Town story and identity development.
   - Regional sustainability, cycling, walking, and predator free positioning.
2. **Activate Murihiku – The South Land regional story alongside subregional positioning**
3. **Enable visitors to travel into, and around the region**
   - Importance of public transport network, roading, and other infrastructure e.g., public toilets.
   - Air connectivity and connection to international flights.
   - Regional visitor information and Waihōpai Invercargill welcoming activation hub.
4. **Develop experiences across the region to drive visitation and prioritise opportunities to connect them together (examples on the above map)**

From: [redacted]@gmail.com>
Sent: Monday, 20 November 2023 9:01 pm
To: Nicole Taylor
Subject: Published rate increase
Attachments: Screenshot_20231108_191501_Chrome.jpg; Screenshot_20231108_191255_Chrome.jpg; Screenshot_20231108_191043_Chrome.jpg; Screenshot_20231108_191123_Chrome.jpg

This message is from an external sender

Good morning Nicole

Just wanted to add more documents to your report.

You can see the average rate increase 6.9% or even 13% for the 2023 / 2024

Or if you need to see it in dollar value , you can see the highest dollar value increase is $400.

I know you think a %500 rate increase is fair , I do not. No one in the district is facing the percentage increase or tge dollar value increase you have imposed upon me.

Remember

NO SERVICES
NO WATER
NO POWER
NO SEALED ROAD
NO SEWAGE
NO FOOTPATH
NO STREETIGHT
NO STORMWATER RETENTION

ZERO SERVICES AND A 500% RATE INCREASE.

regards
[redacted]

1

From: [redacted]@gmail.com>
Sent: Tuesday, 19 December 2023 6:03 am
To: Nicole Taylor
Subject: Equivalent rate charges
Attachments: Screenshot_20231219_055613_Gallery.jpg

This message is from an external sender

Nicole

You asked for a comparison in rate charges , here is a chart from Westland.

Compare the "land" value & the "capital" value.... then compare the rates.....

I hope you can see charging $2,000 rates for a serviceless section with a value of $50,000 is desperately unfair.

Please add this to your report.

This needs urgent action.

Regards
[redacted]

1

19:10 32%

southland times Log in

news

One account for 40+ currencies wise

Advertise with Stuff

Southland District Council propose rate rise up to 13%

Maddison Gourlay • 17:36, Feb 14 2023

JOHN HAWKINS/STUFF

The Southland District Council had proposed a rate rise form 6%

19:12 31%

Rates rises of 6% to 13% proposed in draft Annual Plan

Southland District Council is budgeting on residential rates rises ranging from 6% to 13% in its draft Annual Plan for 2023/2024.

The analysis is based on budget and rating information as at 4 February 2023 and may change before Council adopts the final 2023/2024 Annual Plan in June 2023.

Staff will present a report on the progress of the 2023/2024 Annual Plan process to the Finance and Assurance Committee on 15

19:15 31%

environment SOUTHLAND REGIONAL COUNCIL Te Taiao Tonga LOG IN DO IT ONLINE

Home

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News

Councillors set rates increase; approve fees & charges consultation

3 May 2023, 5:26 pm News

Today (3/5/2023), Councillors approved an average 6.9% rates increase for the 2023/2024 Annual Plan.

19:11 31%

Southland Dist... i.stuff.co.nz

engage with and seek feedback from the community about the reasons for the increases.

Staff will present a report on the progress of the 2023/2024 Annual Plan process to the Finance and Assurance Committee on Wednesday.

The proposed rates changes will affect townships throughout the district differently depending on a range of factors, including the services provided in respective areas.

By township the proposed average rate increase varies from $110, or 6%, in Orepuki, to $337 or 13%, in Riversdale.

The highest dollar increase is in Manapouri at $400, or 11%.

19:47 70%

WESTLAND DISTRICT COUNCIL

History

Year	Land Value	Capital Value	Annual Rates
2021/2022	$300,000	$370,000	$2,071.84
2020/2021	$300,000	$370,000	$1,893.31
2019/2020	$300,000	$370,000	$1,893.31
2018/2019	$300,000	$370,000	$1,714.38
2017/2018	$330,000	$400,000	$1,798.70
2016/2017	$330,000	$400,000	$1,682.40
2015/2016	$330,000	$400,000	$1,604.80
2014/2015	$330,000	$400,000	$1,130.00
2013/2014	$330,000	$400,000	$1,021.60
2012/2013	$330,000	$400,000	$840.10

SOUTHLAND DISTRICT COUNCIL

Remission and Postponement of Rates Policy

Group Responsible: **Chief Financial Officer**

Date adopted: **29 June 2021**

Implementation date: **1 July 2021**

File No: **R/20/8/32479**

Purpose

The objectives of the policy are:

- to provide financial assistance and support to ratepayers where it is fair and reasonable to do so
- to address rating anomalies
- to provide Council with the ability to act reasonably in administering its rating powers and policies
- to support broader Council outcomes and specific objectives as detailed in this policy.

Southland District Council sets rates under s.23 of the Local Government (Rating) Act 2002. Rates are used by Council to fund costs once all other funding sources are taken into account.

Section 102 of the Local Government Act 2002 provides that a council may have a rates remission and postponement policy (the policy). This policy provides full details of each remission and postponement as well as the objectives and criteria for each.

This policy has been developed in accordance with s.85 and s.87 of the Local Government (Rating) Act 2002 (LGRA), and ss.102(2), s.109 and s.110 of the Local Government Act 2002 (LGA).

In addition to the provisions in this policy, the LGRA also identifies land that is non-rateable land under s.8 and schedule 1 (refer to Appendix A).

Definitions and abbreviations

TERM	MEANING
Service Rates	includes rates for water and wastewater rates and associated loan charges as well as for rubbish and recycling bins.
Sports Associations	includes societies, clubs or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
Significant Extraordinary Circumstances	as defined by Council resolution. Significant extraordinary circumstances may be natural or economic in nature (e.g. including, but not limited to, flood, earthquake, pandemic).
Financial Hardship	where a person, after seeking recourse from government benefits or applicable relief packages, is unlikely to have sufficient funds after the payment of rates to

Southland District Council
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PO Box 903
15 Forth Street
Invercargill 9840
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sdc@southlanddc.govt.nz
southlanddc.govt.nz

SOUTHLAND DISTRICT COUNCIL

TERM	MEANING
	reasonably meet the cost of goods, services and financial obligations (such as normal living expenses, health care, care of dependents) that are considered essential to the functioning of that entity according to New Zealand standards; in the case of a ratepayer who is not a natural person, it is the inability, after seeking recourse from government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered essential to the functioning of that entity according to New Zealand standards.
Separately Used or Inhabited Part (SUIP)	As defined in Council's most recent Annual or Long Term Plan funding impact statement. As at February 2021, SUIP includes *any portion of a rating unit inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement. For the purposes of this definition, vacant land which is not used or inhabited is not a SUIP.*

Policy details

1. Remissions

1.1. Remission of rate penalties

Objective

To enable Council to act fairly and reasonably in its consideration of rates which have not been received by Council by the penalty date. Council recognises that applying penalties may exacerbate financial hardship and that in some instances there may be a fair and reasonable explanation for delays in payment.

Conditions and criteria

This policy provides for a discretionary right to remit penalties on rates in circumstances which Council considers it fair and reasonable to do so. Remission will only be granted once in a rating year. Payment must be made within the agreed timeframe of the due date, otherwise penalties may be re-applied. Penalty remission (in full or part) will be considered for:

a. **late payment** provided that none of the previous four instalments were received late.

b. **significant family disruption** where payment has been late in the case of death, illness or accident of a family member.

c. **payment misallocation** where late payment has resulted from payments being allocated to the incorrect account due to ratepayer error (such as internet banking/account errors).

d. **payment arrangement for arrears** where the ratepayer has entered into an arrangement with Council to collect arrears and where these arrangements are fully met.

e. **temporary penalty hold** where the ratepayer or their authorised representative has contacted Council prior to a penalty date to advise that they will not have funds available to pay until after the due date and payment is subsequently made.

f. **direct debit authority** to pay rates is commenced in time for the next instalment.

SOUTHLAND DISTRICT COUNCIL

g. **non-receipt of mail** where a ratepayer claims an invoice was not received and an agreement is made to receive future rates notices by email.

h. where Council has identified that either **extreme financial hardship, exceptional circumstances** or **significant extraordinary circumstances** have occurred that warrants further leniency in relation to the enforcement of penalties that would otherwise have been payable. The criteria to be applied for significant extraordinary circumstances will be set out in a Council resolution that will be linked to the specific circumstances that have been identified by Council.

Supporting documentation required for application
Information required will depend on the circumstances and will be advised by Council staff.

1.2. Remission of small balances

Objective

To remit small balances which are uneconomical to collect.

Conditions and criteria

Council may write off the balance and penalties as it considers appropriate.

1.3. Remission of rates for community, sporting and other non-profit organisations

Objective

To assist community service, sporting and other non-profit organisations in recognition of the 'public good' contribution they make to the social and cultural wellbeing of the district where granting a rate remission will:

- assist in the organisation's survival
- make the organisation's services and/or membership more accessible to the general public.

Conditions and criteria

The conditions and criteria for the two types of rating unit categories are detailed below.

1.3.1. Community facilities owned by persons, general clubs, societies or associations

Rating unit(s) owned by a ratepayer and used for the purpose of a public hall, library, museum, art gallery, community service, healthcare or other similar institution which provide a benefit to the community as a whole may apply for a full remission of rates (with the exception of service rates) on that rating unit as follows:

- community facilities do not operate for private pecuniary profit
- community facilities do not receive any operational funding from government agencies or have any contracts for fee for service with government agencies. Community facilities which are rated for by Council are not considered to receive government funding under this policy
- community facilities operate on a voluntary basis and have no full-time or part-time paid employees or contractors operating in this capacity.

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1.3.2. Small community and sports associations with club liquor licences

Rating unit(s) owned by small community or sports associations that hold a liquor licence which provide a benefit to the community may apply for partial remission of rates (with the exception of services rates) as follows:

- community and sports associations with a membership of up to 75 full time member equivalents shall be entitled to a 25% remission
- community and sports associations with a membership of not less than 75 and no greater than 100 full time member equivalents shall be entitled to a 12.5% remission
- this policy applies to land owned by Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes other than galloping races, harness races and greyhound races
- this policy does not apply to organisations operated for private pecuniary profit
- the sporting club or organisation must hold the liquor licence as an incidental activity to the primary purpose of occupancy.

In all cases, land that is used for the private pecuniary profit of any members of the society or association shall not be eligible for a rates remission.

Supporting documentation required for application	
• statement of objectives • constitution or trust deed (where applicable) • details of membership or clients (where applicable) • financial accounts	• information on activities and programmes • information on funding sources • other information as may be requested

1.4. Remission of rates for school wastewater charges

Objective

To provide relief and assistance to educational establishments that are subject to multiple pan charges for wastewater services as defined in the since repealed Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001.

Conditions and criteria

This part of the policy will apply only to educational establishments as defined in the repealed Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001. The Policy does not apply to any school house, or any part of a school used for residential purposes.

The calculated number of pans of any educational establishment in any one year subject to the relevant wastewater targeted rate will be the lesser of:

- the **actual** number of toilet pans in the establishment; or
- the **notional** number of toilet pans in the establishment. The notional number is calculated as one pan per 20 pupils/staff. A part thereof a notional pan will attract no charge.

