

2015-2025 long-term plan

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invercargill introduced



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 39.2 years - the New Zealand median age being 38 years.

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

Home ownership in the Invercargill District (70.4%) is higher than New Zealand.

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.

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 1,112mm/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 I would like to thank the 219 residents and ratepayers who took the time and effort to make submissions to our Long-Term Plan. It is difficult for Council to envisage

the challenges we will face in the future so we rely very much on the views and predictions of our local community. We have made a real effort to encourage people to engage with Council's plans. In previous years we have held traditional public meetings in cold, drafty community halls and very few people attended. This year we decided to build a consultation caravan and park it in shopping centres or outside events. If the people weren't coming to us then we would go to the people. This innovative approach worked well and stimulated a lot of interest. We also developed an online ICC-TV and posted a Consultation magazine to every home in Invercargill and Bluff. This year Council has tried to deal with some unpopular issues such as the rationalisation of local parks. Except for Makarewa many communities may believe we have ignored their submissions to save several local parks. Let me assure you this is not the case. The wheels of local government move with considerable caution. We will not be ripping out swings or slides and putting up for sale signs next week. Council

has allowed plenty of time for further discussions and negotiations before any action is taken. Other submitters such as the Awarua Communications Museum may feel aggrieved that after making a \$50,000.00 contribution to the establishment of this important heritage development, Council has now decided not to contribute to the running costs. Let me assure you we are not a flip flop Council. We still support the project but believe the operational costs should come from the Regional Heritage Fund. I believe Councillors have tried their very best to be fair and balanced but it's difficult to achieve justice when dealing with a property tax. Other factors that are almost impossible to plan for involve issues over which Council has very little control. The legislation resulting from the Christchurch earthquakes, the Richardson Truck Museum, new safety regulations, the price of milk and the future of the smelter are just a few examples of 'the great unknowns' that could have a profound negative or positive impact on our city. This Long-Term Plan is an honest attempt to focus on economic development, financial challenges, and infrastructural requirements we will inevitably have to face.

A handwritten signature in black ink, which appears to read 'Tim Shadbolt'. The signature is fluid and cursive.

Tim Shadbolt
MAYOR OF INVERCARGILL

chief executive's comment



Thank you to those people who submitted their views on proposals for the Council's 2015-25 Long-Term Plan. This feedback is crucial to letting the Mayor, Councillors and staff know whether people think the

direction Council is taking is the right one.

Now, having read more than 1,000 pages of submissions and listened to speakers' comments, Council has made its decisions on the key issues and projects identified in the Consultation Document. We have also made decisions on other matters raised by submitters during the consultation process.

Councillors with the support of staff have tried to balance affordability for ratepayers with the need to maintain core infrastructure and the environmental needs of our community.

The overall effect of these decisions is a 3.89% increase in rates for the 2015/16 year.

A large part of Council's consultation centred on the city's infrastructure - greater expenditure on replacement of the water, stormwater and sewerage pipes; increasing ratepayer funding for roading to meet the gap left by the decreasing New Zealand Transport Agency subsidy; and decreasing spending on footpaths; deferring work on an alternative water source until 2025/26 after critical infrastructure renewals will be carried out, but also providing \$190,000 for an aeromagnetic geological survey.

There were three subjects about which submitters were particularly passionate: the proposed expansion of Splash Palace, Clean Air - Changes to Home Heating; and the Changing Use of Open Spaces.

Most submitters supported the expansion at Splash Palace, although a number of submitters did not wish to see a gym incorporated in the design. As the entire project is based on a user pays model, the revenue from the gym will also pay for the changing rooms and

other extensions. Without the gym, the changing rooms would need to be paid for from rates at a cost of over \$960,000. Therefore Council decided to undertake the expansion, including the fitness centre, following the consideration of a business plan that will also consider the impact on private enterprise gym providers.

With the Clean Air changes proposed by Environment Southland, most submitters were in support of Council providing funding for a home heating assistance programme. Many submitters raised the need for insulation and income testing to be included and these concerns will be taken into account when Council develops the criteria for the programme. Council decided that it would make \$500,000 available for a home heating assistance programme.

Council's proposal to disestablish some playgrounds and to dispose of, or exchange, some reserves saw submitters divided. Many submitters requested that their local playground be retained. However, a large number of submitters opposed the disposal of the Makarewa Local Purpose Reserve. Council decided to continue with the process to disestablish some playgrounds, assessing each on a case-by-case basis; remove the Makarewa Local Purpose Reserve from the disposal list and reassess it in future if the Playcentre ceases to operate on the site; and continue with the process to dispose of or exchange other reserve land.

Council's full operational plan for 2015-25, including budgets, is detailed in this document. The aim is to continue working towards Council's Vision: "Creating an exciting, innovating, safe, caring and friendly City offering lifestyles based on a healthy environment and diverse growing economy."

Richard King
CHIEF EXECUTIVE OFFICER

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 October 2013; the next will be in 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
027 290 1142



Rebecca Amundsen
027 225 2664



Karen Arnold
03 217 9360



Neil Boniface
03 217 0405



Alan Dennis
027 274 4513



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DEPUTY MAYOR
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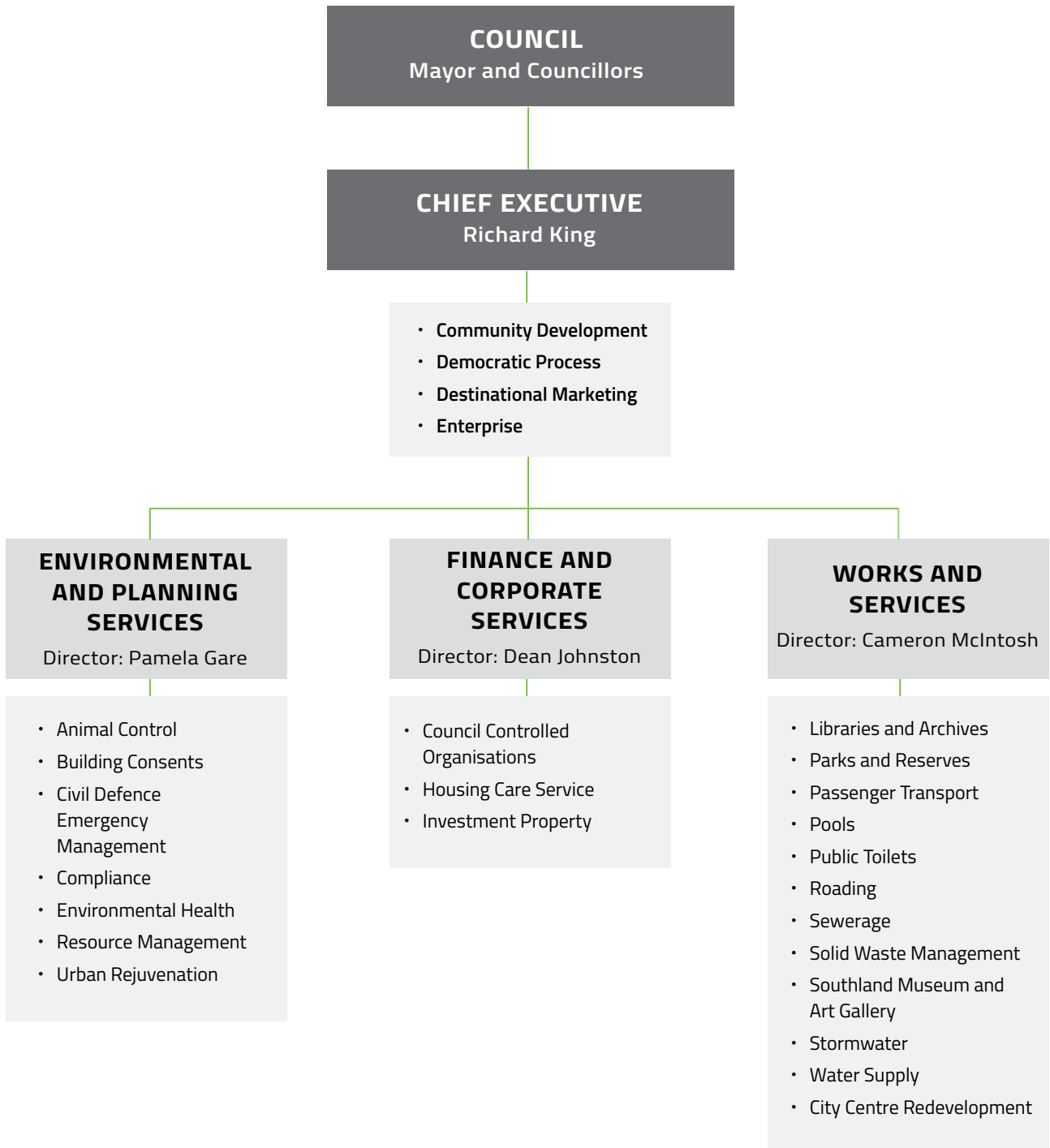


Graham Sycamore
03 213 0727



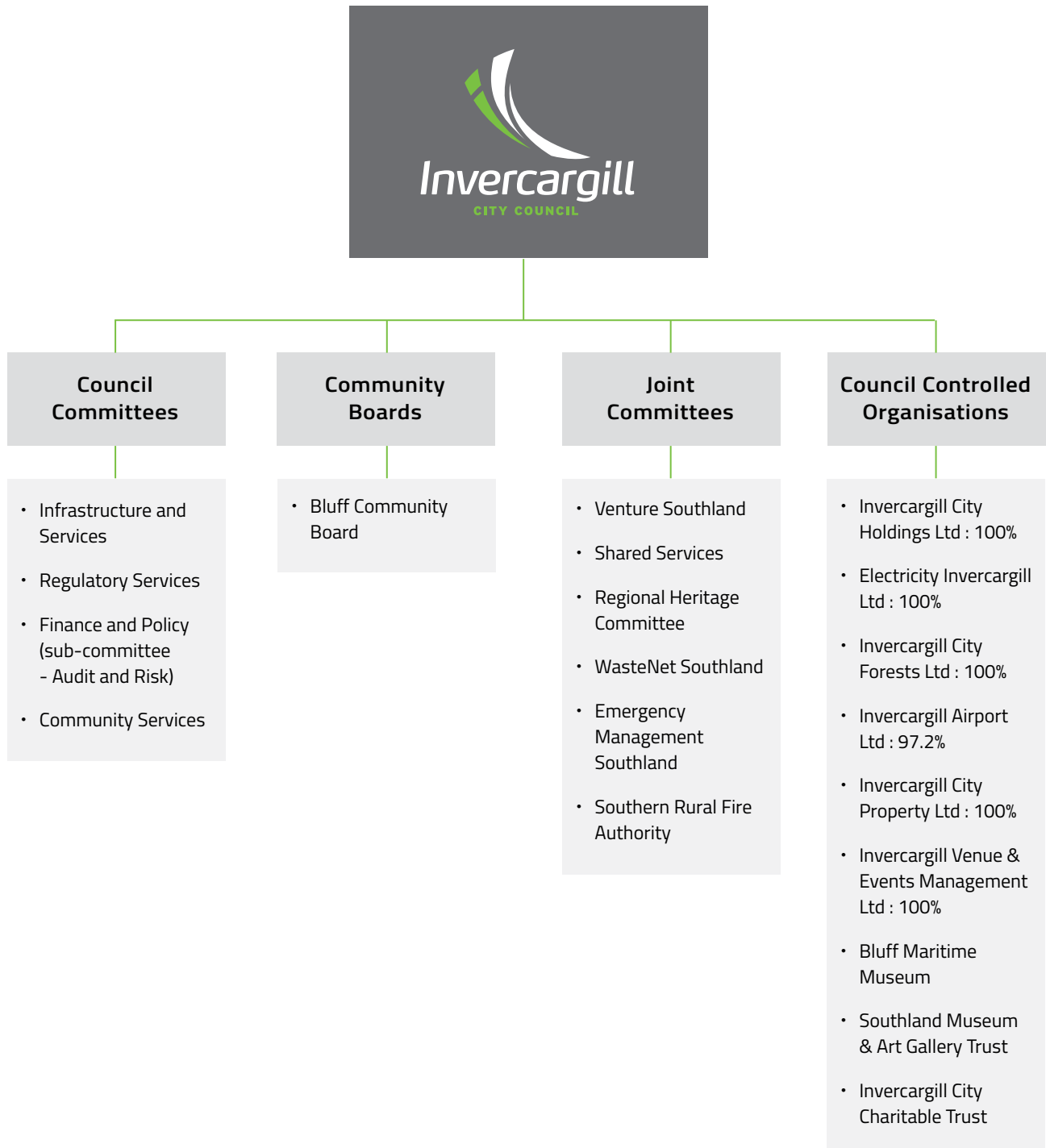
Lindsay Thomas
027 472 4730

management structure



The Council (elected members) employs the Chief Executive Officer to head the management structure.

council structure



readers' guide

The Long-Term Plan shows how the Invercargill City Council will plan and deliver projects, programmes and services.

