



Introduction

In 2013 the Invercargill District had a total population of 51,696. This is a 2.7% increase on the 2006 population. According to Statistics New Zealand (October 2012 update) a District population of 53,400 (medium projection) is estimated by 2031.

The District's median age is 38 years - the New Zealand median age being 37 years.

Most residents (91%) were born in New Zealand.

Home ownership in the Invercargill District (66%) is higher than the New Zealand average.

Invercargill houses are older with only 13% having been built since 1980.

Personal income is increasing, with the median income in Invercargill increasing 24% from 2006.

Labour force participation rates are almost at saturation level.

Invercargill City's regional performance growth ranking for 2012 was 39. The ranking is developed by BERL (Business and Economic Research Limited) for all

local authorities with 1 being the local authority with the greatest growth and 66 the lowest. The ranking includes changes in population, employment, GDP and business units.

Extending from Makarewa in the north to Bluff in the south, Kennington in the east and Oreti Beach in the west, the Invercargill district encompasses an area of 49,142 hectares. Landscape features of importance to the community include Bluff Hill (Motopuhue) and an extensive network of waterways which bisect the District. The urban areas of Invercargill and Bluff contain extensive areas of open space as well as distinct heritage buildings.

The District's coastal location provides a mild climate with long summer daylight hours and defined seasonal variations. The average annual temperature is 9.9°C with 1,614 sunshine hours. Rainfall averages 1,112/year and is spread evenly throughout the year.

COUNCIL VISION

Creating an exciting, innovative, safe, caring and friendly City offering lifestyles based on a healthy environment and diverse growing economy.

Mayor's Comment



Once again, many thanks to all the residents and ratepayers who made submissions on our Draft Annual Plan. During last year's Annual Plan process we received 410 submissions, but

335 of those were about fluoridation. This year we only had 300 submissions but they covered a far wider range of issues.

The hot topic for this year was the concept of a separate South Invercargill rate so a major upgrade could be undertaken at their shopping centre. I'm sure that those who developed this proposal did so with the best of intentions. After all, the last major inner city upgrade based around Esk Street was paid for by inner city ratepayers only.

Unfortunately politics is all about perception and the prevailing perception in this case was that Council was trying to punish the poor. The flames of resentment flared. I'm sure Councillors will be pondering the wisdom of this initiative and a compromise will be reached.

I accept that some of our regular critics will suggest that Councillors simply sleepwalk their way through submissions and ultimately do whatever they wish, regardless of public opinion. Let me assure you that this is not the case. We listen, we ponder and we do accept changes must be made.

After the demise of the Salvation Army Hostel in Dee Street, due to it being an earthquake prone building, several submissions were made about the increase of homeless people in our city. Social housing is not generally considered as the core business of Council, but with state houses being sold and support agencies facing funding cuts, somebody has to help.

This year the tone of the submissions was less intense. It felt like we were part of a community that was trying to seek solutions rather than entrenched interest groups trying to score points by playing the blame game. The low rates increase, the re-opening of Stadium Southland, and the proposed Richardson Family Truck Museum have all helped encourage this new era of positivity. Long may it continue to be so.

Tim Shadbolt
MAYOR OF INVERCARGILL

Chief Executive's Comment



The 2014/15 Annual Plan is a continuation of the Long Term Plan adopted by Council in 2012. Most of Council's activities are continuing as scheduled, but there are some

changes in key areas that involve the greater use of technology and the change in how we charge for some of our regulatory services, for example, Animal Services and Building Control. One of the major infrastructure spends highlighted in the Long Term Plan was the investigation of an alternative water supply source to mitigate against the city's current reliance on a single source (the Oreti River). Although this is still considered important, Council has considered that the funds earmarked for that project would now be better utilised on upgrading our water treatment plant to ensure that the water being provided to the city remains at an 'A' Grade for the future.

Alongside these changes were requests for assistance towards projects from other parties. One such request was from the Breathing Space Southland Trust that has been formed to provide a supportive accommodation facility in Invercargill. The Council has agreed to provide \$20,000 to support initiatives addressing homelessness in Invercargill and wants to play a co-ordinating role in ensuring that all of the relevant service providers and professionals are working together to provide the best possible outcome.

The City Centre Revitalisation Project is one of the key areas of Council's focus and will be continuing this year. Part of this project is maintaining and promoting a healthy city centre. Council has determined to cease funding Vibrant City Centre Invercargill Incorporated, but will instead provide this service within its own activities. In doing this the Council intends to work together with those paying the City Centre Rejuvenation Rate to find out what works best for them.

The Council has been mindful of the submissions received this year and in previous years expressing concerns about the affordability of rates, especially for those on fixed and limited incomes. This plan is being presented with a rate change of 0.62% which is below the rate of inflation and low in comparison to the revised rating levels adopted by other local authorities in New Zealand. However, the Council believes that the current levels of expenditure are sustainable in the longer term without compromising our vision of creating an exciting, innovative, safe, caring and friendly city offering lifestyles based on a healthy environment and a diverse growing economy.

