

Stewart Island/Rakiura Visitor Levy Policy

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

1.0 Purpose

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

2.0 Background

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

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

3.0 Definitions

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

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

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

	<p>(i) for the purposes of the Local Government (Rating) Act 2002, is a ratepayer in respect of a rating unit on the island; or</p> <p>(ii) is a resident of the island by virtue of being a resident for electoral residency purposes under section 23 of the Local Electoral Act 2001; or</p> <p>(iii) is a tenant of a rating unit for the purposes of the Residential Tenancies Act 1986; or</p> <p>(iv) is the spouse, civil union partner, de facto partner, or dependant of a ratepayer or tenant; or</p> <p>(v) is a beneficiary of the Rakiura Māori Land Trust or who has an ownership interest in a Māori land block on the island; or</p> <p>(vi) is an excluded visitor.</p>
--	---

4.0 Collection

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

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

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

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

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

4.1 Who Pays

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

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

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

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

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

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

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

5.0 Calculation

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

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

5.1 Arrangements with Approved Operators

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

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

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

5.2 Collection of the Levy from Freedom Travellers

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

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

6.0 Proof of Exemption

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

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

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

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

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

6.1 Application for Exemption

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

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

7.0 Refunds

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

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

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

8.0 Audit

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

9.0 Enforcement

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

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

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

10.0 Administration

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

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

10.1 Subcommittee Membership

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

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

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

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

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

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

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

10.2 Applications

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

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

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

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

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

Late applications will not be considered.

10.3 Allocation Process

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

Step 1 - Assessing if the application is eligible for funding

Step 2 - Assessing which category the application falls under

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

Step 1: Assessing if the application is eligible for funding

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

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

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

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

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

Step 2: Assessing which category the application falls under

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

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

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

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

Funding allocation categories and percentages

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

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

The strength of the application

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

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

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

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

Committing to allocating funds in the future

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

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

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

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

General points about allocation

Local and central government can make applications for funding.

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

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

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

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

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

11.0 Accountability

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

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

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

12.0 Review

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

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

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

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

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

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

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

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

Appendix B: Appointing representatives to the subcommittee

Representative recommended by each of the Approved Operators

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

Representative for iwi

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

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

Representative from Stewart Island/Rakiura

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

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

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

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