GUIDE ON HOW TO READ THE PLAN

The Plan is divided into eleven sections.

Section 1 - Introduction

This section introduces the District and Council, and explains why we have developed a Long-Term Plan. It includes the main assumptions on which the Plan is based, along with the key issues. The Financial Summary illustrates how Council proposes to fund its activities over the next ten years and the impact this will have on ratepayers. A copy of the report from Audit New Zealand on this Plan can also be found in this section.

Section 2 - Community Outcomes

The Council-focussed Community Outcomes for the Invercargill District are presented. This section also presents an overview of how they will be achieved and how Council will monitor performance towards them.

Section 3 - Financial Strategy

The Financial Strategy is Council's guide on funding and expenditure decisions, and aims to improve transparency and accountability. It addresses the anticipated factors that will have a significant impact on Council during the 2015-25 period and contains limits on rates and on borrowing. It also states the objectives and targets for Council's investments.

Section 4 - Infrastructure Strategy

The Infrastructure Strategy is Council's Strategy to provide infrastructure that is fit for the next 30 years and beyond. It highlights challenges that we will face and Council's solution for addressing them.

Section 5 - Council's Activities

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

1. Roding
2. Sewerage
3. Solid Waste Management
4. Stormwater
5. Water Supply
6. Development and Regulatory Services (including Animal Services, Building Control, Civil Defence and Emergency Management, Compliance, Environmental Health and Resource Management)
7. Community Services (including Community Development, Housing Care Service, Libraries and Archives, Parks and Reserves, Passenger Transport, Pools, Public Toilets and Theatre Services)
8. Corporate Services (including Democratic Process, Destinalional Marketing, Enterprise and Investment Property).

Section 6 - Projects of Significant Community Interest

This section summarises work on the City Centre Revitalisation and Urban Rejuvenation projects.

Section 7 - Council Controlled Organisations

This section summarises the Statements of Intent which have been developed by the Council Controlled Organisations and includes an update on the Awarua Industrial Development and Southland Museum and Art Gallery Redevelopment initiatives.

Section 8 - Policies

This section contains policies which inform the Community of Council's position on particular matters, support the decision making of elected members and provide staff with clear direction on how decisions are to be implemented.

Section 9 - Fees and Charges

This section details the Fees and Charges for 2015/16.

Section 10 - Financial Management

This section includes a Prospective Statement of Financial Position, Prospective Statement of Comprehensive Revenue and Expenditure, Prospective Statement of Changes in Equity, Prospective Statement of Cashflows, Reconciliation of Rates Revenue, Operating Revenue and Operating Expenditure against Funding Impact Statements, Schedule of Reserves and supporting financial policies.

Section 11 - Other Information

This section contains the assumptions on which this Plan is based, a summary of the Assessment of Water and Sanitary Services and a summary of the Waste Management and Minimisation Plan.

overview

WHAT IS LOCAL GOVERNMENT AND THE LONG-TERM PLAN?

The purpose of Local Government is to enable democratic local decision making and action by, and on behalf of communities, and to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. The Invercargill City Council does this in relation to the Invercargill District.

The Long-Term Plan provides a basis for integrated decision-making and coordination, and it helps Council and the community maintain a long-term focus on the decisions and activities of Council.

As a document, the Long-Term Plan sets out Council's priorities for the next ten years and how it will promote the current and future interests of the Community. The Plan is based on a set of assumptions of how our future will look. The Plan is reviewed every three years to ensure it remains current and reflects changes in the District, the economy and the priorities of the Community. An Annual Plan is developed in the two years between Long-Term Plans, showing in detail any changes to what was included in the Long-Term Plan. Council's Annual Report explains how it has progressed in achieving the projects, services and financial results.

The Long-Term Plan is based on Council's understanding of what its communities would like it to provide, its responsibility to take a long-term view of its activities and to show that its services and activities provide 'value for money'.

KEY ASSUMPTIONS

Council's Vision is "creating an exciting, innovative, safe, caring and friendly City offering lifestyles based on a healthy environment and diverse growing economy'. Assumptions have been made which form the basis of the Long-Term Plan. Council knows that the future will differ from its assumptions, but they are a "best guess" on which to base the Plan. Three key assumptions which have had a significant impact on the Plan are:

1. There will be gradual positive growth in the Invercargill and Southland economy and, therefore, employment opportunities.
2. Population growth will remain positive. In 2011 the population of the District was 51,696 and it is estimated to be 53,400 by 2031.
3. The cost of providing Council's services will increase. Changes in the consumer price index (CPI) are used as the basis for measuring the inflation faced by households. It gives a picture of how the prices of the goods and services purchased by the typical New Zealand household are changing over time. It is therefore heavily represented by food, accommodation and transport costs, which collectively make up over 50% of the index. The Council, however, purchases a different mix of goods and services. Council's "basket" is dominated by changes in the Local Government cost adjustors such as labour costs, land and materials associated with assets. There is therefore a difference between changes in CPI and Council's cost. Council's cost of providing services will change as follows:

Year	Local Government Cost Index % Adjustment	Consumer Price Index % Adjustment
2015/16	2.24	1.7
2016/17	2.45	1.9
2017/18	2.53	2.0
2018/19	2.61	2.1
2019/20	2.75	2.1
2020/21	2.90	2.2
2021/22	3.04	2.3
2022/23	3.19	2.4
2023/24	3.36	2.4
2024/25	3.53	2.5

Source: Derived from forecast indices from BERL Forecasts of Price Level Change Adjusters to 2025 (October 2014)

PROJECTED NUMBER OF RATING UNITS

Council has projected the number of rating units over the next ten years. This has been based on changes to the number of rating units experienced over

the past five years. The following table shows the projected number of rating units in each of the years for the Long-Term Plan.

Year	Projected Number of Rating Units
2015/16	25,210
2016/17	25,403
2017/18	25,596
2018/19	25,790
2019/20	25,983
2020/21	26,176
2021/22	26,369
2022/23	26,562
2023/24	26,756
2024/25	26,949

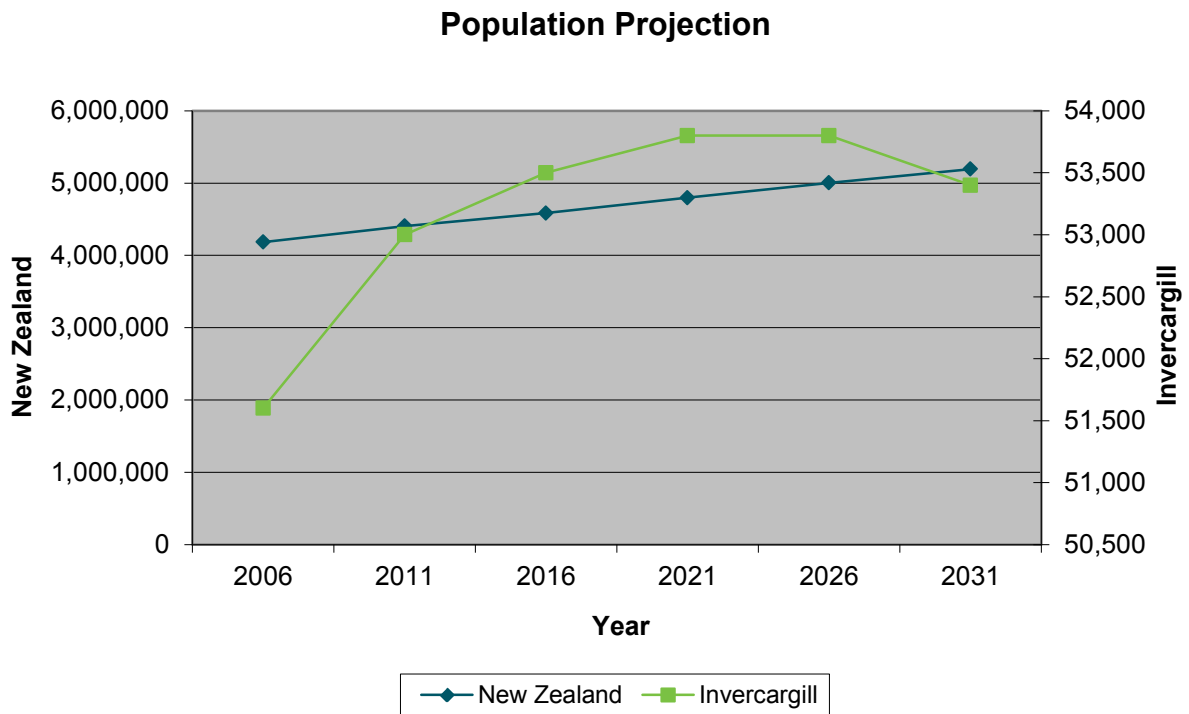
WHAT IS SUSTAINABLE DEVELOPMENT IN THE INVERCARGILL DISTRICT?

By taking a long-term view of its activities, Council will be making decisions that will encourage the sustainable development of the District and its resources. Council is actively involved throughout the community and is therefore in a unique position to consider the long-term sustainable development of the District.

Every local authority forms its own view of what sustainable development is for its district. In recent times, the Invercargill District has experienced a period of growth. From an Invercargill City Council perspective, sustainable development can be identified by the Community achieving the following trends:

- *Population retention and growth.*

The 2011 Census showed that the population of Invercargill had increased 2.7% from 2006. It is the experience of both Council and the Community that it becomes increasingly difficult to sustain a community if the population is decreasing. The Invercargill District has infrastructure to support a population greater than 53,400 (2031 estimated population). The graph below illustrates the population trends for Invercargill and New Zealand. An indication of the sustainable development of the Invercargill District would be for its population growth to follow the national trend.



- ***Residential property values.***

Residential property values provide an indication of the quality of housing and its demand. An indication of the sustainable development of the Invercargill District would be for residential property values in Invercargill to follow the national trend. From April 2014 to April 2015 property values increased 0.6% in the Invercargill District following the national trend of increasing property values, although at a slower rate.