Once the number of pans has been established as per the above methodology, the charging regime to apply to these educational establishments will be the same as for commercial ratepayers with multiple pans. That

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is a fixed amount per Separately Used or Inhabited Part (SUIP) of the education establishment will apply for the first two pans, with the third or more pans attracting a charge for each pan at 50% of the corresponding fixed amount.

Supporting documentation required for application
Details of the number of pans or notional number of pans in the establishment.

1.5. Remission of roading rates on other utilities with no primary address

Objective

To provide relief for rating units classified as 'Other Utilities' from roading rates because their capital values may not correlate with the demands they place on the roading network. These rating units include infrastructure assets such as District water, wastewater and stormwater supply as well as utility and railway networks. Because of their nature, these rating units do not have a primary address or have high capital values or no recorded land value.

Further, these rating units supply services and infrastructure which benefit the community and district as a whole.

Council has taken the view that applying additional charges to these rating units is likely to result in costs being passed on to consumers.

Conditions and criteria

To be considered for remission of the roading rate, rating units must:

- be classified by Council's valuation provider as 'Other Utilities'; and
- have no primary address.

Supporting documentation required for application
Confirmation from the rating information database that the property is classified "other utilities".

1.6. Remission of rubbish or recycling bin collection rates for cancellation/reduction of service

Objective

Where a ratepayer has been charged a rate for additional bin services and decides to cancel or reduce this service, they may be eligible for a remission for the part of the year where the service is cancelled or reduced.

Conditions and criteria

To be eligible for this form of remission a ratepayer must inform Council of the cancellation or reduction in bin service. Council's contractor must confirm that the bin has been returned or is no longer available for the ratepayer to use before the remission will be applied.

Any remission will apply from the first day of the month after Council's contractor has provided confirmation and apply until 30 June the following year. Remissions will be automatically offset against the ratepayers account.

Supporting documentation required for application
Information required will depend on the circumstances and will be advised by Council staff.

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1.7. Remission of rates in exceptional circumstances

Objective

To provide rates or penalty remission in other instances where Council considers relief by way of rates remission is justified in the circumstances.

Conditions and criteria

The criteria for consideration for remission of rates (in full or part) in exceptional circumstances include, but are not limited to instances where:

- there are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit rates are disproportionate to those assessed for comparable rating units
- the rating unit has been completely destroyed by fire (with any remission to be applied from the first of the month following the fire).

Each circumstance will be considered by Council on a case by case basis.

Supporting documentation required for application
Information showing evidence of the exceptional circumstances (such as insurance records, photographs).

1.8. Remission of rates for extreme financial hardship

Objective

To assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

Conditions and criteria

Each application for remission due to extreme financial hardship will be considered on its own merits. Applications for the remission of rates (in full or part) may be made by a ratepayer, or their authorised representative, where the following can be demonstrated to Council's satisfaction:

- that the rating unit to which the application relates is the primary private residence owned and occupied by the ratepayer. Companies, trusts and other similar ownership structures of these properties do not qualify for this remission
- the property is used solely for residential purposes
- the ratepayer does not own (or have an interest in) any other rating units, including investment properties (whether in the district or elsewhere)
- the ratepayer has no assets except a low value property upon which rates are owed
- the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is entitled to receive to assist with the payment of rates (including the government rates rebate scheme)
- the ratepayer does not have the financial capacity to pay their rates or the rates would create extreme financial hardship for the ratepayer.

Council may also consider whether postponement of rates is a more suitable option.

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Supporting documentation required for application
Information showing the ratepayer's financial records and commitments along with a statutory declaration from the ratepayer of their financial position (total household income and total financial position). Council may also seek independent verification from a budget advisor or other agency working with the ratepayer in considering the ratepayers position.

1.9. Remission of rates for significant extraordinary circumstances identified by Council

Objective

To assist ratepayers in response to **significant extraordinary circumstances** impacting the District's ratepayers where considered appropriate to do so.

Conditions and criteria

For this policy to apply, Council must first have identified that there have been significant extraordinary circumstances affecting the ratepayers of Southland, that Council wishes to respond to. Once significant extraordinary circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available.

For a rating unit to receive a remission under this policy it needs to be an **"affected rating unit"** based on an assessment performed by officers, following guidance provided through a resolution of Council.

Council resolution will include:

a. confirmation that the resolution applies under the rates remission policy; and

b. identification of the significant extraordinary circumstances triggering the policy; and

c. how the significant extraordinary circumstances are expected to impact the community (e.g. financial hardship); and

d. the type and/or location of rating units affected by the special extraordinary circumstances for which the remission will apply to; and

e. whether individual applications are required or a broad based remission will be applied to all affected rating units or large groups of affected rating units; and

f. what rates instalment/s the remission will apply to; and

g. whether the remission amount is either a fixed amount, percentage, and/or maximum amount to be remitted for each qualifying rating unit

h. the timeframe for remission in relation to the significant extraordinary circumstances

Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

Explanatory Note

The specific response and criteria will be set out by Council resolution linking the response to specific significant extraordinary circumstances.

The criteria may apply a remission broadly to all rating units or to specific groups or to rating units that meet specific criteria such as proven financial hardship, a percentage of income lost or some other criteria as determined by Council and incorporated in a Council resolution.

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Council will indicate a budget to cover the value of remissions to be granted under this policy in any specific financial year.

The types of remission that may be applied under this policy include:

- *the remission of a fixed amount per rating unit either across the board or targeted to specific groups such as:*
  - *a fixed amount per residential rating unit*
  - *a fixed amount per commercial rating unit*

Council may require applicants to meet specific criteria and provide evidence of such with the application.

Council will consider who is able to make applications (e.g. owner/ratepayer/authorised agents or, in the case of a company, the directors or where the ratepayer is not the owner of the rating unit, whether the owner must also provide written approval of the application).

Supporting documentation required for application
Information required will depend on the criteria set out by Council resolution linking the response to specific **significant extraordinary circumstances.** This could include demonstrating that the ratepayer has taken all necessary steps to claim any central government benefits or allowances they are entitled to receive that would assist them to meet their financial commitments.

1.10. Grants in lieu of remissions of rates

Objective

Where the application for remission does not meet other criteria listed above for remissions, but there is a community benefit gained from providing a remission, Council or the respective community board or committee of Council, may pay the rates on behalf of the ratepayer.

Conditions and criteria

Where such an application is made to Council or the respective community board or committee of Council, the appropriate body of elected representatives may resolve to pay the rates on behalf of the applicant or pay a grant to the applicant for the amount of the rates.

Such applications will be considered on a case by case basis. Applicants must demonstrate that rates cannot fairly and reasonably be expected to be funded from other sources and that providing a grant to fund rates will result in public benefit.

Any payments made as grants in lieu of remissions of rates shall be recorded as an expense against Council or the respective community board or committee of Council.

Supporting documentation required for application
Information explaining the reasons a grant is required and any supporting documentation appropriate (such as financial accounts, funding sources, commitments, objectives, details of the public benefit which would be gained from providing a grant in lieu of remitting rates).

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2. Postponement

2.1. Postponement of rates for extreme financial hardship

Objective

To assist ratepayers experiencing extreme financial hardship which temporarily affects their ability to pay rates.

Conditions and criteria

Each application for postponement due to extreme financial hardship will be considered on its own merits. Applications for postponement of rates (in full or part) may be made by a ratepayer, or their authorised representative, where the following can be demonstrated to Council's satisfaction:

- that the rating unit to which the application relates is the primary private residence owned and occupied by the ratepayer. Companies, trusts and other similar ownership structures of these properties do not qualify for this postponement
- the property is used solely for residential purposes
- the ratepayer has not less than 25% equity in the property
- the ratepayer does not own (or have an interest in) any other rating units, including investment properties (whether in the district or elsewhere) or have a significant interest in a business or shares
- the ratepayer has no assets except a low value property upon which rates are owed
- the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is entitled to receive to assist with the payment of rates (including the government rates rebate scheme)
- the ratepayer does not have the financial capacity to pay their rates instalment or the instalment would create extreme financial hardship for the ratepayer

Council may charge an annual postponement fee on postponed rates[1] to cover, but not exceed, Council's administrative and financial costs (including interest). Postponement fees must be treated as part of the rates on a rating unit and will be set annually as part of the rates resolution.

All postponed rates shall be registered as a charge on the land under the subpart 5 of the Land Transfer Act 2017. No dealing with the land may be registered by the ratepayer while the charge is registered, except with the consent of Council.

Rates may be postponed until the earliest of the following:

- the death of the ratepayer; or
- the ratepayer ceases to own the rating unit; or
- a date specified by Council; or
- the postponed rates equate to 80% of the available equity in the property;
- a date when the ratepayer ceases to use the property as his/her permanent place of residence; or to use the property solely for residential purposes.

[1] for the period between the due date and the date they are paid

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Rates postponement agreements shall not exceed six years, but the ratepayer may apply for a continuation of the postponement at the termination of the agreement.

When an application for postponement is approved, the following provisions will apply:

- postponement will first apply in the year a completed application is received.
- the amount of rates postponed will not incur additional charges
- instead of Council requiring payment of the full annual rates bill in the year in which it falls due, the ratepayer will be required to pay to Council an appropriate minimum amount determined by staff in line with Council's Delegations Manual.
- any rates postponed shall be registered as a charge on the land.

Not less than once annually every ratepayer whose rates have been postponed under this policy, will be provided with a statement showing the total annual rates currently due. This will be itemised to show year by year the total amount of the postponed rates and postponement fees.

Following the end of the financial year, a schedule of rates postponed will also be provided to Council (annually), listing all the properties for which rates postponements have been granted and which remain outstanding.

When rates are no longer eligible to be postponed on the property, all postponed rates will be payable immediately.

The postponed rates (and/or any additional charges) or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would otherwise be entitled to have postponed under this policy.

Supporting documentation required for application
Information showing the ratepayer's financial records and commitments along with a statutory declaration from the ratepayer of their financial position (total household income and total financial position) and detailing the value of the ratepayer's property insurance and the value of encumbrances against the property including mortgages and loans. Council may also seek independent verification from a budget advisor or other agency working with the ratepayer in considering the ratepayers position. The applicants will also be encouraged to seek independent advice.

2.2. Postponement for Significant Extraordinary Circumstances

Objective

To provide a rates postponement to ratepayers experiencing financial hardship directly resulting from Significant Extraordinary Circumstances that temporarily affects their ability to pay rates.

Conditions and Criteria

For this policy to apply, Council must first have identified that there have been significant extraordinary circumstances affecting the ratepayers of Southland, that Council wishes to respond to. Once significant extraordinary circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available.

For rates to be postponed, a ratepayer needs to be associated to an "affected rating unit" based on an assessment performed by officers, following guidance provided through a resolution of Council.

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Council resolution will include:

a. confirmation that the resolution applies under the Rates Postponement Policy; and

b. identification of the significant extraordinary circumstances triggering the policy; and

c. how the significant extraordinary circumstances are expected to impact the community (e.g. financial hardship); and

d. the type and/or location of rating units affected by the special extraordinary circumstances; and

e. the timeframe for postponement in relation to the significant extraordinary circumstances.

Postponements approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

Council may charge a fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs. The fees will be set as part of Council resolution identifying significant extraordinary circumstances.

Postponed rates will remain postponed until the earlier of:

- The ratepayer/s ceases to be the owner or occupier of the rating unit; or
- A date specified by Council in a Council resolution identifying significant extraordinary circumstances.