Richard King
CHIEF EXECUTIVE

Elected Representatives



Tim Shadbolt
MAYOR
03 211 1672

The Invercargill City Council is chosen by the Invercargill public in elections held every three years. The last election was held in 2013; the next will be in October 2016. The Council consists of the Mayor and 12 Councillors and its role is to provide and maintain services and amenities for the public of Invercargill. The Council is chosen by electors (the Invercargill public) to govern the City's affairs, such as making decisions on spending, priorities and policies.

Here's how you can contact your Councillors:



Lindsay Abbott
03 216 7111



Rebecca Amundsen
027 225 2664



Karen Arnold
03 217 9360



Neil Boniface
03 217 0405



Alan Dennis
027 274 4513



Lloyd Esler
03 213 0404



Peter Kett
03 215 6206



Graham Lewis
021 676 647



Darren Ludlow
DEPUTY MAYOR
021 217 2848



Ian Pottinger
0274 323 597

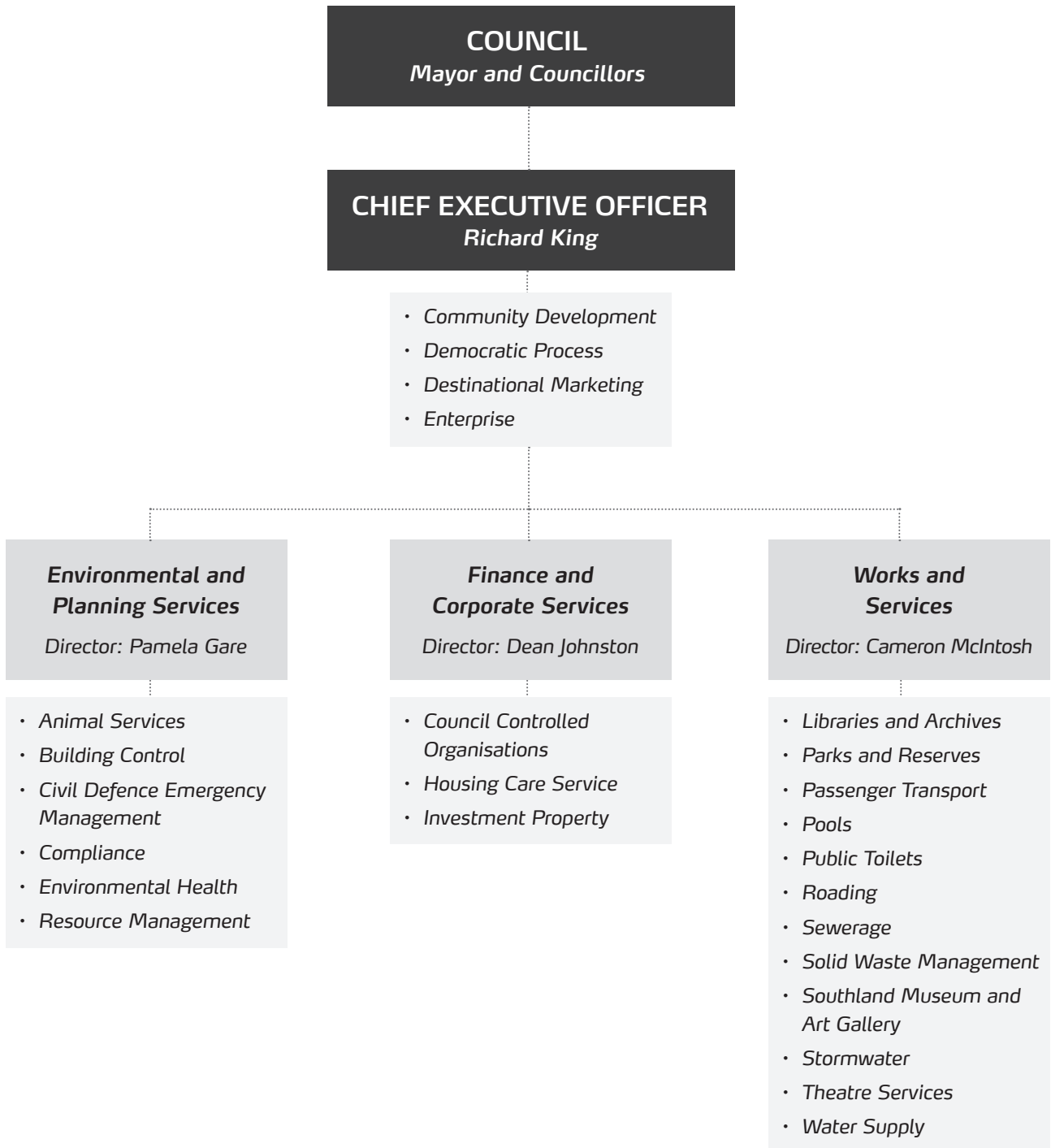


Graham Sycamore
0274 395 045

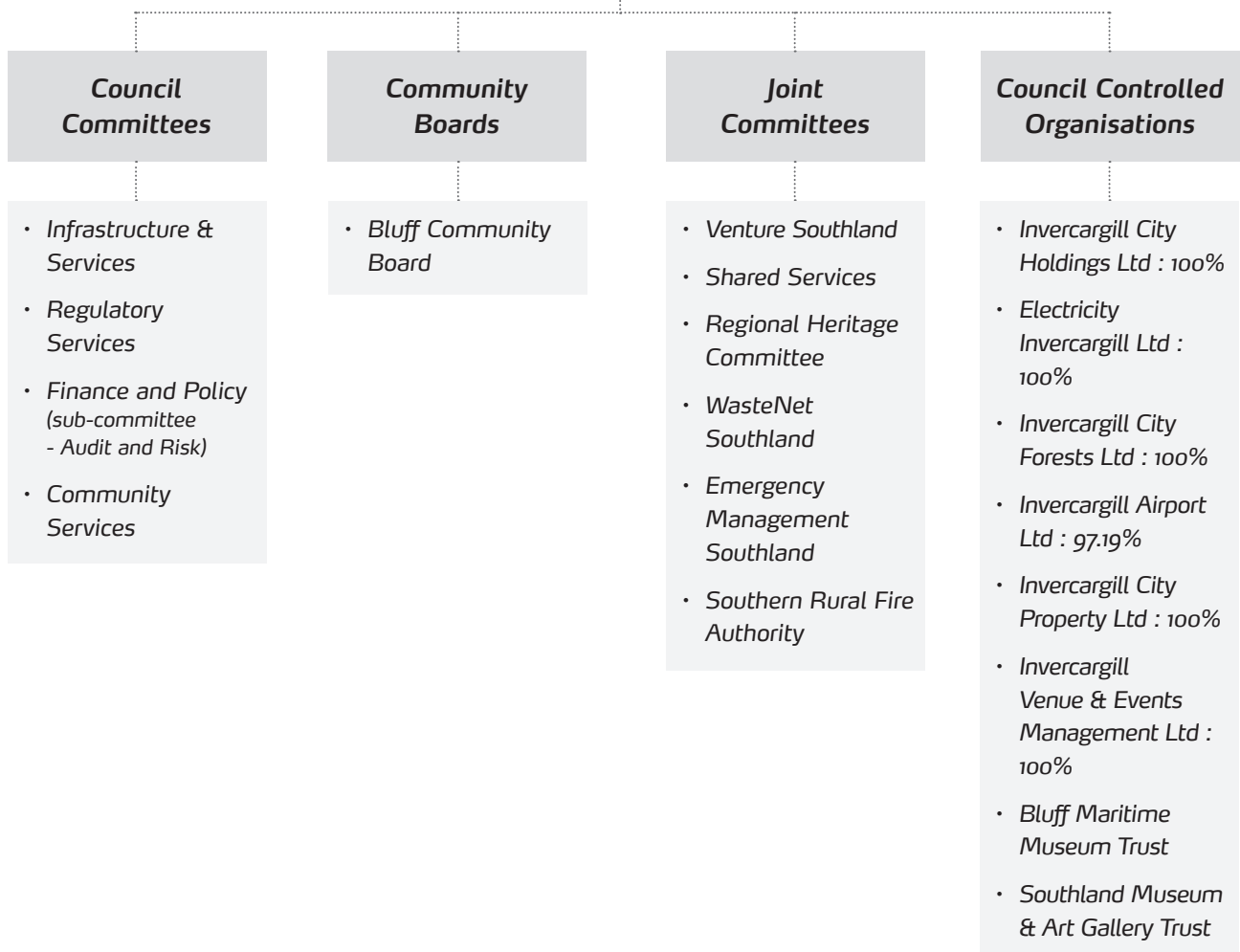


Lindsay Thomas
027 472 4730

Management Structure



Council Structure



Readers' Guide

GUIDE ON HOW TO READ THE PLAN

The Plan is divided into six sections.

Section 1 - Introduction

This Section introduces the district and Council. The 2014/15 Annual Plan is the second year of the implementation of Growing Invercargill - Council's 2012-2022 Long Term Plan. How the Plan was developed and differences between the two documents are explained. Projects which Council have added or removed in preparing this Plan have been listed. The Financial Summary illustrates how Council proposes to fund its activities and the impact on ratepayers.

At the end of 2014/15 Council will publish an Annual Report outlining the work undertaken and its actual cost.

Section 2 - Key Projects

In addition to the Activities managed by Council, the Long Term Plan also highlighted Key Projects. This section explains what the key projects are and what progress is to be made with their objectives during the 2014/15 year.

Section 3 - Council Activities and their Performance

Council has eight groups of activities which explain how we plan, manage, deliver and fund individual activities.

The 23 individual activities are:

<i>Individual Activities</i>	<i>Page</i>
Animal Services	53
Building Control	56
Civil Defence Emergency Management	59
Community Development	77
Compliance (Parking and Mobility Services)	62
Democratic Process	104
Destinational Marketing	106
Enterprise	108
Environmental Health	64
Housing Care Service	80
Investment Property	111
Libraries and Archives	82
Parks and Reserves	86
Passenger Transport	90
Pools	93
Public Toilets	97
Resource Management	67
Roading	33
Sewerage	37
Solid Waste Management	40
Stormwater	43
Theatre Services	99
Water Supply	46

Section 4 - Council Controlled Organisations

This Section summarises the Statements of Intent which have been developed by the Council Controlled Organisations.