- ***Resource Use.***

The sustainable development of the District is promoted by the Community reducing its impact on the environment. This can be shown in the Community's increasing use of walkways and cycleways for moving around the District and in greater proportions of solid waste being recycled, and the composting of green waste. By defining an urban boundary for Invercargill and Bluff, Council is encouraging the redevelopment of these serviced residential properties, rather than expanding infrastructure into rural areas.

development of the plan

The Consultation Document to the Long Term Plan was adopted by Council on 24 April 2015, and a public notice on 25 April 2015 invited submissions until 25 May 2015. During the submission period, Council distributed its Consultation Document to all residential properties in the district. Newspaper articles, radio announcements, social media and Council's Consultation Caravan were used

to encourage submissions on the Long Term Plan. 219 submissions were received and a hearing was held on 28 and 29 May 2015.

Ten key issues were identified and the following decisions made:

1. RATES

Council went out for public consultation with a proposed rates increase of 3.71% in the 2015/16 year. Following the consultation process and decisions on submissions, the rates increase for the 2015/16 year will be 3.89%.

2. ALTERNATIVE WATER SOURCE

Most submitters supported Council's deferral of the work on an alternative water source until 2025/26, after the critical infrastructure renewals had been carried out.

One submission requested that Council become an active partner in facilitating the extension of the Government funded aeromagnetic geological survey of Southland to include the Invercargill City Council area. This study will assist Council in determining where an underground water source could be located. Council decided that \$190,000 will be made available from budgets previously set aside for the investigation into an alternative water source. This will have no impact on rates.

Council decided to defer the alternative water source project until 2025/26, but also to provide \$190,000 for the aeromagnetic geological survey.

3. STORMWATER

Most submitters were in support of Council increasing its expenditure on the replacement of stormwater pipes.

Council decided to cumulatively increase its rates expenditure on average \$164,000 per year from \$1.289 million to \$2.439 million in 2021/22.

4. SEWERAGE

Most submitters were in support of Council increasing its expenditure on the replacement of sewerage pipes.

Council decided to cumulatively increase its rates expenditure on average \$104,000 per year from \$1.072 million to \$1.802 million in 2021/22.

5. ROADING

Most submitters supported Council's proposal of increasing ratepayer funding for its roading projects to meet the gap left by the decreasing New Zealand Transport Agency subsidy.

Council decided to cumulatively increase its rates expenditure on average \$120,000 per year, from 2016/17 until 2024/25 where the additional sum will be at \$1,202,000 per year thereafter.

6. FOOTPATHS

Most submitters supported Council's proposal to reduce its spending on footpaths projects, and slowly allow the level of service to decrease.

Council decided to reduce its spend in footpaths to \$1.24 million per year.

7. EXPANSION AT SPLASH PALACE

Most submitters supported the expansion at Splash Palace, although a number of submitters did not wish to see a gym incorporated in the design. As the entire project is based on a user pays model, the revenue from the gym will also pay for the changing rooms and other extensions; without the gym the changing rooms would need to be paid for from rates at a cost of over \$960,000.

Council decided to undertake the expansion, including the fitness centre, following the consideration of a Business Plan that will also consider the impact on private enterprise gym providers.

8. CLEAN AIR - CHANGES TO HOME HEATING

Most submitters were in support of Council providing funding for a home heating assistance programme. Many submitters raised the need for insulation and income testing to be included in the programme. These concerns will be taken into account when Council develops the criteria for the programme.

Council decided that it would make \$500,000 available for a home heating assistance programme.

9. CHANGING USE OF OPEN SPACES

Submissions were divided over Council's proposal to disestablish some playgrounds and to dispose or

exchange of some reserves. Many submitters requested that their local playground be retained. A large number of submitters opposed the disposal of the Makarewa Local Purpose Reserve.

Council decided that it would:

- Continue with the process to disestablish some playgrounds over a period of time, assessing each on a case by case basis.
- Remove the Makarewa Local Purpose Reserve from the disposal list and reassess it in the future if the Playcentre ceases to operate on the site.
- Continue with the process to dispose of or exchange the other reserve land.

10. ALCOHOL LICENSING FEES

Council received some submissions requesting a reduction in the alcohol licensing fees. Council's Revenue and Financing Policy states that there should be no ratepayer subsidy for this activity. To ensure that the cost of alcohol licensing does not require ratepayer subsidy, Council is making the assumption that Central Government will increase the fees charged at the same rate as the Local Government Cost Index every year. This has been allowed for in the budgets.

As Council wishes to ensure a fair cost allocation, a bylaw may be developed that seeks to reduce the statutorily set fees by 10%. Alternatively, other methods of changing the fees may be considered. At the same time, the Revenue and Financing Policy will be amended to allow for some of the cost of alcohol licensing to be met by ratepayers. Both of these processes will be subject to the public consultation process.

Council decided not to decrease its fees and charges for alcohol licensing in the Long-Term Plan and will defer this decision until after the public has had an opportunity to submit on the Bylaw and Revenue and Financing Policy documents.

DECISIONS ON SUBMISSIONS WITH FINANCIAL IMPACT

Submissions requesting funding which were approved by Council were:

Submitter	Decision
South Alive	Request - Lighting provided at the Elles Road Dog Park. Council Decision - \$2,000 contribution towards lighting at the Elles Road Dog Park.
SPCA Southland	Request - Continuation of the \$11,000 grant toward operating costs. Council Decision - \$11,000 contribution, per year.
Otatara Landcare Group at Bushy Point, Otatara Pestbusters, Bush Haven Bird Rehabilitation Centre and Southland Community Nursery and Education Centre.	Request - \$1,000 grant for each group toward operating costs. Council Decision - \$4,000 contribution, with \$1,000 going to each group.
Southland Santa Parade	Request - funding for a rental space at \$12,000 per year (\$25 per sq metre). Council Decision - \$10,000 funding for the rental space on the proviso that Council can also store it's Christmas lights in the space.

RURAL - FARMING DIFFERENTIAL

Council has an equitable rating system that shares the cost of operating the District across all ratepayers.

Council recognised that the increase to it's Rural - Farming Ratepayer Category was higher than anticipated and has decided to change the differential from -20% to -30%. Council wishes to remove differential rating over time and has introduced targeted rates and uniform annual charges to even the rates load. Work on how to better ensure equity in our rating system will be ongoing.

audit opinion

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader

Independent auditor's report on Invercargill City Council's 2015-25 Long-Term Plan

I am the Auditor-General's appointed auditor for Invercargill City Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 30 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community.
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 46 to 50 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the City Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

Our audit procedures included assessing whether the:

- Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- information in the plan is based on materially complete and reliable asset and activity information;
- Council's key plans and policies have been consistently applied in the development of the forecast information;
- assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Ian Lothian, Audit New Zealand
On behalf of the Auditor-General, Dunedin, New Zealand

statement of compliance



The Invercargill City Council and its officers confirm that all the relevant statutory requirements of Part 6 of the Local Government Act 2002 have been complied with.

The Council and its officers accept responsibility for the preparation of the Long Term Plan and the prospective financial statements.

In the opinion of the Council and its officers, the Long Term Plan for the ten years commencing 1 July 2015 provides a reasonable basis for long term integrated decision making and for participation in decision making by the public and subsequent accountability to the community about the activities of the Invercargill City Council.

A handwritten signature in black ink, appearing to read 'T R Shadbolt'.

T R Shadbolt
MAYOR

A handwritten signature in black ink, appearing to read 'R W King'.

R W King
CHIEF EXECUTIVE OFFICER

financial summary

This Plan has been prepared on the basis of concentrating on maintaining desired service levels, while continuing with key projects such as the City Centre Revitalisation and the Branxholme Water Treatment Plant Upgrade. Council is also focussing on key infrastructure projects such as the renewal of our pipe networks. While the major projects will be loan funded, costs of servicing the loans will have an impact on rates, particularly for areas where the expenditure has a targeted rate for services.

Financial Statements are based on costs associated with providing the Community with agreed levels of service including an assumed cost of inflation.

FUNDING EXPENDITURE

The guiding principle for the development of this Plan has been to provide sustainable financial management for Council's activities on behalf of the community.

The Revenue and Financing Policy provides the underlying basis to determine the mix between rates funding and other forms of income. In general terms, Council's funding policies ensure rates and subsidies are sufficient to maintain and replace existing assets.

Council uses loans to fund major capital projects, including new works and certain significant renewals where rate funding would be unaffordable. Other renewals are funded from operating surpluses. By using loans, future ratepayers, who will benefit from the capital works, fund the loan repayments.

Council funds non-infrastructure activities from operating expenses. Infrastructural activity funding is calculated from cash, operating expenses, renewals of assets and debt refinancing costs. It then reviews these costs, taking a long-term affordability and sustainability approach. Asset Management Plans have been developed for each key asset and these highlight future replacements, upgrading or disposals that will occur over the life of the asset.

IMPACT ON RATES

Council has tried to reduce the impact of rating increases on residents, by taking a prudent approach to what is in the Plan, when it will happen and how it is funded. This includes the shifting of projects which delays the impact of when rates need to be raised to pay for them. This helps smooth the overall impact of rates increases.

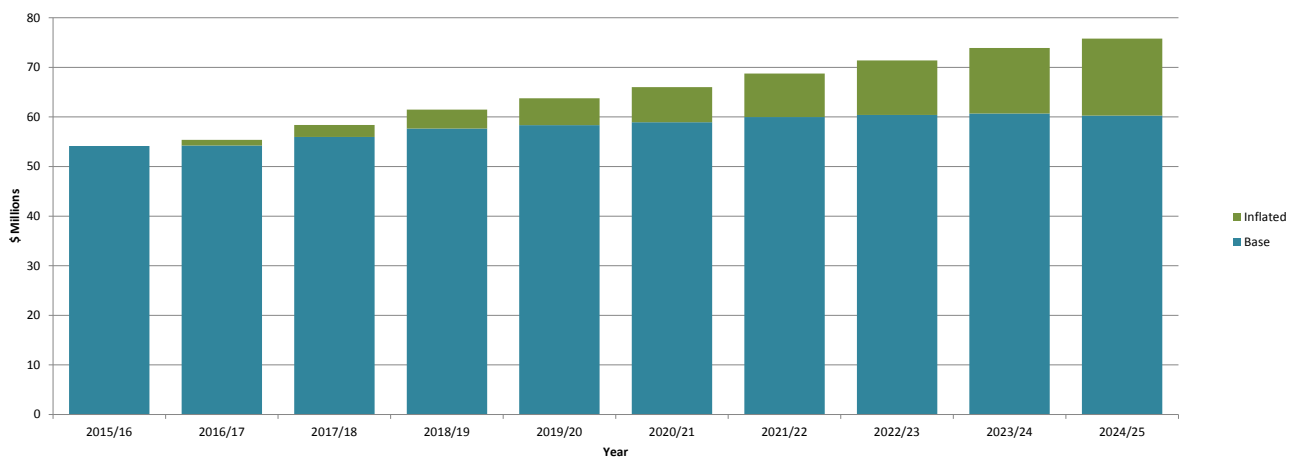
Council has monitored affordability closely through the submission process for this Plan and will continue to do so for each succeeding year, along with the overall economic climate in the District.

The rates revenue requirement over the next ten years is detailed below:

Year	Rates change	Total rates requirement (\$'000) gst inclusive
2015/16	3.89%	54,136
2016/17	2.33%	55,397
2017/18	5.39%	58,382
2018/19	5.30%	61,479
2019/20	3.70%	63,752
2020/21	3.56%	66,020
2021/22	4.15%	68,759
2022/2023	3.86%	71,413
2023/2024	3.48%	73,899
2024/2025	2.59%	75,812

This graph (below) shows the rates requirement for the next ten years. The inflation component has been derived from forecasts developed by BERL. The basis used for rates is the 2015/16 dollar value.