Explanatory Note

The ratepayer must demonstrate, to Council's satisfaction that paying the rates would result in financial hardship.

Council may require applicants to meet specific criteria and provide evidence of such with the application.

Council will consider applications where the same ratepayer is liable for rates for multiple rating units. In such instances, Council will look at the collective impact to the ratepayer.

The ratepayer must be the current ratepayer/owner for the rating unit at the time significant extraordinary circumstances are identified by Council. Only the person/s entered as the ratepayer (in the case of a close company every director must sign the application form), or their authorised agent, may make an application for rates postponement for significant extraordinary circumstances that resulted in financial hardship.

Where Council decides to postpone rates, the ratepayer must make acceptable arrangements for payment of rates, for example by setting up a system for regular payments. Such arrangements will be based on the circumstances of each case.

Supporting documentation required for application
Information required will depend on the criteria set out by Council resolution linking the response to specific significant extraordinary circumstances. This could include demonstrating that the ratepayer has taken all necessary steps to claim any central government benefits or allowances they are entitled to receive that would assist them to meet their financial commitments.

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Making an application

Applications for rates remission or postponement will generally be provided in writing, unless otherwise stated.

Applications for remissions or grants in lieu of rates must be made prior to the commencement of the rating year (ideally on or before 31 March prior to the commencement of the rating year unless otherwise stated). Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated. Applications for postponement of rates due to financial hardship can be made at any time.

In subsequent years, Council will need to confirm eligibility and recipients will need to inform Council of any change in circumstances that impacts their eligibility for remission.

Remission or postponement ceases where a property is sold or ownership transferred, or where there is a change in operations or landuse (for specific remissions/postponements).

Eligibility will generally be reviewed every three years as part of the review of the policy unless stated otherwise.

All decisions made under this policy by Council, Council staff and committees of Council are final. Specific delegations to staff roles are found in Council's Delegations Manual.

Each provision above outlines the documentation that should be provided in support of any application, noting that Council may also request additional information.

Roles and responsibilities

Council's Delegations Manual (R/19/11/25582) details the specific responsibilities of Council and staff to make decisions in relation to rate remissions and postponement.

Council staff have delegated authority to make decisions on specific remissions/postponements excluding:

- **Significant extraordinary circumstances** - which can only be made by Council
- **Grants in lieu of rate remissions** - which can only be made by Council or the appropriate committee of Council or community board.

Staff from Council's water and waste teams are responsible for providing information regarding remissions for rating units that have the capacity to be connected to water and wastewater systems, but do not have a physical connection and when remissions for waste and recycling bins are required.

Associated documents

- Remission and Postponement of Rates on Māori Freehold Land Policy
- Local Government (Rating) Act 2002
- Local Government Act 2002

Appendix A – Extract of Local Government Rating Act Schedule 1 Part 1 and 2 (as at February 2021)

Schedule 1
Categories of non-rateable land

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Part 1
Land fully non-rateable

1 Land forming part of—

(a) a National Park under the National Parks Act 1980:

(b) a reserve under the Reserves Act 1977:

(c) a conservation area under the Conservation Act 1987:

(d) a wildlife management reserve, wildlife refuge, or wildlife sanctuary under the Wildlife Act 1953.

2 Land vested in the Crown and forming part of—

(a) a flood ponding area:

(b) *[Repealed]*

(c) *[Repealed]*

(d) the bed of any navigable lake or navigable river.

Schedule 1 Part 1 clause 2(b): repealed, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).

Schedule 1 Part 1 clause 2(c): repealed, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).

3 Land that is—

(a) owned by a society or association of persons (whether incorporated or not); and

(b) used for conservation or preservation purposes; and

(c) not used for private pecuniary profit; and

(d) able to be accessed by the general public.

4 Land used by a local authority—

(a) for a public garden, reserve, or children's playground:

(b) for games and sports (except galloping races, harness races, or greyhound races):

(c) for a public hall, library, athenaeum, museum, art gallery, or other similar institution:

(d) for public baths, swimming baths, bathhouses, or sanitary conveniences:

(e) for soil conservation and rivers control purposes, being land for which no revenue is received.

5 Land owned or used by, and for the purposes of,—

(a) Heritage New Zealand Pouhere Taonga:

(b) the Queen Elizabeth the Second National Trust:

(c) the Museum of New Zealand Te Papa Tongarewa Board:

(d) the charitable trust known as Children's Health Camps—The New Zealand Foundation for Child and Family Health and Development:

(e) the Royal New Zealand Foundation of the Blind, except as an endowment.

Schedule 1 Part 1 clause 5(a): replaced, on 20 May 2014, by section 107 of the Heritage New Zealand Pouhere Taonga Act 2014 (2014 No 26).

Schedule 1 Part 1 clause 5(e): amended, on 30 April 2003, by section 28(1) of the Royal New Zealand Foundation of the Blind Act 2002 (2002 No 3 (P)).

6 Land owned or used by, and for the purposes of, any of the following as defined in section 10(1) of the Education and Training Act 2020:

(a) a State school:

(b) a State integrated school:

(c) a specialist school:

(d) a special institution:

(e) an early childhood education and care centre, except an early childhood education and care centre that operates for profit:

(f) a private school, except a registered school that operates for profit:

(g) an institution.

Schedule 1 Part 1 clause 6: replaced, on 1 August 2020, by section 668 of the Education and Training Act 2020 (2020 No 38).

7 Land owned or used by, and for the purposes of, an institution for the instruction and training of students in theology and associated subjects, being land that does not exceed 1.5 hectares for any one institution.

8 Land owned or used by a district health board and used to provide health or related services (including living accommodation for hospital purposes and child welfare homes).

9 Land used solely or principally—

(a) as a place of religious worship:

(b) for a Sunday or Sabbath school or other form of religious education and not used for private pecuniary profit.

10 Land that does not exceed 2 hectares and that is used as—

(a) a cemetery, crematorium, or burial ground, within the meaning of section 2(1) of the Burial and Cremation Act 1964 (except a burial ground or crematorium that is owned and conducted for private pecuniary profit):

(b) a Māori burial ground.

11 Māori customary land.

12 Land that is set apart under section 338 of Te Ture Whenua Maori Act 1993 or any corresponding former provision of that Act and—

(a) that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares; or

(b) that is a Māori reservation under section 340 of that Act.

13 Māori freehold land that does not exceed 2 hectares and on which a Māori meeting house is erected.

14 Māori freehold land that is, for the time being, non-rateable by virtue of an Order in Council made under section 116 of this Act, to the extent specified in the order.

15 Machinery, whether fixed to the soil or not, but excluding, in the case of a hydro-electric power station, everything other than the turbines, generator, and associated equipment through which the electricity produced by the generator passes.

16 Land that is specifically exempt from rates under the provisions of any other enactment, to the extent specified in the enactment.

17 Land vested in the Crown or a local authority that is formed and used for a road, limited access road, access way, or service lane.

18 Land vested in and occupied by the Crown, or by any airport authority, that is—

(a) within the operational area of an aerodrome; and

(b) used solely or principally—

(i) for the landing, departure, or movement of aircraft; or

(ii) for the loading of goods and passengers on to or from aircraft.

19 Land occupied by the New Zealand Railways Corporation, or by a railway operator, that is—

(a) part of the permanent way of the railway, being land on which is sited any railway line together with contiguous areas of land that are occupied incidentally and not otherwise used; or

(b) used, solely or principally, for the loading or unloading of goods or passengers on to or from trains situated on the railway line.

20 Land used as a wharf.

21 Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need, being land that does not exceed 1.5 hectares for any one institution.

22 Land on which any vice-regal residence or Parliament building is situated.

23 The common marine and coastal area, including any customary marine title area, within the meaning of the Marine and Coastal Area (Takutai Moana) Act 2011.

Schedule 1 Part 1 clause 23: added, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).

24 The bed of Te Whaanga Lagoon in the Chatham Islands.

Schedule 1 Part 1 clause 24: added, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).

25 Structures that are—

(a) fixed to, or under, or over any part of the common marine and coastal area; and

(b) owned, or deemed to be owned, by the Crown under section 18 or 19 of the Marine and Coastal Area (Takutai Moana) Act 2011; or

(c) owned by the Crown, Te Urewera Board, or the trustees of Tūhoe Te Uru Taumatua under the Te Urewera Act 2014, but subject to note 2.

Schedule 1 Part 1 clause 25: added, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).

Schedule 1 Part 1 clause 25(b): amended, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).

Schedule 1 Part 1 clause 25(c): inserted, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).

Notes:

1 For the purposes of this Part, unless the context otherwise requires,—

aerodrome has the same meaning as in section 2 of the Civil Aviation Act 1990

airport authority has the same meaning as in section 2 of the Airport Authorities Act 1966

persons in need means persons in New Zealand who need care, support, or assistance because they are orphaned, aged, infirm, disabled, sick, or needy

railway line has the same meaning as in section 4(1) of the Railways Act 2005

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railway operator has the same meaning as in section 2(1) of the New Zealand Railways Corporation Restructuring Act 1990

wharf—

(a) means any quay, pier, jetty, or other land or premises in, on, or from which passengers or goods are taken on board or landed from vessels; but

(b) does not include land that is used primarily or exclusively for private recreational or personal transport purposes.

2 For the purposes of clauses 1 and 2, **land** does not include land that is used primarily or exclusively for private or commercial purposes under a lease, licence, or other agreement.

3 For the purposes of clauses 3, 9, and 10, land must not be treated as being used for private pecuniary profit solely because charges are made for the admission to, or use of, that land if the net proceeds of the charges are applied,—

(a) in the case of a local authority, as part of the local authority's revenues:

(b) solely for the purposes of the society, organisation, association, or administering body of a reserve that makes those charges, and no part of the charges is distributed as profit to any individual.

4 For the purposes of clause 6, land must be treated as being used for the purposes of a school, institution, or centre described in that clause if—

(a) it is used solely or predominantly as residential accommodation for any principal, teacher, or caretaker; and

(b) it is let at a discounted or subsidised rent.

5 For the purposes of clauses 18 to 20, **land** does not include land that is used—

(a) for administrative purposes; or

(b) for the purposes of parking, the storage of freight or machinery, maintenance, cleaning, freight consolidation, passenger waiting areas, and the buying and selling of tickets.

6 For the purposes of clause 21, an institution must be treated as being carried on for the free maintenance and relief of the persons to whom that clause applies if—

(a) those persons are admitted to the institution regardless of their ability to pay for the maintenance or relief; and

(b) no charge is made to those persons or any other persons if payment of the charge would cause those persons to suffer hardship.

Schedule 1 Part 1 note 1 **railway line**: substituted, on 20 July 2005, by section 103(3) of the Railways Act 2005 (2005 No 37).

Part 2
Land 50% non-rateable

1 Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.

2 Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.

3 Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

Notes:

For the purposes of this Part, unless the context otherwise requires,—

land does not include land used for the private pecuniary profit of any members of the society or association

land, in clause 2, excludes land in respect of which a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.

Schedule 1 Part 2 Notes **land**: amended, on 18 December 2013, by section 417(1) of the Sale and Supply of Alcohol Act 2012 (2012 No 120).

Compare: 1988 No 97 Schedule 1, Schedule 2

Mayor's report

Record no: R/24/2/6667
Author: Fiona Dunlop, Committee advisor
Approved by: Michael Aitken, GM strategy & partnerships (interim)

☐ Decision ☐ Recommendation ☒ Information

Purpose of report

1 The purpose of the report is for Mayor Scott to report on meetings/events that he has attended during December 2023, January and February 2024 and for councillors to also provide updates.