Section 5 - Fees and Charges

This Section details the fees and charges for 2014/15.

Section 6 - Financial Management

Development of the Plan

The 2014/15 Draft Annual Plan was adopted by Council on 25 March 2014 and a public notice on 29 March 2014 invited submissions until 30 April 2014. Copies of the Draft Annual Plan and Summary were available from the Civic Administration Building Help Desk, the Public Library and the Bluff Service Centre. It was also placed on Council's website. A hearing of submissions was held on 15 May 2014.

VARIATIONS FROM GROWING INVERCARGILL (Long Term Plan 2012-2022)

The Long Term Plan identified a rates change of +2.65% on the 2014/15 rates requirement. Council has reviewed the projects proposed, their costs and whether it is essential that they be undertaken in 2014/15. The Draft Annual Plan was presented to the Community with a proposed rates increase of 0.40%. After considering submissions and making amendments the rates change for the 2014/15 financial year is 0.62%. The following significant variations from the Long Term Plan were adopted:

<i>Activity</i>	<i>Proposed Change</i>	<i>Level of Service Impact</i>	<i>Financial Impact against Long Term Plan</i>
Roading	Reduction in the NZTA subsidised roading programme.	Decrease in Levels of Service with less of programme being completed.	Nil - saving in Capital Expenditure met by reduction in NZTA funding.
Sewerage	Clifton Treatment Plant additional costs for control and electrical upgrades.	Plant to meet increased technology and environmental standards.	Increase of \$244,000.
Stormwater	Reduction in maintenance spend due to new contract.	No change	Saving of \$98,000.
Water Supply	Reduction in maintenance spend due to new contract.	No change.	Saving of \$200,000.
	Capital expenditure has increased due to a shift in priorities from alternative water source project to water treatment plant upgrade project.	Increase in Level of Service.	Increase of \$1.7 million from reserves and loans.
Democratic Process	Discontinue funding Our Way Southland project.	Decrease as Our Way Southland programmes no longer undertaken in Invercargill City District.	Saving of \$50,000.
Solid Waste	Reduction in Carbon Credits required to purchase.	No change.	Saving of \$140,000.

<i>Activity</i>	<i>Proposed Change</i>	<i>Level of Service Impact</i>	<i>Financial Impact against Long Term Plan</i>
Passenger Transport	Increase in bus fares with BusSmart system.	Increase in Level of Service.	Increase in rates required offset by increase in fees and revenue from new bus contract.
Parks and Reserves	Queens Park toilet capital expenditure.	Increase in Level of Service.	Increase of \$140,000 from loans.
Urban Rejuvenation	South City roading capital expenditure.	Increase in Level of Service.	Increase of \$400,000 from loans.
Library	RFID project capital expenditure.	Increase in Level of Service.	Increase of \$370,000 from loans.
City Centre Revitalisation	Timing of project differing from Long Term Plan.	No change.	Saving of \$425,000.
Animal Services	Additional resources employed.	Increase in Level of Service.	Increase of rates required offset by increase in fees.
Invercargill City Holdings Limited	Increase in dividend.	No change.	Saving of \$300,000.

In response to the submissions to the 2014/15 Draft Annual Plan the following changes were made:

<i>Activity</i>	<i>Change</i>	<i>Financial Impact</i>
'Friendly' brand	Funding provided to the Child, Youth and Family Friendly Sub-Committee to support this work.	\$10,000 into Grants budget from Rates.
Bluff Hill Motupohue Environmental Trust	Financial support for the Pest Control Programme.	\$10,000 into Grants budget from Rates.
Poppycock Trust	Financial support of 12 months project of Internet Health and Safety Consultant Southland initiative.	\$10,000 into Grants budget from Rates.
Coastguard Bluff	Financial contribution towards the building of a new Coastguard vessel.	\$50,000 into Grants budget from Rates.
Emergency Accommodation / Shelter Service	Financial contribution towards addressing homelessness in Invercargill.	\$20,000 into Grants budget from Rates.
Bluff Boat Ramp	Financial contribution to assist with the feasibility study for the Bluff Boat ramp.	\$30,000 from the Harbour Works Improvements Reserve.
Animal Services	Remove \$60.00 Responsible Ownership Application fee.	No impact in the 2014/15 year.

RESPONSE TO SUBMISSIONS

Three areas of concern that have not had a financial impact on the Annual Plan were identified through the submissions process. These were the City Centre Rejuvenation Rate, the Special Rating Area - South Alive and the amendment to Council's Financial Strategy.

City Centre Rejuvenation Rate

Council has determined to cease collecting the rate on behalf of Vibrant Invercargill Incorporated and instead to collect a City Centre Rejuvenation Rate from businesses within the defined area. Council further proposes to undertake consultation with the ratepayers who are paying the City Centre Rejuvenation Rate to establish what service will best fit their needs. Council is only the collection agent for Vibrant, so is only ceasing this collection service. Vibrant Invercargill Incorporated is still able to collect fees from its members.

Special Rating Area - South Alive

Council determined neither to implement a Special Rating Area for the South Alive Group nor to undertake consultation over the 2014/15 year to enable the introduction of such a rate. Council has an Urban Rejuvenation budget paid for out of the General Rate and the South Alive Group can apply for funding from the Urban Rejuvenation Sub-Committee.