Inflation Component of Rates



Rating valuations were reviewed in 2014. This has resulted in a change in value of most properties in the district. Although the proposed overall rates increase is 3.89%, many properties will have a rates change different to this.

The table of Rating Change below shows some examples of different properties, their valuation change and the impact this has had on the rates payable by the ratepayer.

Table of Rating Changes

Type of Property	Rateable Value (Current) \$	Rateable Value (Proposed) \$	Rates 2014/15 \$	Rates 2015/16 \$	\$ Change Annual	\$ Change Weekly
Residential	111,000	109,000	1,559.50	1622.30	+62.80	+1.21
Residential	240,000	245,000	2,082.72	2,196.10	+113.38	+2.18
Residential	485,000	520,000	3,076.41	3,356.60	+280.19	+5.39
Residential	690,000	700,000	4,076.62	4,288.00	+211.38	+4.07
Commercial	720,000	690,000	5,700.57	5,685.20	-15.37	-0.30
Commercial	1,150,000	1,100,000	8,652.29	8,351.10	-301.19	-5.79
Commercial	2,475,000	2,500,000	14,189.28	13,679.60	-509.68	-9.80
Farms	950,000	1,140,000	2,037.23	2,172.90	+135.67	+2.61
Farms	1,975,000	2,345,000	4,106.75	4,381.90	+275.15	+5.29
Farms	4,700,000	5,550,000	8,829.15	9,320.00	+490.85	+9.44
Lifestyle	205,000	210,000	1,114.37	1,175.50	+61.13	+1.18
Lifestyle	310,000	316,000	1,414.45	1,478.50	+64.05	+1.23
Lifestyle	610,000	540,000	2,470.00	2,294.80	-175.20	-3.37

OVERALL FINANCIAL PERFORMANCE AND POSITION

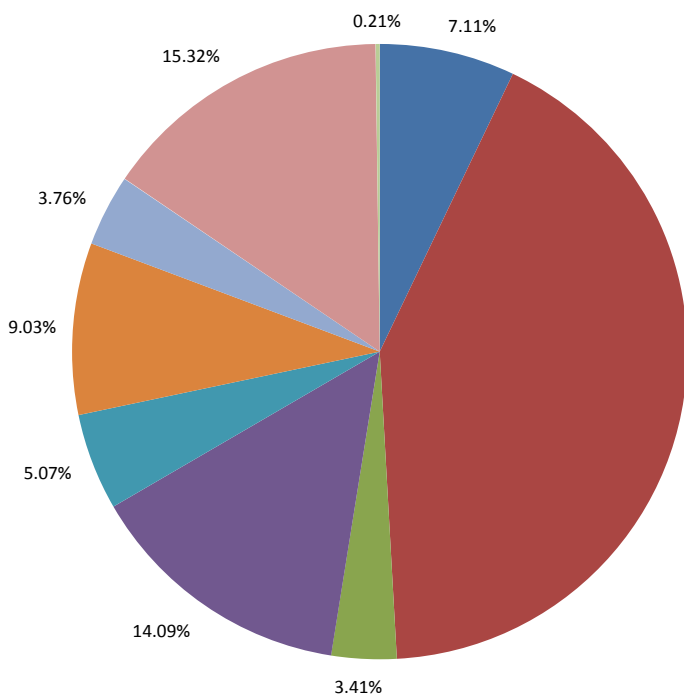
- Total revenue will increase from \$82.5 million in 2015/16 to \$114.1 million in 2024/25, a 38% increase.
- Total Operating Expenditure will increase from 84.6 million in 2015/16 to \$111.1 million in 2024/25, a 30% increase.
- Council funding comes from a number of sources including 49% from rates and 14% from fees

and charges. Other funding is received from grants and subsidies, interest, dividends, loan and reserves. This is based on the 2015/16 year and is shown in the pie graph on page 25:

- Most 2015/16 expenditure occurs within the Infrastructural Services group of activities (Roading, Sewerage, Solid Waste Management, Stormwater and Water Supply).

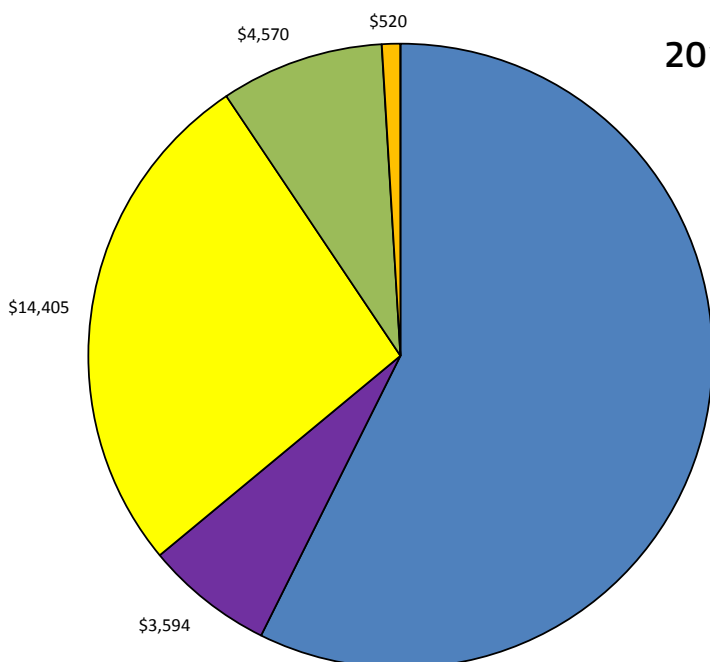
Financial forecasts reflect the cost associated with Council undertaking its activities. Changing the overall cost of Council activities can only be undertaken by reducing levels of service or reducing the maintenance on assets (which increases the risk of failure).

Rates support for activities may be reduced by increasing fees and charges for that activity. Council's financial strategy will assist Council in refining the projects that the community considers to be essential and those which it would like to have but cannot afford.



2015/16 Funding

- 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-infringements fees, and other receipts
- Subsidies and grants for capital expenditure
- Increase (decrease) in debt
- Gross proceeds from sale of assets



2015/16 Rates (\$,000 including GST)

- Infrastructural
- Development and Regulatory
- Community Service
- Corporate Services
- Special Projects

TOTAL RATES TO BE COLLECTED

The table below shows the total rates to be collected for Council's activities for 2015/16 compared to 2014/15.

Total increase in rates	2014/15 \$ GST inclusive	2015/16 \$ GST inclusive
General Rate	7,503,391	7,289,497
Resource Management	1,405,997	1,424,528
Roading	5,299,015	5,913,198
Parks and Reserves	6,176,220	6,133,980
Cemeteries	246,582	276,795
Libraries	4,257,286	4,500,027
Pools	1,902,512	2,269,695
Regional Heritage	811,124	829,271
Footpaths	1,728,164	1,845,483
Street Lighting	405,794	565,136
Transport	657,435	657,435
Sewerage	5,648,692	5,794,519
Drainage	2,918,323	3,539,844
Drainage - Makarewa	13,025	13,373
Drainage - Myross Bush	9,680	9,897
Drainage - Redmayne Road	3,307	2,645
Refuse Collection	3,600,070	3,664,189
General Waste Management	778,930	750,497
Water	7,116,072	7,430,109
Economic Development	345,000	230,000
Business Development	1,055,875	854,847
Vibrant	92,000	
Community Centres		
• Awarua	3,480	3,541
• Makarewa	2,076	
• Myross Bush	15,600	15,780
• Otatara	19,020	19,171
Bluff Town Hall	10,772	19,350
Bluff Community Board	81,414	83,488
Net Rates	52,106,856	54,136,295

working together

Building on several years of successful initiatives across a wide spectrum of services and core business activities, Southland's councils and their neighbouring Otago local authorities look to continue the collaborative efforts achieved to date.

Commonly referred to as "shared services", the local authorities have co-ordinated their efforts into common aspects that Council's have a legal obligation to deliver to their respective communities, with the overall aim of delivering more for least cost. The economies of scale and the cost-effectiveness of working jointly or collaboratively, and avoiding duplication provide the rationale for the sharing of ideas and effort.

A recent review of the shared service model has been undertaken and confirms the value of the activity to the Councils and the wider community. The review identified a further opportunity to jointly develop a Regional Strategy relating to the development options and opportunities for the region. This Strategy would form the platform for consideration of other collaborative and shared service opportunities into the future.

The following table shows examples of significant collaborative projects achieved or currently underway:

Baseline 2013/14	Maori capacity & partnerships	Emergency Management	Heritage Strategy	Transport Planning	Regional Strategy	Information Services
Gore District	✓	✓	✓		✓	
Southland District	✓	✓	✓		✓	✓
Invercargill City	✓	✓	✓		✓	✓
Southland Region	✓	✓	✓	✓	✓	✓
Otago Region	✓			✓		
Queenstown Lakes District	✓					
Clutha District	✓					✓

The Councils continuously look at opportunities for effectiveness and efficiency gains throughout the range of activities and outcomes that they are expected to deliver to their communities and businesses.

The Council through this Long-Term Plan, commits to continuing its involvement in investigating and joining collaborative processes and shared projects with its neighbouring councils, where there are advantages and efficiencies in doing so for the Council and the community.

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 and 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 contribute towards the achievement of at least one of the Community Outcomes.

MONITORING OF COMMUNITY OUTCOMES

It is important that the Community can see what progress is being made towards the realisation of these Community Outcomes. Depending on your perspective and circumstances, all, or some of the four Community Outcomes, may have been substantially realised, or we may have a long way to go. Each outcome has a list of ways in which we will know success and progress towards these will be monitored to ensure we are moving in the right direction.

The information needed to monitor progress towards these outcomes comes from many official sources. Both Local Government and Central Government sources will be utilised. Effective monitoring provides Council and the Community with good information for decision making.

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

We will know success when:

- Invercargill reaches and maintains a minimum population of 55,000.
- 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.

Council's role will be to:

- 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

We will know success when:

- 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.

Council's role will be to:

- 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.

financial strategy



OVERVIEW

The focus of Council's Financial Strategy is to maintain our assets to the level desired by the community while keeping our debt low and our rates revenue stable. Due to the large number of infrastructure renewals that Council has planned, getting the balance right is going to be a challenge.

Council's overall debt levels will increase over the life of this Strategy as Council focuses on intergenerational equity, ensuring that both current and future ratepayers meet the cost of providing the asset that they will use. Although increasing, debt levels will remain comparatively low to ensure that Council is not creating an affordability issue for future communities.

Key Strategies include:

- The use of loan funding (intergenerational equity principle) to ensure that both current and future communities pay for the asset they are using.
- Economic growth through the promotion of the Awarua Industrial Estate to enable job creation.
- Continuation of the conservative approach in managing the finances of Council.
- The establishment of an innovation project to investigate new and more effective ways of delivering services.
- More use of targeted rates to ensure that ratepayers who benefit from the service, pay for it.
- Continue increasing dividends from Invercargill City Holdings Limited group over the course of the Long-Term Plan to reduce reliance on rates revenue.
- Ensuring that affordability is the key focus of all expenditure and investment discussions.

BACKGROUND

As a part of Council's planning for the future, we have considered the importance of good financial management and have prepared what we consider a robust financial strategy for going forward. This strategy is more than just about setting limits on rates and debt and other financial measures, it is a tool that Council will use to ensure sustainability of service and to prioritise projects.