Mayor's update

Events or meetings with other organisations/stakeholders

2 Mayor Scott has attended the following events/meetings during December 2023, January and February 2024.

- 30 November 2023 - Ribbon cutting for St John in Te Anau for the Fiordland Area Committee – Te Anau
- 6 December 2023 - Community board chairs night - Winton
- 7 December 2023 - Staff forum - Wallacetown
- 8 December 2023 - Penny Simmonds meetings and Christmas party
- 12 December 2023 - Te Ropu Taiao hui - Invercargill
- 12 December 2023 - Ardlussa – river management meeting
- 14 December 2023 - Met with Otautau dairy farmers
- 15 December 2023 - Southland Civil Defence Emergency Management Group meeting
- 17 January 2024 - Met with Tom Campbell at Invercargill City Council
- 19 January 2024 - Community Service Award for Bev Evans in Nightcaps
- 23 January 2024 - Community Service Award for Jim Guyton in Mossburn
- 1 February 2024 - Met with Tony Philpott - Chair of Wallace Takitimu community board in Nightcaps
- 1 February 2024 - Community Service Award for Peter Gutsell in Otautau
- 2 February 2024 - South Sea Spray – Winton
- 5 February 2024 - Te Pātaka Taoka Southern Regional Collections Facility opening (Invercargill Museum storage – Tisbury)
- 5 February 2024 - Murihiku Regeneration dinner - Invercargill
- 6 February 2024 - Waitangi Day – Te Rau Aroha Marae – Bluff
- 7 February 2024 - Otago/Southland Te Ropu Taiao - Invercargill
- 8 February 2024 - Bluecliffs emergency declaration
- 9 February 2024 - Citizenship ceremony - Winton
- 9 February 2024 - Speaking to head students from Southland rural schools - Winton
- 9 February 2024 - Visit Bluecliffs residents – Bluecliffs
- 19 February 2024 - Mayors Taskforce for Jobs launch – Riverton
- 20 February 2024 - Community board chairs night - Winton
- 21 February 2024 - Mayors Taskforce for Jobs launch – Te Anau and Winton

- 23 February 2024 – Met with François Moiroud, Mayor of Yenne. Yenne is located in the Savoie department of the Auvergne-Rhône-Alpes region in south-eastern France
- 25 February 2024 – Bluecliffs site visit
- 26 February 2024 Opening of the Tunatuna the Murihiku pop up pump track.

Joint committee/committee/subcommittee meetings

3 Mayor Scott has also attended the following formal governance meetings:

- 1 December 2023 - Southland Mayoral Forum – Invercargill
- 11 December 2023 – Wastenet joint advisory group meeting - Invercargill
- 15 December 2023 - Great South Joint Shareholders meeting
- 7 February 2024 - Joint Southland/Otago Mayoral Forum – Invercargill
- 19 February 2024 - Wastenet joint advisory group meeting - Gore
- 23 February 2024 - Great South Joint Shareholders meeting
- 29 February 2024 - Te Anau Airport Manapouri review and redevelopment group

Councillor updates

Joint committee/committee/subcommittee meetings

4 Councillors may have attended the following formal governance meetings and may wish to provide an update:

- Connected Murihiku Joint Committee (Councillors Sarah Greaney and Darren Frazer)
- Southland Regional Heritage Joint Committee (Deputy Mayor Christine Menzies and Councillor Paul Duffy)
- Southland Regional Land Transport Joint Committee (Deputy Mayor Christine Menzies)

Council organisations

5 Councillors may have attended the following meetings with Council organisations and may wish to provide an update:

- Around the Mountains Cycle Trail Trust (Deputy Mayor Christine Menzies)
- Citizens Advice Bureau (Councillor Julie Keast)
- Creative Communities (Councillor Margie Ruddenklau)
- Gore and Districts Community Counselling Centre Inc. (Councillor Julie Keast)
- Pioneer Women's Memorial Trust (Gore) (Councillor Julie Keast)
- Southland Indoor Leisure Centre Charitable Trust (Councillor Darren Frazer)
- Southland Medical Foundation (Mayor Scott)
- Southland Regional Heritage Building and Preservation Trust (Councillor Paul Duffy and Councillor Margie Ruddenklau as alternate)
- Te Roopu Taiao (Mayor Scott, and both Deputy Mayor Christine Menzies and Councillor Paul Duffy as alternates)

- Tuatapere Amenities Trust (Councillor Jaspreet Boparai)
- Waiau Working Party (Councillor Derek Chamberlain)
- Whakamana te Waituna Trust (Councillor Julie Keast)

Community Boards

6 The following community board chairs will be attending the meeting and will provide an update. Councillors appointed to the board may wish to provide an update:

- Ardlussa
- Fiordland
- Wallace Takitimu

Recommendation

That the Council:

a) receives the report titled "Mayor's report".

Attachments

There are no attachments for this report.

Mayors Taskforce For Jobs - update from Great South

Record no: R/24/2/8091
Author: Fiona Dunlop, Committee advisor
Approved by: Michael Aitken, GM strategy & partnerships (interim)

☐ Decision ☐ Recommendation ☒ Information

Purpose of report

1 Southland Youth Futures team manager – Renata Gill and Mayors Taskforce for Jobs co-ordinator Elizabeth Wyatt will be present to update Council on the Taskforce.

2 The Mayors Taskforce for Jobs is working with communities to get young people in rural areas into sustainable employment and provide funding and support to both employers and young people in rural areas, helping to reduce barriers to employment.

3 Great South is delivering the initiative on behalf of the Southland District Council, with funding from Ministry of Social Development.

4 The programme is for youth aged 16 to 24 and living within the Southland District rating area who would like assistance to find employment, employers who would like help and help filling a vacancy.

5 The programme includes for employees:

- customised support plans - the unique needs and circumstances of each young person are taken into consideration, and individualised support plans are created. This support may include:
  - driver licensing
  - training
  - counselling
  - tools for the trade.
- career counselling - guidance is provided on career choices, helping people identify their skills, interests, and potential career paths.
- CV building - assistance is given to create effective CVs that highlight relevant skills, experience, and achievements.
- job search assistance - support is offered to navigate job search platforms, identifying job opportunities, and applying for positions that align with the individual's goals.
- interview preparation - mock interviews are conducted to help individuals practice and improve their interview skills, providing feedback and tips for success.
- skill development - training programmes or workshops to enhance essential workplace skills are offered, such as key employability skills, first aid training, driver training, traffic management training, basic farm skills training, and essential skills for workplaces.
- job placement services - Mayors Taskforce for Jobs staff act as an intermediary between employers and job seekers, matching candidates with suitable employment opportunities.
- financial literacy education - guidance on budgeting, financial planning, and understanding employment-related financial matters is offered, to empower individuals in managing their finances.

- resource accessibility - access to necessary resources, such as computers, internet, and job-search tools.
- job retention support - ongoing support to help individuals navigate the workplace and retain their new employment.
- mental health support - mental health support is provided either in person or online.

6 Included for employers:

- job seekers - we will match job seekers to jobs and employers.
- grants and subsidies - assistance will be given to investigate grants and subsidies that might be available to support you and your new employee/s.
- training and ongoing support - new employees will be given training that supports them in your workplace. In addition, employees and employers will get three months or longer of pastoral support.
- equipment - workwear and equipment will be provided for new staff.
- subsidies - wage subsidies are available for a new employee of 30+ hours not already employed full time.

Recommendation

That the Council:

a) Thanks Southland Youth Futures team manager – Renata Gill and Mayors Taskforce for Jobs co-ordinator Elizabeth Wyatt for their update to Council.

Attachments

There are no attachments for this report.

Financial Report for the period ended 31 January 2024

Record No: R/24/1/3198
Author: Joanie Nel, Senior accountant
Approved by: Anne Robson, Group manager finance and assurance

☐ Decision ☐ Recommendation ☒ Information

Purpose

1 To provide Council with an overview of the financial results for the seven months to 31 January 2024 by Council's seven activity groups, as well as the financial position and the statement of cashflows as at 31 January 2024.

Recommendation

That Council:

a) Receives the report titled "Financial Report for the period ended 31 January 2024" dated 1 March 2024.

Attachments

A Financial Report January 2024

SOUTHLAND
DISTRICT COUNCIL

Financial report

January 2024

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

0800 732 732
sdc@southlanddc.govt.nz
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Introduction

This report summarises Council's financial results for the seven month period to 31 January 2024.

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 (Annual Plan) with adjustments for phasing of budgets, carry forwards and approved unbudgeted expenditure reports
- year to date (YTD) budget, which is based on the full year Annual Plan budget with adjustments for phasing of budgets
- full year (FY) budget, which is the Annual Plan budget figures
- full year (FY) projection, which is the Annual Plan budget figures plus carry forwards and approved unbudgeted expenditure reports.

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

Carry forwards were approved by Council in September 2023 and have been included in the projection column.

Phasing of budgets is undertaken to reduce the number of variance explanations due to timing. Phasing occurred in October and when one-off actual costs were incurred.

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.

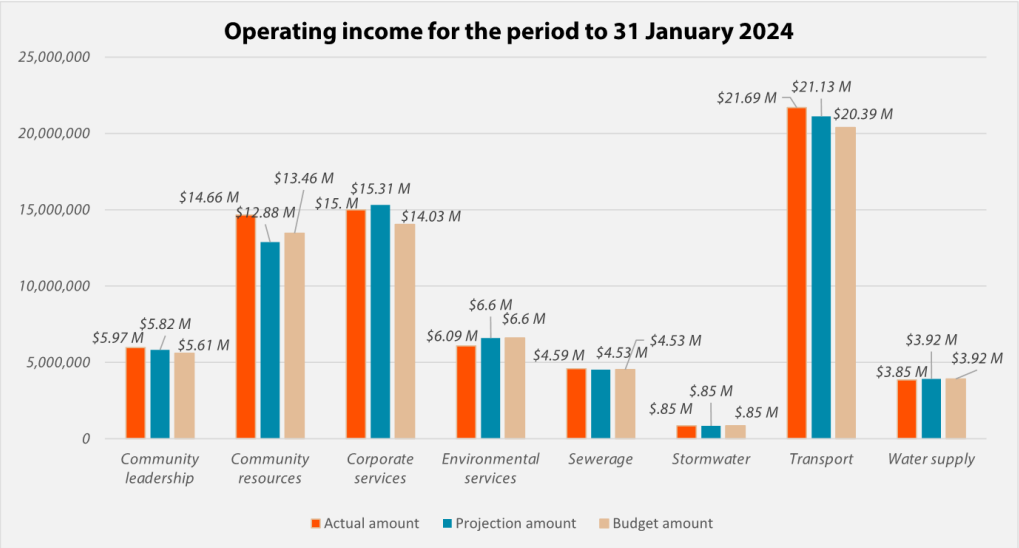
Abbreviation explanation

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
TIF	Tourism Infrastructure Fund
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
$M	Millions of dollars
WWTP	Waste water treatment plant

Council summary

Income

Operating income for the seven month period to 31 January 2024 is $1.6 million (2%) above projection ($72.7 million actual vs $71.1 million projection). The key reasons for the variances are detailed below.