Financial Strategy

A number of submissions stated that the reason for making amendments to the Financial Strategy was not clear or easily understood. The existing wording in the Financial Strategy is factually wrong and legally confusing and it is for that reason the Council had to make an amendment.

Background to the amendment

The following statement appears on page 45 of the 2012-22 Long Term Plan:

*"Securities Borrowing
Council has unpaid capital as a security over the*

borrowings of Invercargill City Holdings Limited and does not anticipate this security arrangement changing. If required in the future, Council would consider utilising rates as security."

It was raised that this statement arguably meant that section 62 of the Local Government Act 2002 had been breached. If there was no breach the wording in the Long Term Plan needed to be amended. Section 62 provides that a local authority (Council) must not give any guarantee, indemnity, or security in respect of the performance of any obligation by a council controlled trading organisation (Invercargill City Holdings Limited).

Council's advisors agree that there is no breach of section 62 in this case as the uncalled shares do not amount to the Council giving security in respect of the performance of an obligation by Invercargill City Holdings Limited. If the shares are being used as security, then it is Invercargill City Holdings Limited that is using them as security, not the Council.

The wording in the Long Term Plan is confused and Council was advised that it would be prudent to amend it when an opportunity arises; this opportunity has arisen as part of the Annual Plan process. The statement quoted above has been deleted from the Financial Strategy.

Discussion of the uncalled shares in a part of the Long Term Plan dealing with the Council's securities for its borrowing was inappropriate. It is more appropriate to discuss the uncalled shares in a part of the Long Term Plan relating to Invercargill City Holdings Limited, or to the Council's potential liabilities. A better description of the nature of the uncalled shares is:

"Certain shares the Council holds in Invercargill City Holdings Limited are unpaid, i.e. the issue price for the shares has not yet been paid. This issue price is payable when called by Invercargill City Holdings Limited, under procedures set out the company's constitution. The Council's potential liability for this unpaid issue price is a contingent liability, in the sum of \$67,650,000."

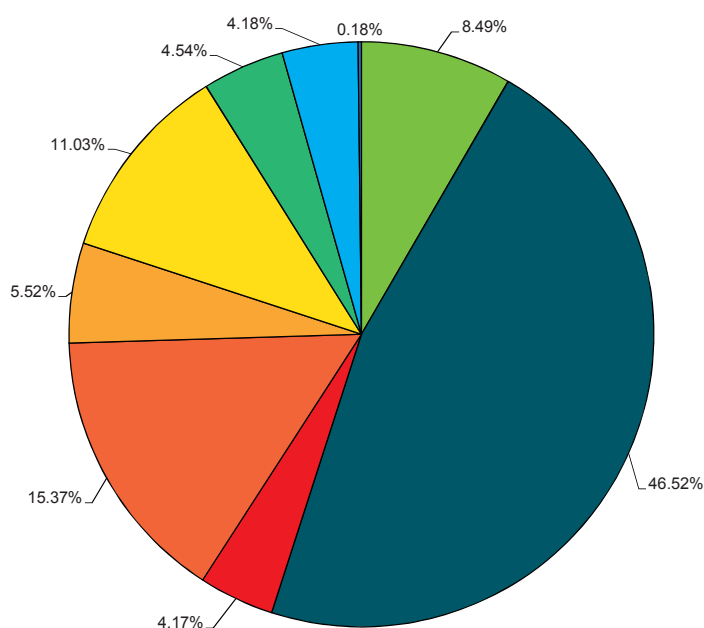
Financial Summary

The Annual Plan 2014/15 incorporates a rates increase of 0.62%. This is a total rates draw of \$52,106,856. Council's Long Term Plan anticipated a change of +2.65% for 2014/15, which was a total rates draw of \$55,972,000. The debt level of Invercargill City Council at 30 June 2013 was \$40.3 million.

- Total revenue will increase from \$79.2 million in the 2013/2014 Annual Plan to \$80.5 million in 2014/15, a 1.64% increase.
- Funding comes from a number of sources with the majority from rates and fees and charges. Other funding is received from grants and subsidies, interest and dividends. This is shown in the pie graph below.