Council is required by law to manage its revenues, expenses and general financial dealings in a manner that promotes the current and future interests of the Community. This requires careful balancing in delivering services the Community wants at a price it can afford while, also ensuring that those using the services, both now and in the future, pay their fair share of the cost of supplying it.

Council's overall philosophy is to take a considered, conservative and sustainable approach to financial management, and by doing so, ensures that Council meets the Community's expectations without burdening future generations. The development of this strategy ensures that Council takes this approach in a transparent manner.

It is important when looking at the Council's Financial Strategy to understand where the Council is currently. As at 30 June 2014, the financial situation of the Council is one of good health. The Council's Statement of Financial Position shows the Council's debt ratio at 5.8%, being Total Liabilities over Total Assets, which is rated as excellent for a New Zealand council and this is supported by Council's AA credit rating from Fitch. Recent changes to the Financial Reporting and Prudence Regulations 2014 have required Council to measure themselves against financial benchmarks. For the year ended 30 June 2014, the Invercargill City Council were meeting all

eight of the prescribed financial benchmarks. The goal of the Council during the next ten years is to maintain the financial health of the Council to a similar state as it currently is. Council believes that by continuing to meet the required Financial Reporting and Prudence benchmarks, keeping its debt ratios low and maintaining the limits on rates revenue, rates increases and borrowings (further detail on Pages 46 to 50 on these limits) the Council will be able to maintain its current position of strong financial health.

Throughout the ten year period covered by the Long-Term Plan, Council intends to keep costs as low as possible. By following this Financial Strategy, by the 2024/25 year, Council will have continued to maintain assets to the standard desired by the Community, while keeping debt levels and rates revenue relatively stable. Council debt is anticipated to grow over the next eight years to peak at \$58 million before falling back to a similar level as it is currently.

This financial strategy has informed all subsequent decisions made during the 2015-25 planning process.

INVERCARGILL AND ITS ENVIRONMENT

Invercargill's location within New Zealand and its role in the Southland Region bring not only benefits to Council but also challenges to manage.

Some key challenges that Council will be managing over the next ten years are:

- Some of our population earn much less than others and as a Community we earn less than the New Zealand average.
- Members of our communities have different needs and wants.

- We have a population ageing faster than the New Zealand average which means the proportion of our population over 65 years continues to increase.
- The cost of providing local government services (the Local Government Cost Index) continues to increase at a higher rate than inflation.
- The devolution of responsibilities from Central Government (such as alcohol and gambling regulations) and increased standard requirements (such as building regulation) places more mandatory requirements onto the Council.
- Continued pressure for new projects and increased services.
- Continued pressure for financial support for community facilities / projects.

These challenges mean that:

- Our population is unlikely to be able to continue to afford escalating costs.
- The costs of providing services are not going to reduce without significant intervention.
- Council will need to continue to make difficult trade-off decisions, compromise on delivering 'nice to haves' to ensure essential services are provided and costs are kept down.
- Council will have to balance the affordability and prudence of increasing debt levels. Too much debt now could compromise future development projects.

This strategy considers these challenges and outlines how they affect Council's decision making.

WHAT DRIVES COST?

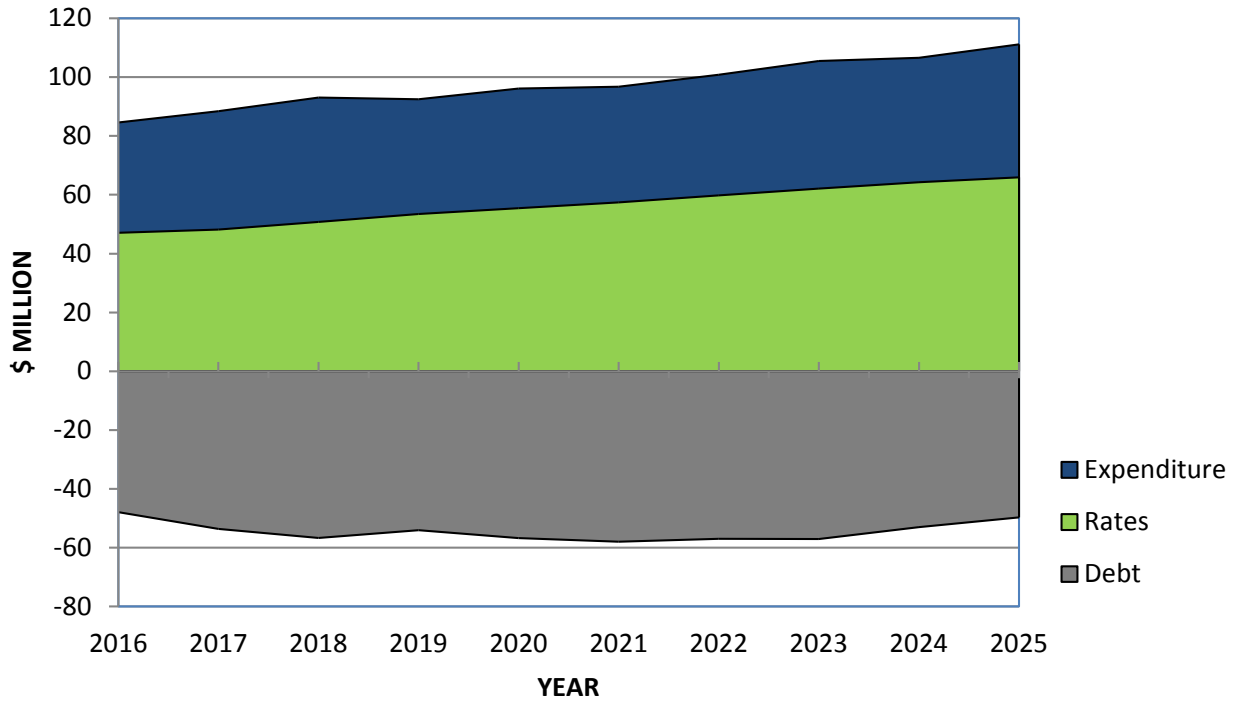
The graphs on the following pages following show the financial situation, including expenditures and revenues over the Long-Term Plan period. The previous 2012-22 Long-Term Plan comparatives are also shown.

The difference in debt levels from the 2012-22 forecasts to the 2015-25 forecasts (forecasted Financial Situation graphs on page 36) are predominately due to certain infrastructure projects costing less than was budgeted and other projects being deferred, such as the City Centre Revitalisation project.

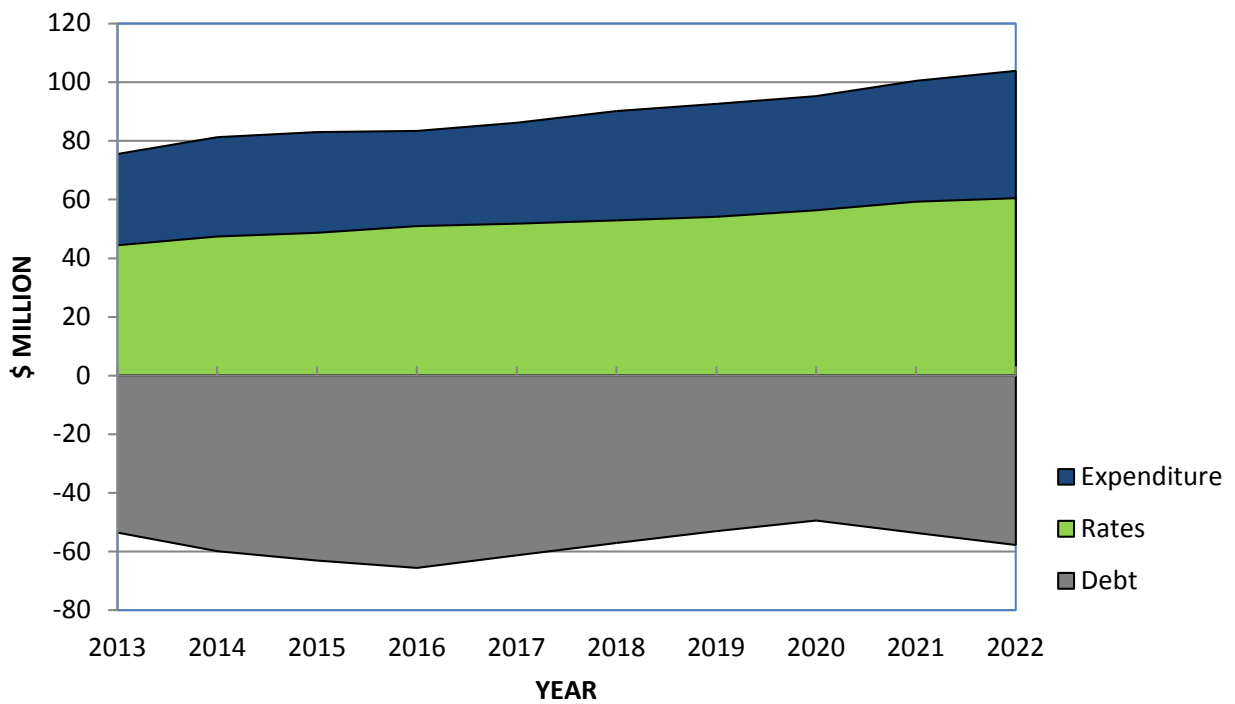
Forecasted Expenditure by type shows both operating expenditure and interest tracking similarly to the 2012-22 Plan. Interest costs are slightly greater than the 2012-22 Plan, mainly due to increased capital expenditure being loan funded in the 2015-25 Plan. Capital expenditure has increased in the 2015-25 Plan, particularly in the 2016/17 years. This is predominately due to some infrastructural renewal and upgrade being required sooner than expected, particularly within the Water Supply area. The remaining capital expenditure profile for the years 2018-25 remains similar to the 2012-22 Plan.

Forecast Revenue by source has remained consistent to what was anticipated in the 2012-22 Plan, although Council is anticipating increasing fees and charges during the later years of the 2015-25 Plan.

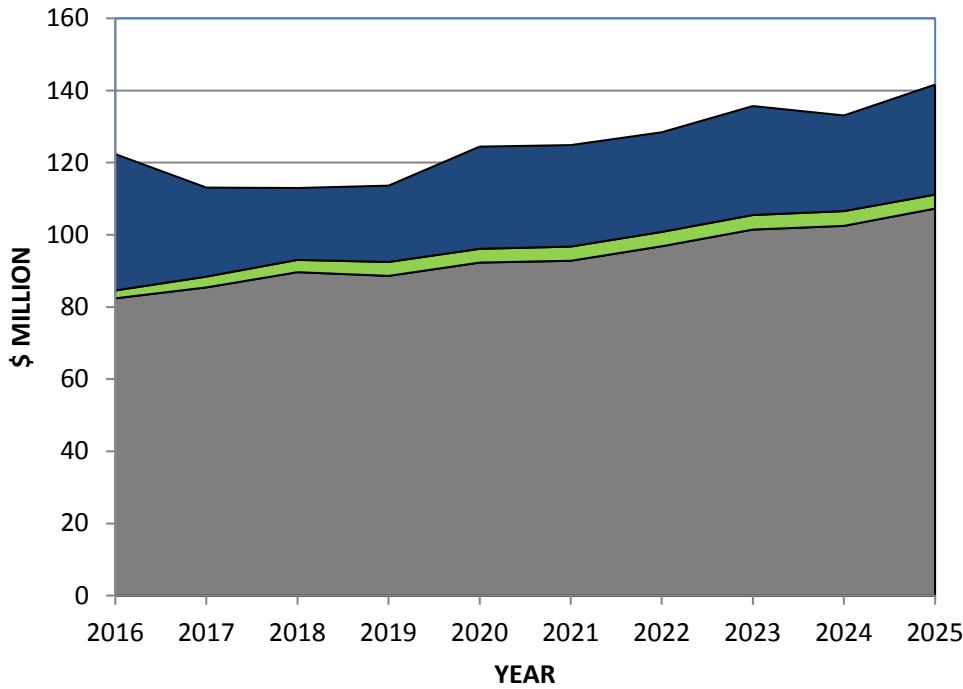
Forecast Financial Situation (2015 - 2025)