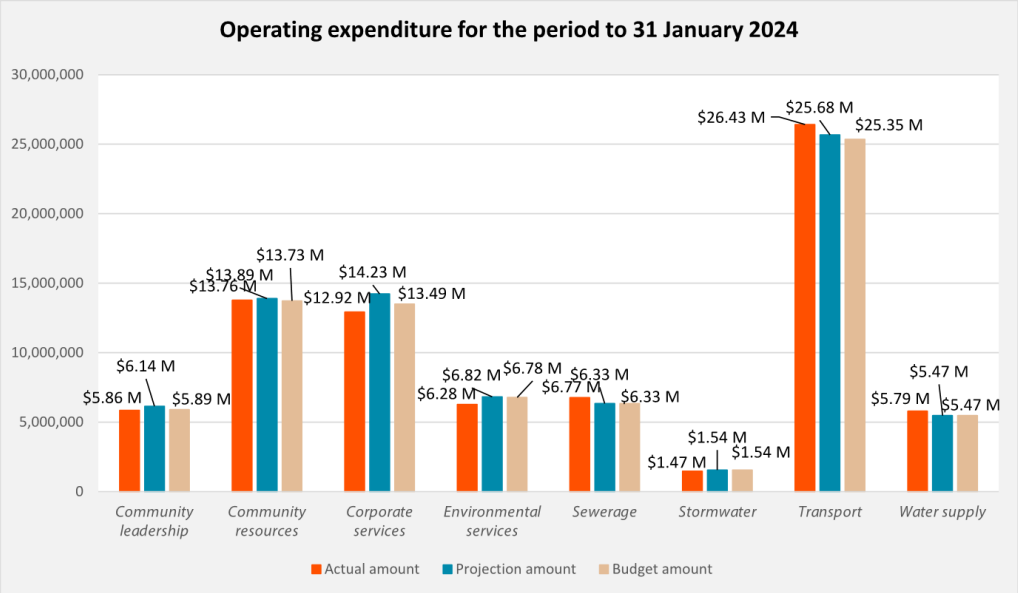
- **community leadership** is income $149K (3%) over projection due to the $5 increase in the Stewart Island Visitor Levy (increased at 1 October 2023) and grant funding received for the Mayoral Taskforce
- **community resources** income is $1.7M (14%) over projection. $1.5M of this is related to the sale of Luxmore land in Te Anau. In addition, waste services income is $290K over projection mainly due to the increase in waste levy funding received from the Ministry for the Environment as well as higher refuse fee income due to higher waste volumes at transfer stations (particularly Te Anau)
- **corporate services** income is $314K (2%) less than projection. Because the income for these overhead-type business units is generated via cost recovery against other Council activities, the lower income is largely as a result of lower actual expenditure than projected (detailed in section two). The majority of the variance is due to lower recoveries across a range of functions caused by lower staff costs, either due to vacancies or the timing of work being completed, as well as lower expenditure on associated operating costs like publications, advertising, surveys, equipment and training costs
- **environmental services** income is $515K (8%) less than projection. Building solutions income is less than projected due to a 21% drop in new building consent applications over the prior year. In addition, the lower income has also resulted from more code of compliance certificates being signed off for historical building work. Because the fees for these certificates were prepaid at the time of the original consent and treated as income at the time, the financial statements do not show this income. This has been changed for new consents where code of compliance certificate costs are invoiced and recognised as income at the time the work is undertaken. Staff anticipate more building work and a lift in consent income for the remainder of the year with greater certainty around building following the change in government. Overall, building solutions is projecting a higher shortfall at year end than budgeted which will need to be funded by the district operations reserve. Resource consent income is

below projection due to fewer consent applications being processed compared to last year and work is being done to ensure invoicing is up to date.

- **transport** income is $563K (3%) more than projection largely as a result of roading work being completed earlier than expected as well as additional income received from Waka Kotahi in relation to the September flooding event
- **water supply** income is $72K (2%) less than projection due to lower water usage to date, principally in the Te-Anau rural water area as well as a rates adjustment following the divestment of the Matuku scheme. It is assumed the lower water consumption is due to a wetter summer.

Expenditure

Operating expenditure for the seven month period to 31 January 2024 is $819 thousand (1%) below projection for the period to date ($79 million actual vs $80 million projection). The key reasons for the variances are discussed below.



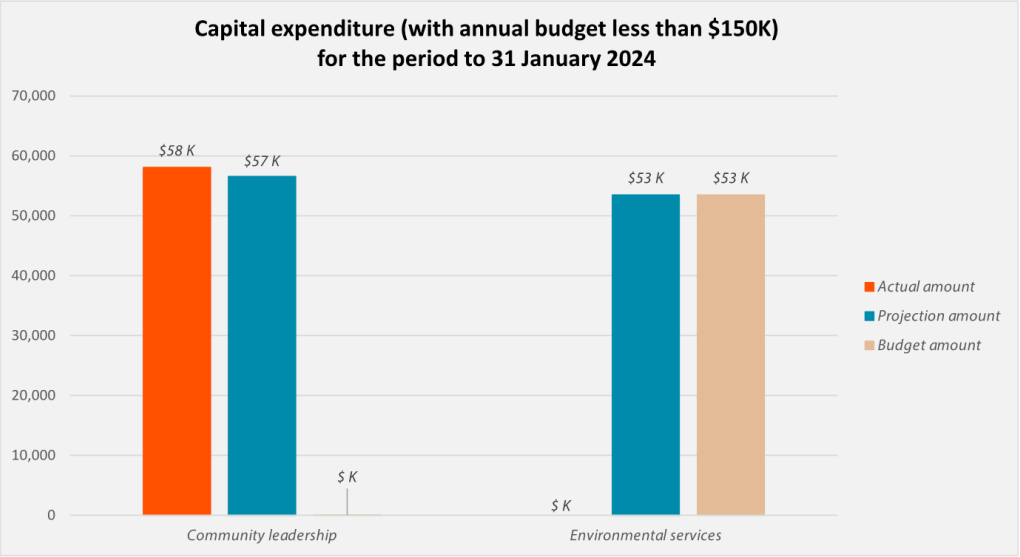
- **community leadership** operating expenditure is $285K (5%) lower than projection. The underspend relates to lower staff costs, travel, training and general project costs incurred
- **community resources** operating expenditure is $125K (1%) below projection. This is made up of a range of underspends across the various sub activities:
  - parks and reserves operating expenditure is under projection ($116K) mainly due to the work only just starting on the Curio Bay master plan ($50K) as well as an underspend in maintenance across the district
  - lower fuel costs for SIESA than projected ($100K) due mainly to the price per litre being less than budgeted.
  - streetscapes operating expenditure is $88K under projection mainly due to lower maintenance costs in Te Anau ($51K), the timing of gardening work in Lumsden (with the contractor expected to be working on site over the next couple of months) and a $19K underspend on the Surfie statue in Colac Bay with a decision yet to be made on its repair/replacement

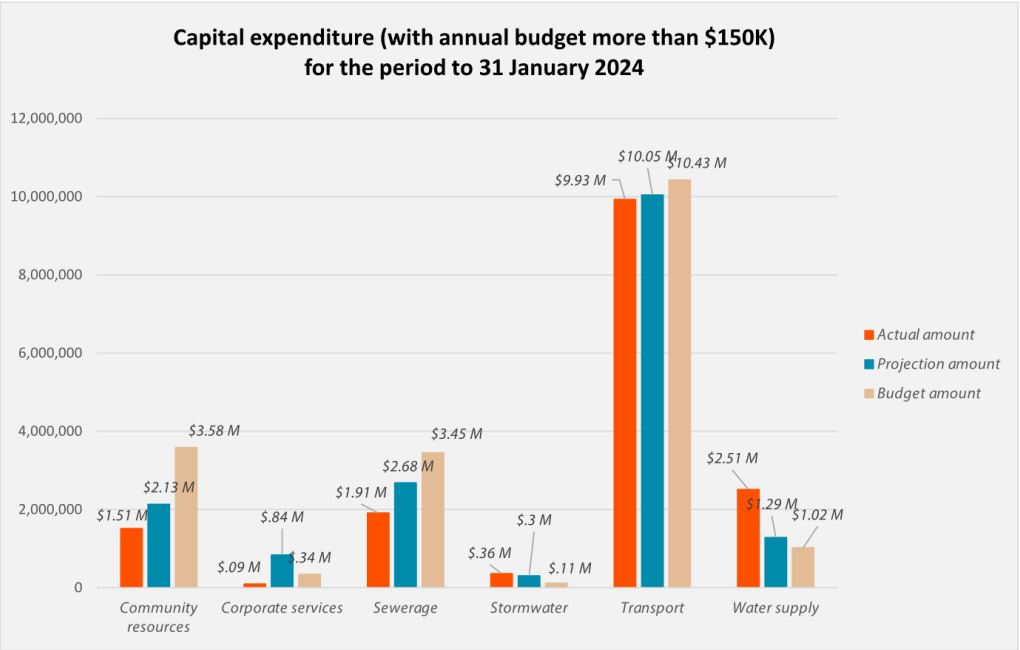
- lower toilet maintenance costs ($63K)
- library services operating expenditure is $52K under projection mainly due to lower overall staff costs
- other property operating expenditure is $156K over projection due to increased commission and consultant costs relating to the Luxmore disposal as well as costs associated with other property sales which are yet to be recovered
- community housing operating expenditure is $92K over projection due to additional maintenance costs to refurbish units at Otautau, Riverton, Tuatapere and Wyndham. Any overspend at year end is expected to be ne funded from reserves
- waste services is $86K over projection due to increased kerbside collection costs and higher waste disposal costs.

- **corporate services** operating expenditure is $1.3M (9%) under projection. $1.2M of this is due to the way that internal loan interest income is currently shown in the accounts. Councils budget, reflected Council implementing its investment policy in one go, Council subsequently decided to stage the implementation which means that some interest still needs to be reflected as internal. Staff will make some changes to display in the next reporting period. The remainder relates to lower overall staff costs
- **environmental services** operating expenditure is $541K (8%) below projection due to lower staff costs resulting from staff vacancies in environmental health, resource planning and building solutions
- **sewerage** operating expenditure is $439K (7%) above projection due to higher maintenance costs as well as additional operating costs at Edendale/Wyndham resulting from damage to the site which will be recovered via an insurance claim
- **stormwater** operating expenditure is $71K (5%) under projection mainly due to condition assessment costs not yet being incurred
- **transport** operating expenditure is $748K (3%) over projection. Sealed and unsealed pavement maintenance are over projection due to the timing of the work being ahead of programme. Emergency re-instatement costs are above projection due to the September floods with additional funding being applied for with Waka Kotahi
- **water supply** operating expenditure is $323K (6%) over projection with increased costs to repair a pipe on Riverton bridge ($148K) to be recovered by insurance. Rural water costs are higher than projection due to increased routine and unplanned maintenance required.

Capital expenditure (CAPEX)

Capital expenditure for the seven month period to 31 January 2024 is $1 million (6%) under projection ($16.4 million actual vs $17.4 million projection). The key reasons for the variances in each activity area are discussed below.





- **community resources** capital costs are $621K (29%) below projection. $237K of this is due to differences in the timing of playground projects in Lumsden, Ohai and Winton which are expected to start shortly. A further $204K relates to the timing of construction of the Horseshoe Bay track project which is currently in progress. SIESA transmission and generation renewal programmes are $113K below projection with this work expected to be completed by year end.
- **corporate services** capital costs are $745K (89%) below projection mainly due to the timing of the implementation of the new financial management information system with limited costs incurred to date. These are displayed under operating expenditure, as under current accounting rules, software used in the cloud is an operational cost rather than capital expenditure.