2014/15 Funding

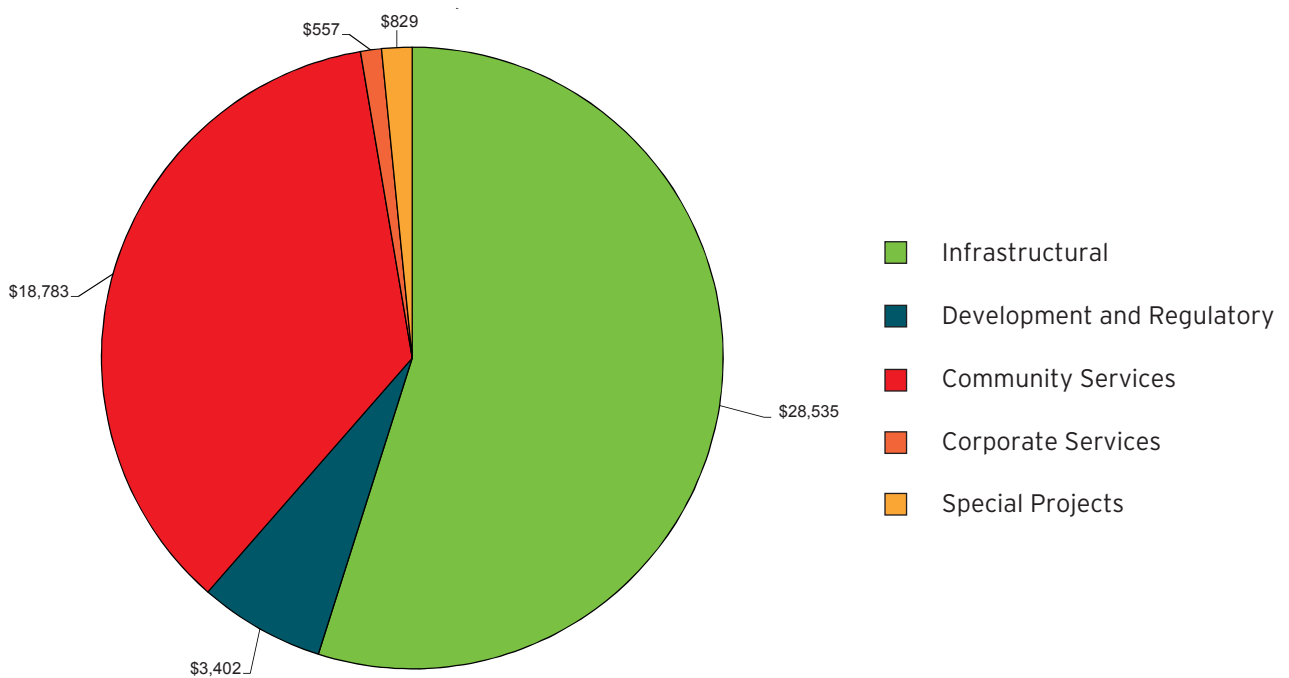
(From Funding Impact Statement on page 176.)



- General rates, uniform annual general charges, rates penalties
- Targeted rates (other than targeted rate for water supply)
- Subsidies and grants for operating purposes
- Fees, charges and targeted rates for water supply
- Interest and dividends from investments
- Local authorities fuel tax, fines, infringement fees, and other receipts
- Subsidies and grants for capital expenditure
- Increase (decrease) in debt
- Gross proceeds from sale of assets

Most 2014/15 expenditure occurs within Infrastructure Services (Roading, Sewerage, Solid Waste Management, Stormwater and Water Supply).

2014/15 Rates (\$,000 including GST)



Financial forecasts reflect the cost associated with Council undertaking its activities. Changing the overall cost of Council activities can only be undertaken by reducing levels of service or reducing the maintenance on assets (which increases the risk of failure).

By reviewing the projects proposed for 2014/15, their costs and whether they were essential, Council has reduced, in the Annual Plan, the rates requirement from that indicated in the Long Term Plan.

The following table sets out proposed and current rating examples by property type.