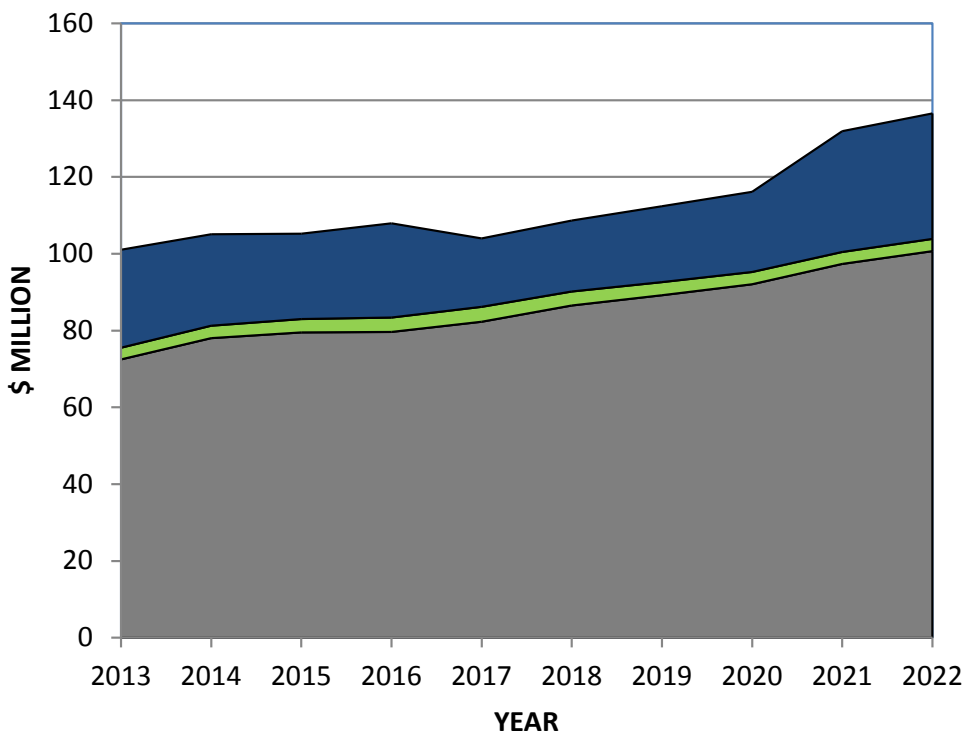
Forecast Financial Situation (2012 - 2022)



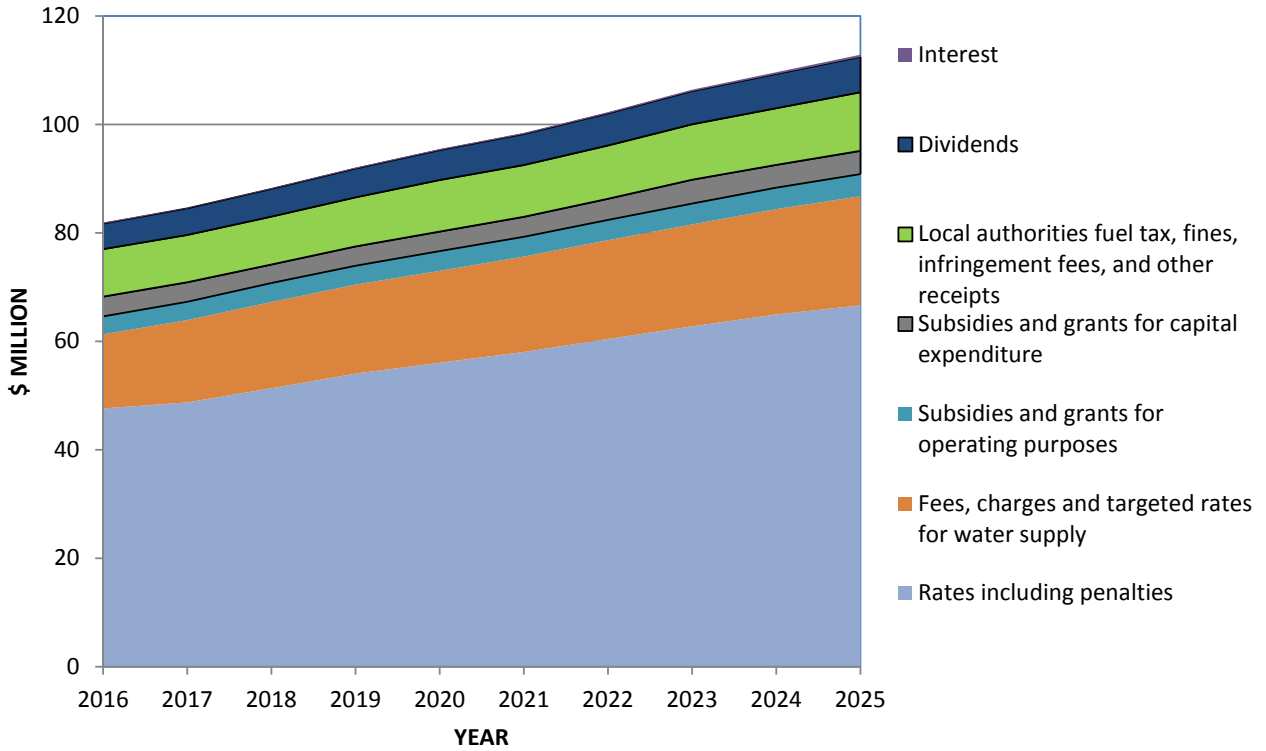
Forecast Expenditure By Type (2015 - 2025)



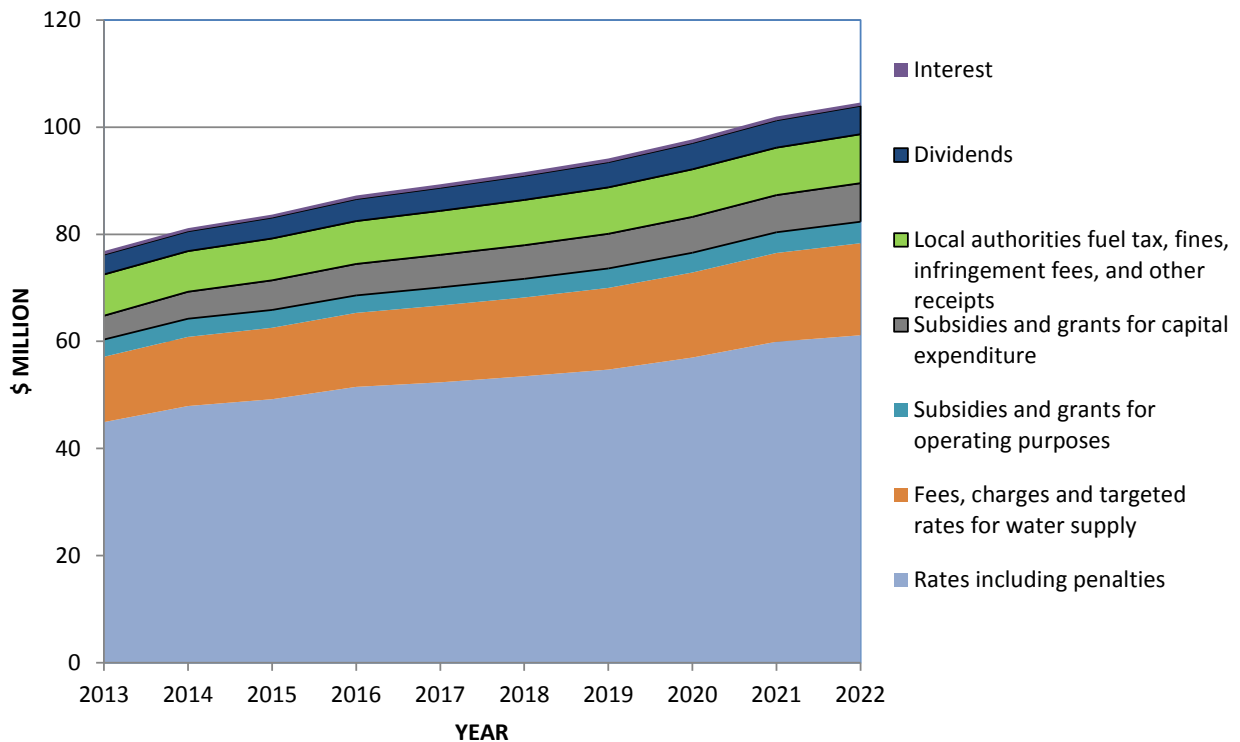
Forecast Expenditure By Type (2012 - 2022)



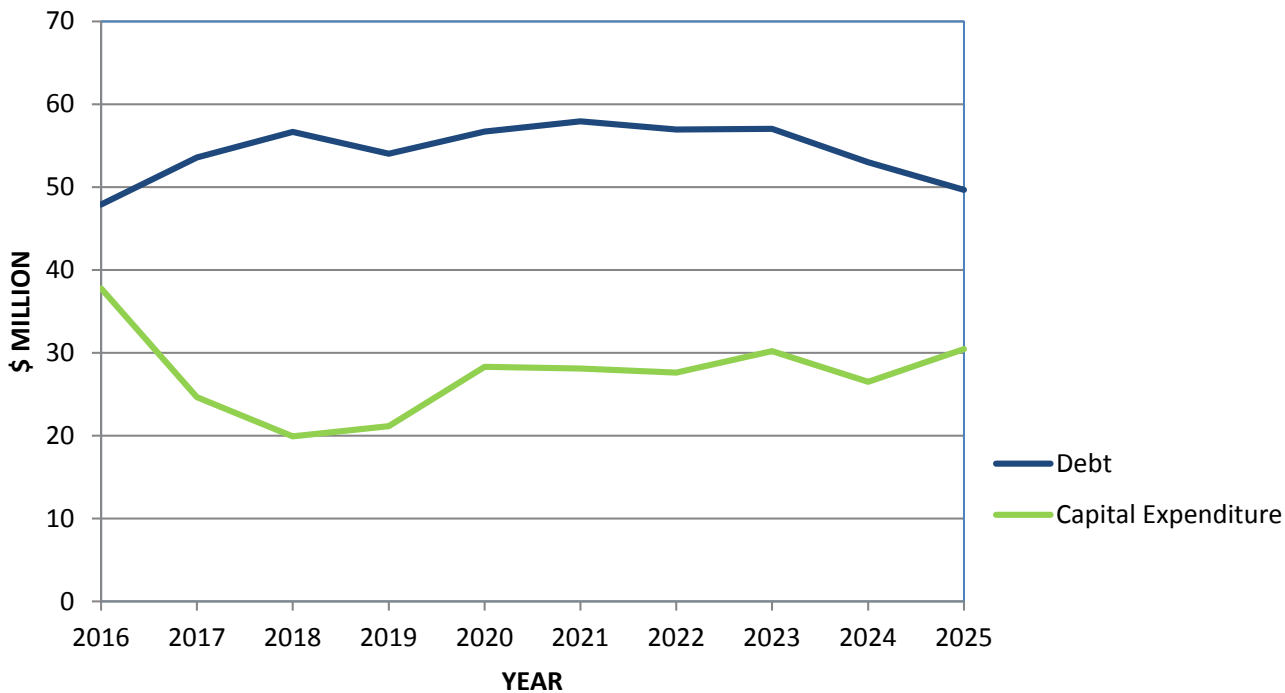
Forecast Revenue By Source (2015 - 2025)