- **sewerage** capital costs are $771K (29%) below projection. The main variances relate to the Riversdale upgrade which is near completion with only electrical work and commissioning to be undertaken. The remaining variance relates to the timing of the projects for Winton and Balfour treatment plant upgrades which are still in the initial stages
- **stormwater** capital costs are $59K (20%) above projection. The variance relates to stormwater renewals in Mossburn, Winton and Te Anau which have all been completed earlier than projected
- **transport** capital costs are $114K (1%) under projection with a range of unders and overs in footpaths, roading and the airport contributing to the variance as follows:
  - footpaths are under projection ($358K) due to the timing of a number of projects which are expected to begin construction in February
  - roading pavement renewals are over projection ($1.5m) due to prior year carry over work being undertaken and construction works commencing earlier than forecast
  - roading drainage renewals are under projection ($924K) mainly because the budgets are expected to be needed to keep within the overall NZTA three year programme and therefore are planned to be used to offset higher maintenance costs (caused by inflationary pressures)
  - traffic services are under projection ($41K) due to a slower start to the road marking programme
  - airport costs are over projection ($55K) due to crack sealing work being carried out to hold the runway over until it is sealed
- **water supply** capital costs are $1.2M (95%) above projection. This is a timing difference with delivery of AC (asbestos cement) pipe renewals for Te Anau and Sinclair Ave Nightcaps stage 2 being completed ahead of planned.

Council summary by Activity Group

Southland District Council financial summary
for the period to 31 January 2024

Operating income									
	YTD					FYB			
Activity	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	5,969,810	5,820,842	5,605,253	148,967	3%	10,998,117	10,760,650	(237,467)	(2%)
Community resources	14,656,120	12,880,296	13,460,156	1,775,824	14%	22,434,786	23,509,254	1,074,468	5%
Corporate services	14,999,839	15,314,036	14,033,549	(314,197)	(2%)	24,903,703	23,610,640	(1,293,063)	(5%)
Environmental services	6,086,344	6,601,557	6,601,557	(515,213)	(8%)	11,561,684	11,522,744	(38,940)	(0%)
Sewerage	4,587,409	4,530,929	4,530,929	56,479	1%	7,777,307	7,777,307	0	0%
Stormwater	854,123	848,317	848,317	5,806	1%	1,484,258	1,484,258	(0)	(0%)
Transport	21,690,031	21,127,439	20,385,570	562,592	3%	42,166,772	40,174,826	(1,991,945)	(5%)
Water supply	3,853,165	3,924,792	3,924,792	(71,627)	(2%)	6,828,215	6,828,215	(0)	(0%)
Total	**$72,696,842**	**$71,048,209**	**$69,390,124**	1,648,632	2%	**$128,154,842**	**$125,667,895**	(2,486,947)	(2%)

Operating expenditure									
	YTD					FYB			
Activity	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	5,856,221	6,141,203	5,891,895	(284,982)	5%	11,172,351	10,804,039	(368,313)	(3%)
Community resources	13,763,206	13,888,517	13,726,599	(125,311)	1%	23,933,758	23,759,894	(173,863)	(1%)
Corporate services	12,919,380	14,226,216	13,490,748	(1,306,835)	9%	23,149,407	22,158,519	(990,888)	(4%)
Environmental services	6,278,512	6,819,807	6,783,520	(541,295)	8%	11,982,945	11,799,555	(183,390)	(2%)
Sewerage	6,768,495	6,329,056	6,329,056	439,439	(7%)	10,663,021	10,663,021	0	0%
Stormwater	1,472,407	1,543,478	1,543,478	(71,071)	5%	2,699,108	2,699,108	0	0%
Transport	26,425,249	25,677,567	25,348,658	747,682	(3%)	44,282,122	43,786,068	(496,054)	(1%)
Water supply	5,794,689	5,471,621	5,471,621	323,067	(6%)	9,232,397	9,232,397	(0)	(0%)
Total	**$79,278,158**	**$80,097,465**	**$78,585,575**	(819,307)	1%	**$137,115,108**	**$134,902,600**	(2,212,508)	(2%)
Net surplus/deficit	**($6,581,317)**	**($9,049,256)**	**($9,195,451)**	2,467,939	1%	**($8,960,266)**	**($9,234,705)**	(274,439)	(0%)

Capital expenditure									
	YTD					FYB			
Activity	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	58,063	56,564	1	1,499	3%	106,564	50,001	(56,563)	(53%)
Community resources	1,512,901	2,133,874	3,584,188	(620,973)	(29%)	11,029,368	13,126,265	2,096,897	19%
Corporate services	92,408	837,901	338,461	(745,493)	(89%)	1,701,545	845,361	(856,184)	(50%)
Environmental services	-	53,477	53,477	(53,477)	(100%)	291,675	291,675	(0)	(0%)
Sewerage	1,909,888	2,681,398	3,450,896	(771,510)	(29%)	6,471,729	8,304,139	1,832,410	28%
Stormwater	359,917	300,036	111,490	59,881	20%	2,166,970	805,221	(1,361,749)	(63%)
Transport	9,932,961	10,047,381	10,428,909	(114,420)	(1%)	28,609,647	25,918,946	(2,690,701)	(9%)
Water supply	2,511,892	1,285,457	1,020,750	1,226,435	95%	5,267,342	4,735,904	(531,438)	(10%)
Total	**$16,378,030**	**$17,396,088**	**$18,988,170**	(1,018,058)	(6%)	**$55,644,840**	**$54,077,512**	(1,567,328)	(3%)

ACTIVITY GROUPS AND ACTIVITIES

This table details what is included in the various LTP activities used for this report

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

Statement of comprehensive income

Statement of comprehensive revenue and expenses for the period to 31 January 2024					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	36,847,600	37,136,947	37,136,947	63,693,337	63,693,336
Other revenue	11,193,512	10,170,405	8,684,969	13,866,478	12,381,042
Interest and dividends	366,768	17,500	17,500	1,911,430	1,911,430
NZ Transport Agency funding	9,834,838	9,052,680	8,333,440	21,195,050	19,181,500
Grants and subsidies	1,383,065	1,438,128	1,921,877	3,845,371	4,791,822
Other gains/losses	409,618	465,901	418,861	937,627	818,047
Vested assets	0	0	0	0	0
Development and financial contributions	0	0	20,201	3,200	34,630
	60,035,399	**58,281,561**	**56,533,795**	**105,452,494**	**102,811,807**
Expenditure					
Employee benefit expense	11,588,074	12,325,320	12,325,320	20,102,126	20,102,126
Depreciation and amortisation	22,102,951	22,082,753	22,082,753	37,856,149	37,856,149
Finance costs	516,424	1,930,454	1,930,454	3,309,350	3,309,349
Other Council expenditure	32,409,267	30,992,289	29,390,718	53,145,135	50,778,888
	66,616,716	**67,330,817**	**65,729,245**	**114,412,760**	**112,046,512**
Total comprehensive income	**(6,581,317)**	**(9,049,256)**	**(9,195,451)**	**(8,960,266)**	**(9,234,705)**

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 draft financial position as at 31 January 2024 is detailed below which covers Southland District Council and SIESA financial results. As such this differs from the comparative period (30 June 2023) Annual Report, which includes Council's share of Wastenet operations.

Southland District Council
Statement of financial position
as at 31 January 2024

	Actual 31-Jan-24	Actual 30-Jun-23
Equity		
Retained earnings	705,873,370	712,454,687
Asset revaluation reserves	1,390,862,558	1,390,862,558
Other reserves	42,744,916	42,744,916
Share revaluation	4,525,778	4,525,778
	2,144,006,624	**2,150,587,939**
Represented by:		
Current assets		
Cash and cash equivalents	5,114,553	11,510,999
Trade and other receivables	10,649,035	8,062,475
Inventories	128,858	128,858
Other financial assets	1,594,887	1,954,188
Property, plant and equipment	-	-
	17,487,333	**21,656,520**
Non-current assets		
Property, plant and equipment	2,149,450,028	2,154,268,115
Intangible assets	4,576,552	4,597,266
Forestry assets	13,420,000	13,420,000
Internal loans	60,281,106	60,281,106
Work in progress	315,092	1,264,934
Investment in associates	2,083,367	2,083,367
Other financial assets	545,000	545,000
	2,230,671,145	**2,236,459,788**
Total assets	**2,248,158,479**	**2,258,116,309**
Current liabilities		
Trade and other payables	6,417,010	10,696,372
Deferred revenue	3,031,428	2,223,719
Contract rententions and deposits	574,488	514,957
Employee benefit liabilities	2,609,960	2,609,960
Development and financial contributions	1,058,607	1,023,000
Borrowings	- 0	- 0
Provisions	3,333	3,333
	13,694,826	**17,071,341**
Non-current liabilities		
Employment benefit liabilities	10,502	10,502
Provisions	8,365,422	8,365,422
Internal loans - liability	60,281,106	60,281,106
Borrowings	21,800,000	21,800,000
	90,457,029	**90,457,029**
Total liabilities	**104,151,855**	**107,528,370**
Net assets	**2,144,006,624**	**2,150,587,939**

Statement of cash flows

Statement of cashflows for the period to 31 January 2024	2023/24 YTD Actual	2023/24 FY AP Budget
Cash flows from operating activities		
Receipts from rates revenue	33,805,419	63,693,337
Receipts from other revenue (including NZTA)	20,433,530	35,830,994
Cash receipts from interest and dividends	366,768	1,911,430
Payments to suppliers and employees	(47,212,259)	(70,486,381)
Interest paid	(516,424)	(3,309,350)
GST general ledger (net)	2,271,909	-
Net cash inflow (outflow) from operating activities	**9,148,944**	**27,640,031**
Cash flows from investing activities		
Receipts from sale of PPE	409,618	348,047
(Increase)/decrease other financial assets	359,301	-
Purchase of property, plant and equipment	(16,335,022)	(54,077,512)
Purchase of forestry assets	-	
Acquisition of investments	-	85,159
Purchase of intangible assets	20,714	-
Net cash inflow (outflow) from investing activities	**(15,545,389)**	**(53,644,306)**
Cash Flows from financing activities		
Increase in term loans	-	27,344,237
Repayment of term loans	-	
Increase/(decrease) finance leases	-	
Net cash inflow (outflow) from financing activities	**-**	**27,344,237**
Net increase/(decrease) in cash and cash equivalents	**(6,396,446)**	**1,339,963**
Cash and cash equivalents at the beginning of the year	**11,510,999**	**236,232**
Cash and cash equivalents at the end of January	**5,114,553**	**1,576,195**

Cash and cash equivalents

1. At 31 January 2024, Council had $1,190 cash on hand.
2. Funds on call at 31 January 2024:

Funds on call				
	Amount	Bank	Account	Interest rate
SDC	$ 4,298,233	BNZ	Funds on call	1.25%
	$ 10,000	BNZ	Operating bank acc	0.05%
	$ 578,150	BNZ	Restricted funds acc	0.05%
SIESA	$ 226,980	BNZ	Funds on call	0.05%
Total	$ 5,113,363			

Reconciliation to statement of financial position	Amount
Cash and cash equivalents	
Current assets	
SDC Cash on hand (Note 1)	$ 1,190
Funds on call (Note 2)	$ 5,113,363
Total cash and cash equivalents per the statement of financial	**$ 5,114,553**

Other financial assets

3. At 31 January 2024, Council had no term deposits.
4. At 31 January 2024, SIESA had $1.1 million invested in four term deposits as follows:

SIESA investments - term deposits				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	$ 250,000	6.10%	5-Sep-23	5-Apr-24
BNZ	$ 370,000	6.35%	1-Jun-23	4-Jun-24
BNZ	$ 300,000	6.02%	12-Jan-24	12-Jul-24
BNZ	$ 250,000	5.90%	2-Feb-24	2-Aug-24
Interest to be re-allocated	-$ 9,301			
Total	$ 1,160,699			

5. At 31 January 2024, Council had $545,000 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
LGFA	$ 87,500	5.48%	12-Apr-23	8-Jul-24
LGFA	$ 37,500	5.99%	17-Apr-23	8-Jul-24
Total	$ 545,000			

Reconciliation to statement of financial position	Amount
Other financial assets	
Current assets	
SDC Investments (Note 3)	$ -
SIESA Investments (Note 4)	$ 1,160,699
Loans - community	$ -
Civic Assurance shares	$ 12,191
Milford Sound Tourism shares	$ 421,997
Total current financial assets per the statement of financial position	**$ 1,594,887**
Non - Current assets	
LGFA bonds (Note 5)	$ 545,000
Loan advances - Development contributions	-$ 0
Total non-current financial assets per the statement of financial position	**$ 545,000**

External Borrowings

SDC Borrowings				
Lender	**Amount**	**Interest Rate**	**Date Drawndown**	**Maturity Date**
LGFA	$ 3,500,000	5.48%	12-Apr-23	8-Jul-24
LGFA	$ 1,500,000	5.99%	17-Apr-23	8-Jul-24
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	$ 21,800,000			

Reconciliation to statement of financial position	Amount
Borrowings	
Current liabilities	
Borrowings	$ -
Non-current liabilities	
Borrowings	$ 21,800,000
Total borrowings per the statement of financial position	**$ 21,800,000**

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 January 2024, comply with the SDC Investment and Liability Management Policy ($6,283,363 invested in BNZ).

Ulva Island wharf

Record no: R/24/2/8242
Author: Simon Moran, Strategic project lead
Approved by: Cameron McIntosh, Chief executive

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 To get direction from Council on whether to consider a proposal received from the Hunter Family Trust to take over the ownership and management of the Ulva Island wharf at Post Office Cove, Stewart Island/Rakiura.

Executive summary

2 Council and the Stewart Island/Rakiura Community Board have been working to find a sustainable solution for the replacement of the Ulva Island wharf for some time. The preferred option ended up being a new wharf in Bathing Bay, however, that option also requires the construction of a section of new track approximately 400m long to link into the existing track network.

3 Ulva Island wharf is a locally funded piece of infrastructure. Estimates are that it will cost approximately $1.5 million for this work with $600,000 potentially available from a successful Tourism Infrastructure Fund (TIF) application. There is currently approximately $300,000 allocated as a grant from the Stewart Island/Rakiura Visitor Levy and further applications could be made. If those applications are not successful, however, then the community will need to be rated to pay for any loan taken out on its behalf to fund the capital costs of the project. It will also be responsible for the ongoing maintenance of the structure.

4 The Department of Conservation (DOC) and Council have worked together to identify a preferred new track alignment. DOC has agreed in principle to taking over the ownership and maintenance obligations for the track once it is constructed but is unable to contribute to its capital funding. Preliminary estimates are that it could cost between $400,000 and $500,000 to construct with $200,000 potentially available from a successful Tourism Infrastructure Fund (TIF) application. The community will need to fund the local share to match the TIF funding and cover any additional construction costs.

5 Recently, Council has received a proposal from the Hunter Family Trust to take over the existing wharf. Its proposal is included in the report (paragraph 13) for Council to consider.

6 The Stewart Island/Rakiura Community Board considered a similar report to this one at its meeting held on 22 February 2024. The meeting was attended by approximately 21 people from the community and two tourism operators spoke in the public participation section of the meeting.

7 After consideration of the report of the report, the board resolved the following:

d) Determines that it supports consideration of the proposal by the Hunter Family Trust.

Recommendation

That the Council:

a) Receives the report titled "Ulva Island wharf".

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.

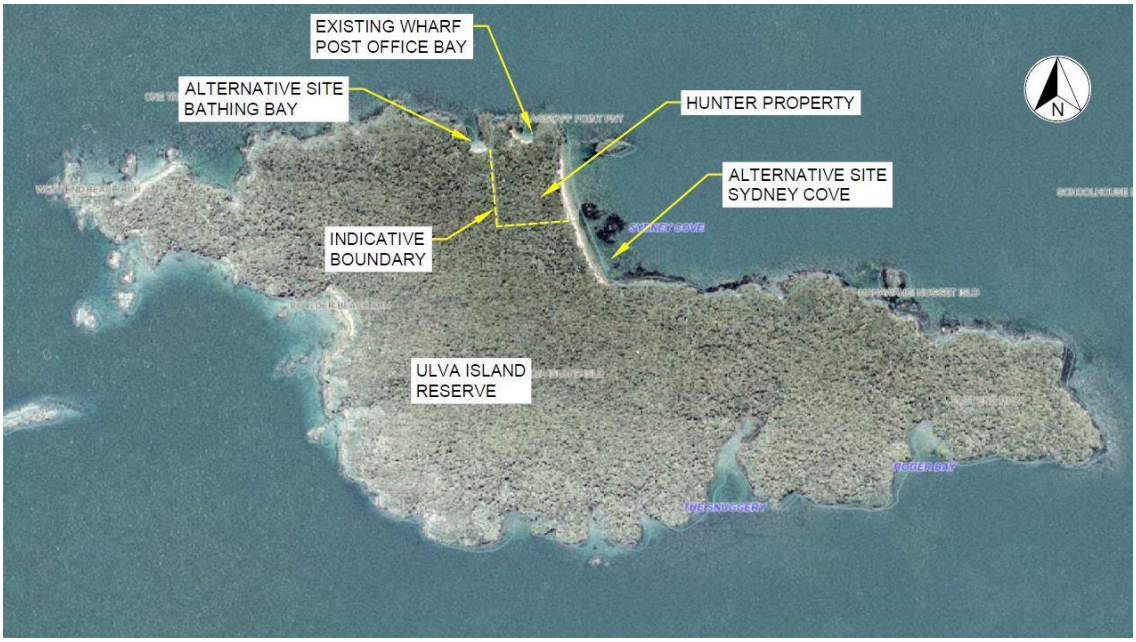
d) Agrees to <u>support / not support</u> consideration of the Hunter Family Trust proposal.

e) Directs the appropriate staff (as determined by the chief executive) to engage with the Hunter Family Trust to prepare a detailed agreement for the Stewart Island Community Board and Council to consider.

Note: If recommendation (d) is 'not support' then (e) does not need to be considered.

Background

8 There has been a significant amount of work undertaken over several years towards identifying a suitable replacement option for the current wharf, which is in Post Office Cove. Council initially sought Expressions of Interest (EOI) from companies that were interested in constructing a new wharf. Five companies were shortlisted and asked to tender for the work, however, concerns over cost and the uncertainty of consenting and access resulted in the project not progressing further at that time.



9 Access to Ulva Island is typically via the only wharf on the island which is located at Post Office Cove. The wharf attaches to an old causeway partially located on road reserve and the causeway is periodically inundated on King high tides. The causeway leads to the start of the Ulva Island track network which at this point is located on land owned by the Hunter Family Trust. The Hunter Family Trust and DOC have a legally binding access contract to allow the public access to tracks across the private land. Contracts have been in place since 2000, and prior to those being established the Hunter Family had informal arrangements with the Department of Forestry and DOC permitting public access since their ownership began in 1922.

10 In July 2023 Council received an engineering assessment from Offshore & Coastal Engineering Limited (OCEL) that says the wharf is no longer 'fit for purpose' for the larger vessels that have been using it and that it is at the end of its life as a marine gateway to Ulva Island. Council was also concerned about the potential health and safety risk of larger vessels using the structure resulting in vessel weight restrictions being put in place for the 2023/2024 summer season and operators being advised that the wharf would be permanently closed on 31 March 2024.

11 The Stewart Island/Rakiura Community Board was asked by Ulva Goodwillie, a tourism operator, at its 22 February 2024 meeting to consider extending the closing date to better align with the end of the tourist season. The Board resolved to recommend the extension of the closing date of the Ulva Island wharf to 30 June 2024.

12 A new development in this project occurred in late December 2023 when representatives of the Hunter Family Trust (the Trust) approached Council to discuss the possibility of the Trust taking over the existing Ulva Island wharf. In late January 2024 Council then received an indicative proposal from the Trust. That proposal outlines its position in the event that Council decides either to proceed with building a new wharf at Bathing Bay or not.

The Hunter Family Trust proposal

13 The trustees are concerned that Southland District Council's (SDC) proposed closure of the Ulva Island wharf will cause significant issues with access to the island for the Hunter family, commercial users, DOC and the general public. Although it is noted that any final agreement would need a lot more detail, the following high-level approach is proposed:

- that the ownership of the Post Office Bay wharf and causeway transfer from the Southland District Council to the Hunter family
- we would continue to allow public and commercial use
- commercial users would need to be registered
- if significant repairs are required a funding plan would be worked through with commercial users
- existing conditions of use put in by SDC would stay
- in transferring the ownership, the Hunter family would take over the risk from SDC
- should SDC build the new wharf in Bathing Bay the Hunter Family would close the Post Office Bay wharf to the public and commercial users
- the Hunter Family understands the wharf and causeway's historical significance and would undertake best endeavors to preserve its heritage
- SDC will not object to any applications made by the Hunter family to extend the wharfs resource consent.

Issues

14 Uncertainty for operators – With Council indicating the need to close the existing wharf and the decision on whether to replace it with a new one at Bathing Bay not yet taken, there is uncertainty for Ulva Island operators. The use of the wharf has been able to continue for this season under reduced operating parameters but in Council's view the structure is at the end of its economic life. This uncertainty may not disappear entirely if the wharf were to be sold as any owner will be faced with the same underlying issues.

15 Uncertainty for Council – There are a number of matters, such as land tenure, consents and approvals, funding and cost, that make the decision of whether or not to invest in the replacement of the Ulva Island wharf a complex one.

16 Funding – whilst there is currently TIF funding available, due to increasing construction costs, it may not be sufficient to meet 50% of the final cost of the project. Tendering a project is the only way to properly understand what proposed wharf replacement and track projects would cost but based on estimates it could be around $2 million. The opportunity cost of allocating funding one project is that others may not be able to be funded.

17 Perception regarding a possible change of ownership – currently this is a public piece of infrastructure however, that hasn't always been the case. If the wharf were to be sold it would be returning to the type of ownership it had previously before Council took responsibility for it when Southport was disposing of the structure approximately 20 years ago.

18 The issues don't necessarily go away if ownership changes – the issues with the wharf and its operations identified in the reports commissioned by Council that resulted in Environment Southland agreeing to the restrictions on the use of the wharf still exist and will still need to be addressed. Those issues were about user safety when transferring to or from a vessel and the need to replace a structure that is at the end of its functional life for servicing the larger vessels taking people to Ulva Island.

19 Other interested parties – there may be others who would like to be involved in any process for disposal of the wharf. Before making a final decision on what to do about the current wharf Council will need to consider the requirements of the Local Government Act 2002.