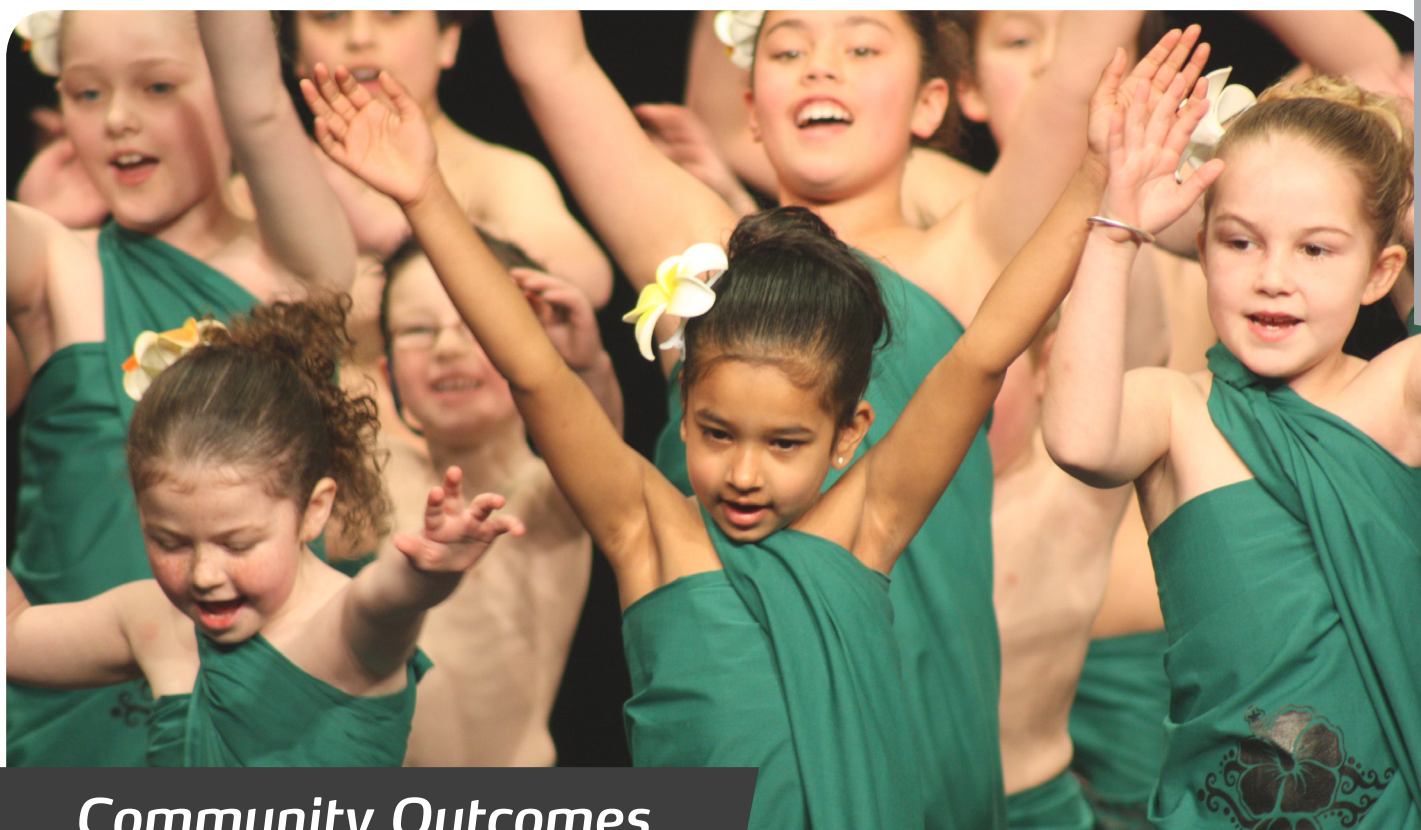
<i>Type of Property</i>	<i>Rateable Value \$</i>	<i>Rates 2013/14 \$</i>	<i>Rates 2014/15 \$</i>	<i>\$ Change Annual</i>	<i>\$ Change Weekly</i>
Residential	600,000	3,559.23	3,541.90	- \$17.33	- \$0.33
Residential	485,000	3,087.96	3,075.50	- \$12.46	- \$0.24
Residential	215,000	1,981.50	1,980.30	- \$1.20	- \$0.02
Residential	111,000	1,555.28	1,558.60	+ \$3.32	+ \$0.06
Commercial	720,000	5,766.42	5,699.80	- \$66.62	- \$1.28
Commercial	2,475,000	14,479.67	14,188.40	- \$291.27	- \$5.60
Farms	1,975,000	4,201.42	4,106.50	- \$94.92	- \$1.82
Farms	4,700,000	8,991.62	8,828.70	- \$162.92	- \$3.13
Lifestyle	610,000	2,466.72	2,469.20	+ \$2.48	+ \$0.05
Lifestyle	310,000	1,409.88	1,413.90	+ \$4.02	+ \$0.08

These examples are indicative only.

TOTAL RATES TO BE COLLECTED

The table below shows the total rates to be collected for Council's activities for 2014/15 compared to 2013/14.

<i>Total increase in rates</i>	<i>2013/14 \$ GST inclusive</i>	<i>2014/15 \$ GST inclusive</i>
General Rate	7,680,236	7,503,388
Resource Management	1,322,908	1,405,997
Roading	5,245,173	5,299,016
Parks and Reserves	5,983,035	6,176,220
Cemeteries	330,449	246,582
Libraries	4,167,164	4,257,286
Pools	1,815,029	1,902,512
Regional Heritage	786,180	811,124
Footpaths	1,706,198	1,728,165
Street Lighting	470,463	405,794
Transport	761,053	657,435
Sewerage	5,521,185	5,648,693
Drainage	2,861,492	2,918,323
Drainage - Makarewa	12,395	13,025
Drainage - Myross Bush	9,105	9,680
Drainage - Redmayne Road	3,151	3,307
Refuse Collection	3,584,847	3,600,069
General Waste Management	732,246	778,930
Water	7,121,738	7,116,073
Economic Development	345,000	345,000
Business Development	1,100,810	1,055,875
City Centre Rejuvenation	92,000	92,000
Community Centres		
• Awarua	3,300	3,480
• Makarewa	2,040	2,076
• Myross Bush	15,420	15,600
• Otatara	18,900	19,020
Bluff Town Hall	9,799	10,772
Bluff Community Board	82,294	81,414
Net Rates	51,785,639	52,106,856



Community Outcomes

Most of what Council does is based on the Community Outcomes that are central to the health and heart of the City. The Community Outcomes are best described as long term goals or aspirations of Council for the Community. The Community Outcomes have been derived from Council's vision: **"To create an exciting, innovative, safe, caring and friendly City, offering lifestyles based on a healthy environment and a diverse growing economy"**.

Council has identified four Community Outcomes and these outcomes guide and inform decision making and provide a set of objectives or goals for Council to work towards. As such, each of Council's activities and key projects contribute towards the achievement of at least one of the Community Outcomes.

The following tables display the four Community Outcomes, how we will determine success in achieving the outcomes and Council's role in progressing towards success.