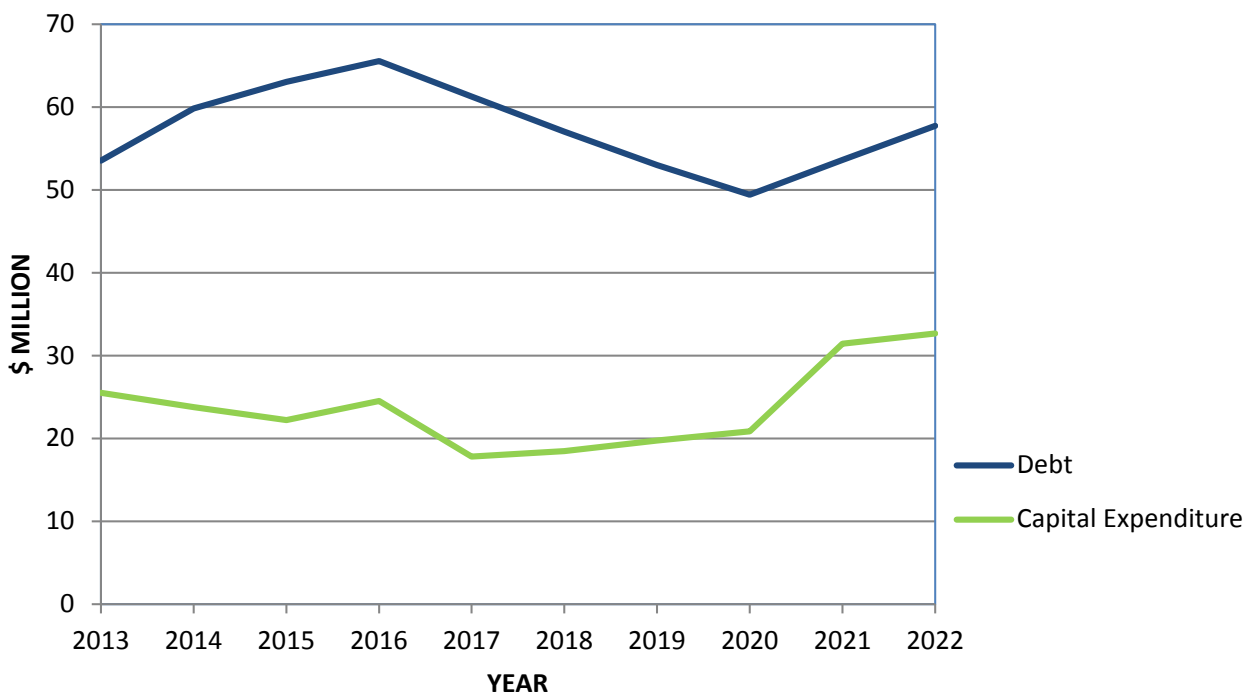
Forecast Revenue By Source (2012 - 2022)



Forecast Capital Expenditure & Debt Profile (2015 - 2025)



Forecast Capital Expenditure & Debt Profile (2012 - 2022)



FINANCIAL CHALLENGES

There are a number of factors which are expected to impact on Council's management of its finances and running of its business over the next ten years. These are outlined below.

1. Economic Climate and Growth

Over previous years, New Zealand and Invercargill have been affected first by a global economic recession, and secondly by a period of slower and lower than expected economic growth. During recent times there has been a stronger growth in the economic outlook and Economic commentators are projecting 3% growth for the 2015 year, although predictions do differ between commentators. After 2015 it is predicted the growth will level off at around the 2.5% per annum mark. While this points to the better economic picture for Southland, this needs to be tempered with the recent drop in milk prices within the dairy sector, which has a bearing on the local economic climate. Council is actively encouraging employment opportunities within the District through Venture Southland, and the development of the Awarua Industrial Estate. Council, in partnership with Invercargill City Property Limited, continues to explore potential users of land for large industrial development on the Awarua Estate. It remains Council's strong intention to encourage and develop this land for industrial use and in doing so, create more jobs. Given that Invercargill has high labour force participation rates, it is assumed that additional people will move into the District when employment opportunities become available.

Council assumes that our population will continue to age faster than the New Zealand average, which means that the proportion of our population over 65 years will increase. As the District's population ages and people retire from full time employment, employment opportunities will be created which cannot be filled from within the community. The Invercargill District will continue to have low unemployment levels. These vacancies create the

opportunity to attract people and their families into the District. This migration will lessen the proportion in the 65 years plus age group, but the trend will remain dominant. You can read more about Council's assumptions on what the future of Invercargill will look like in the Significant Assumptions section within this plan.

Given the assumption that Invercargill's population will increase slightly over the next ten years, there will be demand for additional housing, and therefore services. There will be pressure to extend infrastructural services beyond the existing urban areas. Low density connections to Council infrastructure do not lead to efficiencies in the supply of services or long-term maintenance. Council does not anticipate any significant expansion to the infrastructure network.

2. Intergenerational Equity

Many of the services provided to the community rely on the use of costly assets which have a long-term life, sometimes in excess of 50 years. It would be unfair to burden existing ratepayers with the full current costs of these assets when the benefits will extend well into the future.

Setting appropriate rates levels involves balancing how much of the expenditure required should be funded by today's ratepayers and how much by future ratepayers. The concept of achieving a fair division of cost over time (and therefore ratepayers) is called intergenerational equity and commonly, raising loans (debt) repayable say over a 10-20 year period is a tool to achieve this.

Council has during this Long-Term Plan been required to prepare a 30 year Infrastructure Strategy. The Infrastructure Strategy reflects the above principle of intergenerational equity. For example, the City Centre Revitalisation estimated to cost \$12.0 million will be funded from loans with repayments ending in the 2039/40 financial year.

The 2015-25 Long-Term Plan anticipates a budget deficit in its first three years as Council has deliberately set projected operating revenues for these years at levels less than what would be required to meet projected operating costs. When determining to run an unbalanced budget (budget deficit), Council looks at the potential it has to adversely affect intergenerational equity. In this instance Council has determined that running an unbalanced budget is prudent and fair to both the current and future communities. The proposed operating deficits occur in 2015/16, 2016/17 and 2017/18. The key reason for the unbalanced budget in these years is that meeting the full cost of depreciation in some roading areas is not necessary and budgets have therefore decreased expenditure in this area. Footpaths are an example of this with a decrease of approximately \$1.24 million each year against forecast depreciation. Council has decided to underfund the footpath asset as the potential risks faced are low compared to other infrastructural assets. A footpath failure is likely to be relatively localised, easily identified and remedied very quickly allowing a higher risk to be taken. The risk of this strategy is mitigated as the materials utilised, more concrete than asphalt, and the thicker construction, 100 mm not 75 mm, that are currently being installed, will have a longer life than those installed in the 1980's under the government works scheme. This extended life will mean less annual calculation of depreciation in the future.

In 2017/18 a \$4 million grant is to be released for the Southland Museum and Art Gallery Development. This will cause a loss in this year as the Grant will be funded by a loan. Although a grant is considered operating expenditure, the nature of the work proposed is capital in nature. It is therefore considered prudent to loan fund the work to ensure intergenerational equity, rather than have current ratepayers fund the entire \$4 million.

In the period 2020/21 to 2024/25 operating revenue

is projected to exceed operating expenditure giving a profit in each of these years. The key reason for the unbalanced budget in these years is that the water pipe network is not lasting as long as expected. The asbestos cement water distribution network will need to be replaced over a number of years, but earlier than what is identified through the financial tool of depreciation. As a consequence, capital expenditure will exceed the cost of depreciation by \$2 - \$6 million in each year, and this work will be funded by rates. It is noted that the Revenue and Financing Policy indicates that major renewals such as this are often loan funded, but it is considered that due to the overall economic cost of loan funding this work, funding through rates revenue is more cost effective for both the current and future communities.

3. Affordability

Council is concerned about the level of rates increases that have been needed to fund the services it delivers and has been actively seeking efficiencies where possible and looking at new and innovative ways to provide value for money to our ratepayers. To assist Council with finding these efficiencies and innovations, Council has been launching an innovation project called "Our Ideas". Utilising money from an innovation fund established for this purpose, the innovation project sets out to tap into the vast resource of knowledge held by the staff members of the Invercargill City Council. The 'Our Ideas' project seeks to capture, assess and implement better ways of performing Council functions from the people who know best, the people at the coal face. By implementing and continuing this project, Council believes it will unearth efficiencies within the way Council delivers its services. This will allow Council to either deliver the current service for less cost or deliver better services for similar cost. In addition to the innovation project, Council has been actively engaging with other New Zealand councils to identify best practice methods for delivering services within Invercargill.

Council recognises that our Community's income levels are, on average, lower than the rest of New Zealand and that those ratepayers on low / fixed incomes are reaching the limit of what they are able to pay. Council is actively encouraging economic activity in Invercargill and this requires Council to consider and balance the affordability of rates to all ratepayers. It is anticipated that by encouraging economic growth, Council will increase its ratepayer base and therefore reduce the rates burden on individuals.

The cost of providing Council services across New Zealand (Local Government Cost Index) continues to increase at a slightly faster rate than household costs. An explanation of the Local Government Cost Index is provided in the Overview section of the Long-Term Plan. The cost of providing Council's infrastructure services (roading, stormwater, sewerage, water supply and solid waste services) accounts for around 57% of all Council's revenue from rates. This is forecasted to increase up to 61% over the life of the ten year plan. The remaining rates revenue funds the Community Services, Development and Regulatory Services and Corporate Services groups of activities.

The increasing cost of providing Council services means in practice, that should Council set its rates at a figure less than the Local Government Cost Index, it would need to either find, or have found, efficiencies, reduce its services, or transfer costs to future generations. There is a continued expectation from the Community that services will be maintained and improved. Council must balance the benefits and costs of doing so for the current and future ratepayers of Invercargill.

4. Minimising Risk

Council has had to make some assumptions about what the future Invercargill will look like. This carries with it a level of risk. Council assumes that there will be a gradual increase in population based on a growing economy. Should growth slow or stagnate,

further challenges around the affordability of providing Council's services and activities would arise. Alternatively, should a significant employer choose to locate in Invercargill, the potential demand on services and activities may also require Council to review and change its current activities and levels of service.

OUR STRATEGY FOR MANAGING THE FINANCIAL CHALLENGES

The Council intends to manage these challenges by the following methods:

- Focussing on affordability and keeping income from rates steady, without significant rates increases.
- Taking a conservative but innovative approach.
- Utilising a 'those who benefit pay' approach where possible.
- Utilising a 'just in time' approach to the provision of infrastructure.

Affordability and Rates

Council recognises that some members of its community are reaching the limit of what they are able to pay in rates. As such, Council has made rates affordability a lens through which all decisions are viewed. Increasing costs of providing Council services is likely to intensify the affordability issues into the future. In certain years of the Long-Term Plan, pressure from required infrastructure renewals has led to rates increases that are less affordable than Council would like. This is particularly the case in years 2017/18 and 2018/19, as larger rate funded capital projects are carried out. These include the escalation of the asbestos cement water pipe renewals and the LED street lighting upgrade. It is Council's intention to establish a system where the level of rates required is predictable and the income required from rates is stable.