20 Long Term Plan – on 12 October 2023 the Stewart Island/Rakiura Community Board considered the report 'direction-setting for Long Term Plan 2034'. This report included $891,685 for the replacement of the wharf at Ulva Island in 2024/2025. The project would be funded by grants from the Tourism Infrastructure Fund, the Stewart/Island Visitor Levy and the balance required funded by a loan. Any loan required, will be repaid from licence fees and the Stewart Island/Rakiura Community Board rate.

21 Financial analysis – future reports will include information on the impact:

- to assets and liabilities on the statement of financial position
- to any outstanding loan and reserve balances
- on requirements relating to any grants that have been approved/received

Factors to consider

Legal and statutory requirements

22 When the wharf is closed, then the requirement in the consent to remove the wharf is likely to be triggered and Council will have three months to do so unless another solution is found. There would be a cost to remove the wharf, including needing to obtain resource consent to authorise the activity.

23 Structures that were built before 1900 are defined as archaeological sites under the Heritage New Zealand Pouhere Taonga Act 2014. It is possible that the causeway the wharf attaches to was built before 1900 and that the relationship between the two structures may mean that an authority to demolish the wharf would be required from Heritage New Zealand Pouhere Taonga.

24 As noted above, Council has responsibilities as the owner of the wharf under the Health and Safety at Work Act 2015. Feedback received during engagement undertaken by Offshore and Coastal Engineering Ltd indicated there are concerns with the accessibility and operability limitations of the existing wharf. These would be issues that will need to be addressed regardless of who owns the wharf and full disclosure of information on the wharf is required as part of any due diligence process.

Community views

25 Given the cost of the project the final decision whether to proceed with constructing a new wharf and track rests with Council. In order to make that decision, Council will want to take into account the views of the community. It is clear from the previous discussions on the project to replace the wharf that there are mixed views within the community.

26 It is understood that some operators have already directly approached the Hunter family trustees to see whether there is an opportunity for the trust to take over the ownership and operation of the wharf in Post Office Cove. At the most recent community board meeting where this issue was discussed, along with more informal conversations with people on the island there appears to be a reasonable level of support for considering the Trust's proposal. There were however, also concerns raised by a couple of other operators largely around the implications of not having a higher level of service i.e. a wharf capable of taking larger vessels.

27 It is also understood that there is a concern about the ratepayers having to pay to construct the linking track on public conservation land as well as for a wharf that is primarily used by commercial operators. That said, there is a view that without good access to Ulva Island there may be an effect on the island's economy from a reduction in the number of people visiting Stewart Island/Rakiura if they could not visit Ulva Island.

Costs and funding

28 Structures such as wharves are locally funded. This means that the Stewart Island/Rakiura community will be responsible for repaying any loan required to pay for the capital costs of the project as well as future operations, maintenance and possibly depreciation costs.

29 Council has however, been successful with applications to the Tourism Infrastructure Fund in obtaining agreements in principle through the Ministry of Business, Innovation and Employment (MBIE) for a contribution of $600,000 and $200,000 for the wharf replacement and new track respectively. At the current time, that funding is still available. It should be noted though that it is on a 50:50 basis up to those maximum values and if the projects cost more, then the funding shortfall needs to be met by local funding.

30 The options for funding the local share of the capital costs are the Stewart Island/Rakiura Visitor Levy funds, Environment Southland's cruise ship levy fund, and rates (loan repayments).

Policy implications

31 There are no policy implications for Council with respect to the decision it is being asked to consider in this report.

32 In a future report to Council when it will be asked to make a substantive decision on whether or not to proceed with the wharf replacement and construction of the linking track there may be policy implications that Council needs to consider and they would be addressed in that report.

Analysis

Options considered

33 The options considered relate specifically to the Hunter Family Trust proposal.

Analysis of options

Option 1 – Support consideration of the Hunter Family Trust's proposal

Advantages	*Disadvantages*
• there is no guarantee that Council will decide to continue with the project so this is an opportunity to consider another option that wasn't previously available. • If the proposal ended up being successful – the community board and Council would no longer be responsible for this piece of infrastructure – no new track would need to be constructed	• there is no guarantee that a final agreement will be reached and that the process may just have delayed the project • any delay in making a decision to proceed may have implications for accessing external funding if a new wharf needs to be constructed.

Option 2 – Not support consideration of the Hunter Family Trust's proposal

Advantages	*Disadvantages*
• there are no clear advantages with a decision not to consider the proposal.	• there may be an opportunity cost of not being able to undertake other projects if it is decided to go ahead with the wharf and track project • the opportunity to consider another option that wasn't previously available will not have been taken.

Assessment of significance

34 Whilst there is a specific community of ratepayers, for whom the costs of the project will have a marked effect on rates, the matter is not considered significant as it has been largely anticipated for some time in the long term planning for infrastructure replacement on the island.

35 The Hunter's proposal is another infrastructure management option and as such it is not considered significant under Council's Significance and Engagement Policy.

Next steps

36 The next steps will depend on the decision taken by Council. The options will either be:

- Staff will begin detailed discussions with the Hunter Family Trust; or
- Staff will prepare a report seeking a decision on whether or not to continue with the project.

Attachments

There are no attachments for this report.

Water services update

Record no: R/24/2/8800
Author: Grant Isaacs, Manager operations water and waste services
Approved by: Fran Mikulicic, Group manager infrastructure and capital delivery

☐ Decision ☐ Recommendation ☒ Information

Purpose

1 The purpose of this report is to provide Council with an update on water services following the repeal of Affordable Water legislation by the new government in December.

2 This report outlines the key changes from the previous Water Reform and key dates where additional central government direction and information will be available.

Recommendation

That Council:

a) Receives the report titled "Water services update".

Background

3 On 14 December 2023, the minister of local government (the minister) announced a "New direction for water services delivery" and the intention to repeal the previous government's water services legislation.

4 At that time, the minister provided information about the key aspects of government's plan, to ensure that councils had clarity and certainty needed to develop their 10 year plans. The minister also indicated that the statutory deadline for adopting 10 year plans would be extended by three months to 30 September 2024, should councils choose to do so.

5 On 13 February 2024, the minister introduced the Water Services Acts Repeal Bill (the bill). Council was notified of this via an email from Michael Lovett, the deputy chief executive of the Department of Internal Affairs. Mr Lovett advised that the bill included a new option, to prepare an 'enhanced' Annual Plan for the 2024/2025 financial year, followed by a nine year plan for the period 2025-2034. This new option had not been signalled earlier.

6 The bill was enacted on 16 February 2024. It made amendments to various acts, including the Local Government Act 2002 (LGA). The Repeal Act, through an amendment to the LGA, provides that a decision to prepare an enhanced Annual Plan needs to be made by 30 April 2024, otherwise a deferral may be authorised by an Order in Council.

Discussion

Water Reform current update

7 Council had been working with the National Transition Unit (NTU) throughout 2023 on five various workstreams with the previous direction indicating our three waters assets would transfer to a new entity in October 2025.

8 Ownership of the water assets, capital and renewal programmes would also transfer to the new entity in October 2025.

9 Direction was provided to prepare the first two years of the 10 year plan, which we did in conjunction with other Entity J Councils and the NTU. This was the legislation and direction until 14 December 2023.

10 The minister has advised that following the enactment of the Repeal Act, further legislation will be introduced to implement Local Water Done Well. This will be progressed in a two-stage approach.

11 The first bill, establishing the framework and transitional arrangements for a new water services system, will be passed by the middle of 2024. The framework proposes establishing foundational information disclosure requirements as a first step to economic regulation and enabling Council's to shift the delivery of water services to newly established council controlled organisations, should they choose to do so.

12 A second bill providing for the long-term replacement regime will be introduced in December 2024, and is expected to be passed by mid 2025. It will provide a range of structural and financing tools, including a new class of financially independent council controlled organisations. A legislation plan, provided by DIA that shows the key components of two bills, Attachment A.

13 This Council has made no decision about a possible council controlled organisation option and is progressing on the basis of three waters continuing to be delivered in house. The signalled legislative changes will need to be considered to see if they provide a better option for Council. This has a potential impact on capital budgets.

14 Clarity on what the council controlled organisational structure may look like will not be available until the release of the first bill in mid 2024.

15 Given the lack of information at this time, the deferral of the 10 year plan by three months could be considered by Council. This will allow staff time to work through the financial and operational inclusion that the water services remaining will have on Council's operation.

16 Taumata Arowai Drinking Water Quality Assurance Rules 2022 represented a shift from a prescriptive approach to a more outcomes-based approach. The rules aimed to encourage water suppliers to adopt best practices and adapt to changing circumstances while strongly emphasising public health protection. These rules are to remain and Taumata Arowai is likely to take over Stormwater and Wastewater regulations.

Water services 10 year plan

17 All communication and correspondence to date from central government has strongly indicated there will be no financial assistance to local government for the water services provisions. The affect this will have on Council's 10 year plan and beyond is significant.

18 With changing regulations, consenting conditions, and aging infrastructure, significant short, medium and long-term investment is required in our water assets and infrastructure.

19 Staff are currently working through the next 10 years and investigating ways to ensure legislative requirements (e.g. drinking water standards), consenting, renewals and maintenance, and capital developments are delivered to ensure we continue to develop a robust and secure water network for our community.

Attachments

A Department of Internal Affairs Legislation Plan.

Attachment A: Department of Internal Affairs Legislation Plan.

Implementing Local Water Done Well: Three-stage legislation plan

Legislation to implement Local Water Done Well has three stages. Key components that are expected to be included in each bill are outlined below.

1 REPEAL LEGISLATION: LAY FOUNDATION FOR NEW SYSTEM

INTRODUCED AND ENACTED FEB 2024

- Restore continued council ownership and control of water services, and responsibility for service delivery.
- Provide support options to help councils complete and include water services in their 2024-34 long-term plans.

2 ESTABLISH FRAMEWORK AND TRANSITIONAL ARRANGEMENTS

INTRODUCED AND ENACTED MID-2024

- Provide a framework for councils to self-determine future service delivery arrangements via a water services delivery plan (to be submitted within 12 months).
- Establish foundational information disclosure requirements (as first step towards economic regulation).
- Streamline requirements for establishing council-controlled organisations under the Local Government Act to enable councils to start shifting the delivery of water services into more financially sustainable configurations, should they wish to do so.
- Provide technical and advisory support to Auckland Council to determine how they wish to create a financially sustainable model for Watercare.

3 ESTABLISH ENDURING SETTINGS AND BEGIN TRANSITION

INTRODUCED DECEMBER 2024 AND ENACTED MID-2025

- Set long-term requirements for financial sustainability.
- Provide for a range of structural and financing tools, including a new class of financially independent council controlled organisations.
- Consider the water regulator's empowering legislation to ensure the regulatory regime is efficient, effective, and fit-for-purpose, and standards are proportionate for different types of drinking water suppliers.
- Provide for a complete economic regulation regime.
- Establish regulatory backstop powers, to be used when required to ensure effective delivery of financially sustainable or safe water services.
- Refine water service delivery system settings to support the new system, such as consistent industry standards.

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

Recommendation

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

C8.1 Great South draft statement of intent (2024-2027)

C8.2 Space Operations New Zealand draft statement of intent (2024-2025)

C8.3 Stewart Island/Rakiura rising main wastewater upgrade - unbudgeted expenditure

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
Great South draft statement of intent (2024-2027)	s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Space Operations New Zealand draft statement of intent (2024-2025)	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	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.
Stewart Island/Rakiura rising main wastewater upgrade - unbudgeted expenditure	s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.