The Community Outcomes are:

A diverse and growing economy
<i>We will know success when:</i>
<ul style="list-style-type: none"> ▪ Invercargill reaches and maintains a minimum population of 60,000. ▪ Residents of all age ranges enjoy meaningful work. ▪ Invercargill has the lowest unemployment rates in New Zealand. ▪ The Invercargill economy is resilient to market changes. ▪ The Southland region contributes the highest export earnings per head of population in New Zealand.
<i>Council's role will be to:</i>
<ul style="list-style-type: none"> ▪ Ensure that the building blocks for sustainable business are in place, including energy, water, communications and workforce. ▪ Attract a diverse range of business and industry to locate in Invercargill, targeting especially business that offers high skilled job opportunities. ▪ Provide an environment that is business friendly and nurtures strong business.

Healthy lifestyles in a healthy environment
<i>We will know success when:</i>
<ul style="list-style-type: none"> ▪ Residents enjoy good physical and mental health. ▪ Residents live in warm, affordable homes, in vibrant and attractive communities. ▪ Residents are able to move about the City efficiently and effectively. ▪ Residents participate routinely in recreational pursuits and active leisure. ▪ Invercargill is clean, green and pollution free.
<i>Council's role will be to:</i>
<ul style="list-style-type: none"> ▪ Provide or ensure provision of services that include a quality water supply and reliable, effective sanitation. ▪ Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made. ▪ Provide and promote access to open spaces, including green spaces and the coast. ▪ Implement and protect distinct development zones across the District. ▪ Provide a quick and effective response to potential environmental hazards or nuisance.



A City that is a great place to live and visit

We will know success when:

- Visitors and residents know Invercargill to be friendly, caring, safe and exciting.
- Families choose to relocate to and stay residents of Invercargill.
- Residents feel safe and enjoy a strong sense of belonging and social cohesion.
- Residents routinely participate in or enjoy a diverse range of arts, culture and heritage opportunities.
- Invercargill and Southland produce successful sports teams, artists and performers.

Council's role will be to:

- Design spaces, buildings and roads with community safety and interest in mind, and encourage others to do the same.
- Ensure that all projects/services consider how best they can cater for people with disabilities, the elderly, youth and families.
- Promote Invercargill actively as a great place to live, learn, work, play and visit.
- Provide and promote a range of events that create vibrancy and build community.
- Support community-led revitalisation of Bluff, South City, Waikiwi, Windsor, Glengarry and the CBD.

Strong, innovative leadership

We will know success when:

- Invercargill is both progressive and sustainable across business, community and local government.
- Invercargill residents across the board are active and engaged citizens.
- Ratepayers feel that they get good value for their rates.
- Synergetic, collaborative partnerships routinely see Invercargill out-performing similar sized provincial cities.
- Perception surveys show Invercargill to be delivering positive results across the board.

Council's role will be to:

- Provide good governance underpinned by a clear vision, intelligent strategies, robust plans and informed decision-making.
- Communicate effectively with ratepayers, be accessible and respond to community need.
- Actively seek efficiencies through innovation, shared services and the streamlining of processes.
- Actively advocate on behalf of communities for matters external to Council business, such as health, education and policing needs.
- Develop and nurture partnerships with key stakeholders.



Māori Capacity

DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION-MAKING PROCESSES

The Invercargill City Council acknowledges the importance of tikanga Māori and values its relationship with both tangata whenua (Ngāi Tahu) and ngā matawaka (other Maori who are not Ngāi Tahu living within Murihiku / Southland).

The four councils of Southland: Environment Southland (Southland Regional Council), Southland District Council, Gore District Council and Invercargill City Council are charged with fostering Māori capacity to contribute to and participate in local government decision making processes.

This relationship is supported and fostered through regular participation in Te Roopu Taiao meetings by Councillors, nga runanga representatives and matawaka representatives.

The relationship that each Council has with Ngāi Tahu ki Murihiku continues to grow in strength. This has been assisted by the establishment of a Charter of Understanding between Te Ao Marama Incorporated (representing nga runanga) and the councils. This relationship allows Te Ao Marama Inc to form the tomokanga (gateway) for consultation between Māori and the councils.

Councils provide resources such as the provision of technical advice, expertise, information and financial support. Te Ao Marama Inc provides for positive

consultation, clarification on matters of significance to Iwi and identifies appropriate persons for consultation. An atmosphere of trust and openness is the cornerstone of the relationship which was formed at the signing of the Charter of Understanding.

Council staff undertake consultation and discussion with Māori through Te Kaupapa Taiao Manager on a regular basis as a way of recognising the spirit of open partnership inherent in Te Tiriti o Waitangi (the Treaty of Waitangi).

The Natural Resource and Environmental Iwi Management Plan 2008 (Te Tangi a Tauira - The Cry of the People) has been developed by Ngāi Tahu ki Murihiku with active involvement from all councils. This Plan is an important document which helps the councils to develop an understanding of issues of importance to Ngāi Tahu and acts as the primary reference for local government governance and its interaction with Māori in the community.

The Invercargill City Council remains committed to ensuring that opportunities are promoted and offered for Māori to build capacity and to actively engage across the range of Council's decision-making processes.