In order to achieve this, Council will:

- Investigate how we can achieve efficiency gains in service delivery. The “Our Ideas” project is the key way Council intends to achieve this.
- Investigate using other revenue sources, for example user-pays, to reduce reliance on rates as an income source. Council has worked closely with Invercargill City Holdings Limited and the Holding Company will increase the dividend it pays to Council annually during the course of the Long-Term Plan.
- Continue to investigate the possibility of rationalising surplus assets. An example is the disposal of some parks and disestablishment of certain community playgrounds. Council views this method as a “when all other options have been exhausted” approach, but continues to assess the viability of this approach.

Council will carefully plan its activities and the services provided by:

- Focussing on public services rather than the ‘nice to haves’.
- Looking to shared services with other Southland Councils where appropriate, to ensure services are delivered in the most cost efficient way.
- Ensuring good asset management principles are applied. Over the past 15 - 20 years, Council has developed its asset management knowledge. This process has given Council an improved understanding of the condition of much of its underground assets, as well as a better working knowledge of its above ground assets. This knowledge has also uncovered infrastructural assets that are nearing the end of their useful life sooner than was anticipated, particularly in Water and Sewerage assets. This knowledge base is reflected within Council’s Asset Management Plans.

Council anticipates that this approach will ensure that rates are kept affordable now and in the future, and debt levels will remain conservative, while still

providing for Council’s assets to be maintained and renewed.

Conservative yet Innovative Approach

To meet the financial challenge posed by an increasing percentage of our Community being on a fixed income, and our Community earning less than the New Zealand average, Council intends to take a conservative approach to managing our finances.

Council realises that we have to spend money to progress, but intends to do things in an innovative way, ensuring we don’t spend more money than is necessary. In essence, Council is aiming to deliver more while spending less. The mechanism for achieving this is primarily via the “Our Ideas” project, although Council management and staff are always evaluating and assessing ways to deliver services in a better and more cost effective way.

“Those Who Benefit Pay” Approach

One of the key challenges identified by Council is that members of our communities have different needs and wants and Council is under continuous pressure to provide new projects and increased services. Council will endeavour to ensure that the users generating the demand will fund the service.

Consideration of who benefits is unique for each of Council’s activities. Individuals, when they obtain a consent or registration which allows them to undertake an activity, receive a personal benefit. Therefore, applicants pay the full costs associated with processing applications once they are lodged. Other Council services, for example Splash Palace, also have a user pays component. Council’s strategy is to charge user fees to those who directly use an activity, but only to the extent that Council considers affordable.

Council’s strategy is to retain a mixed rating structure which provides for targeting rates towards those who generate the demand and funding activities

through general rates where it is not possible to clearly identify customers or users. Council's strategy is to use targeted rates where an activity benefits an easily identifiable group of ratepayers and where it is appropriate that this group pay for some or all of a particular service, for example Water Supply.

Council has removed most differentials from our rating system. The only differential remaining is that applied to the Rural - Farm rating category. It is Council's intention to also phase this differential out over time. In order to maintain an equitable rating impact and preserve the relationship which exists between residential, rural, commercial, utilities and large industrial rating units, Council's strategy is to apply a mixture of uniform charges (the same charge paid by all ratepayers), targeted rates and general rates. Using different rating mechanisms allows Council to recognise the diversity of our Community and the different ways that the different ratepayer categories utilise Council services.

Council's strategy is to ensure that both current and future ratepayers pay their fair share of the cost of providing services. This intergenerational equity is achieved through loan funding long-term assets and drawing rates to pay for the loan over an extended period of time. This ensures that both current and future users pay for the service.

This approach will mean a move towards more user fees and targeted rates, although general rates will still be utilised to keep these other funding sources affordable. To ensure affordability and continuity of services, ratepayers who do not use some services directly, for example Splash Palace or our libraries, will continue to subsidise the cost of providing these services via rates.

"Just in Time" Approach to Expenditure

Council intends to only provide new infrastructure when it is really needed and where it is planned. Council has, through its Spatial Planning process,

begun to plan for what Invercargill's long-term infrastructure needs may be. Council does not anticipate a significant expansion to our infrastructure network. Council will only construct this infrastructure as close to the time as possible to service the need, although revenue collection to fund the project may occur beforehand. The revenue collected prior to undertaking a project would be used to fund the renewal component of the project. Loan funding will still be utilised to ensure that both current and future ratepayers contribute their fair share. Council further undertakes proactive asset management planning to extend replacement timing, reduce the longer term replacement costs and ensure renewals are occurring in the most cost efficient manner.

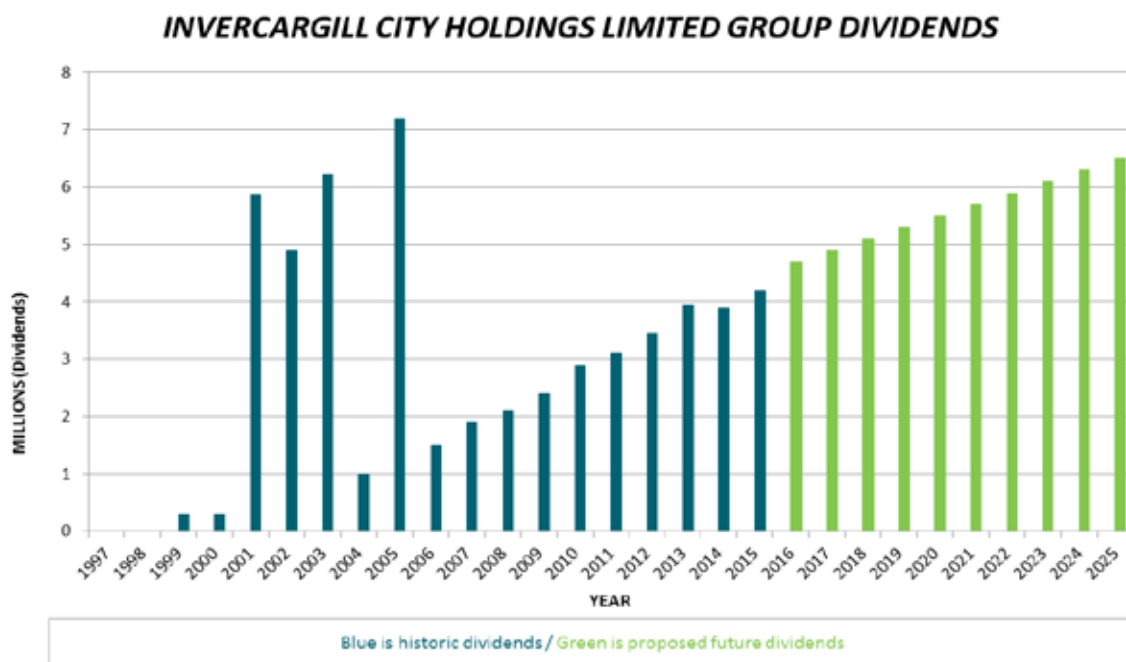
Invercargill City Holdings Limited (ICHL)

Invercargill City Holdings Limited is a 100% owned subsidiary of Invercargill City Council. ICHL was formed to provide a clear differentiation between Council's core ratepayer orientated activities and its commercial trading enterprises and investments. It was established for the purpose of consolidation and management of existing Council companies, with the responsibility of control and oversight of the performance of the Council Owned Companies activities on behalf of the ultimate shareholder, Invercargill City Council.

Companies that sit within the ICHL group include, Invercargill City Forests Limited, Invercargill City Property Limited, Invercargill Airport Limited and Electricity Invercargill Limited (EIL). Within EIL sits a number of utility based entities. One of the main purposes of ICHL is for these individual companies to trade profitably in order for ICHL to return a dividend to Council and help offset the rates demand as a result.

ICHL has historically given a dividend to Council since 1999.

Below is a graph that outlines the history of the ICHL dividend and the proposed dividends over the next 10 years.



As part of the ongoing relationship between ICHL and Council, Council receives regular (six monthly) updates of the financial performance of ICHL. ICHL Statements of Intent further outline this agreement between the parties and the proposed dividend going forward.

FINANCIAL PARAMETERS AND BENCHMARKS

DISCLOSURE STATEMENT

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to include this statement in its Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

For the year ended 30 June 2014, the Council was meeting all eight of the prescribed financial benchmarks (further information is available on page 9-16 of the Council's 2013/14 Annual Report). Three of the eight benchmarks are used as Financial Parameters within the Financial Strategy, limit on rates, limit on rates increases and limit on borrowing.

Two of the Financial Benchmarks compare actual performance against planned performance, so therefore cannot be used in the Long-Term Plan document.

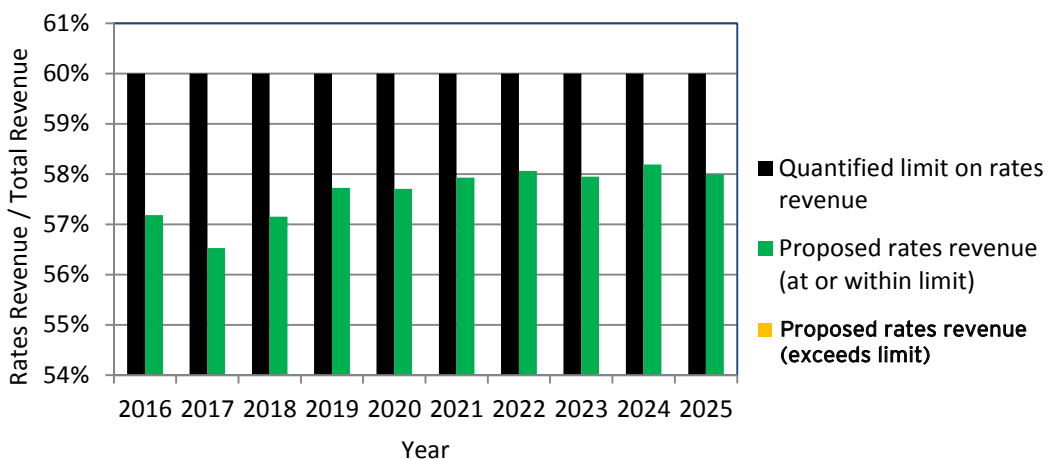
While developing this strategy, Council has been acutely aware of the issue of affordability and financial sustainability. To ensure a conservative, prudent approach that considers intergenerational costs and benefits and reflects what the Invercargill Community expects and can afford, the following policy approaches will be taken:

1. Limits on Rates

The Council is required under the Local Government Act to include a statement on quantified limits on rates. The Local Government Rates Inquiry suggests that around 50% of a Council's operating revenue should be taken from rates. Currently Council draws about 57% of its operational revenue from rates and proposes to limit the rates collected each year to a maximum of 60% of total Council revenue.

Council aims to maintain the rates collected to between the range of 50% and 60% of total Council revenue and intends to increase user-pays methods to enable the income required from rates to maintain steady without significant rates increases. Council will

Rates (Income) Affordability Benchmark (2016 - 2025)



also seek efficiencies in how services are delivered to assist with maintaining rates revenue at a steady level.

Rates are an important source of funding for Council, but they are not the only source available. You can see more about how Council funds its services in the Financial Management section of this Long-Term Plan. The Council's Revenue and Financing Policy sets out the funding of its operational and capital expenditure and the sources of those funds on an individual activity basis.

Throughout the Plan rates fund approximately 57% of Council's total revenue. This consists of approximately 14% of general rates and 86% of targeted rates. Uniform annual charges (meaning every ratepayer in the district pays the same amount) are also used for services supplied that can be used equally by all members of the community.

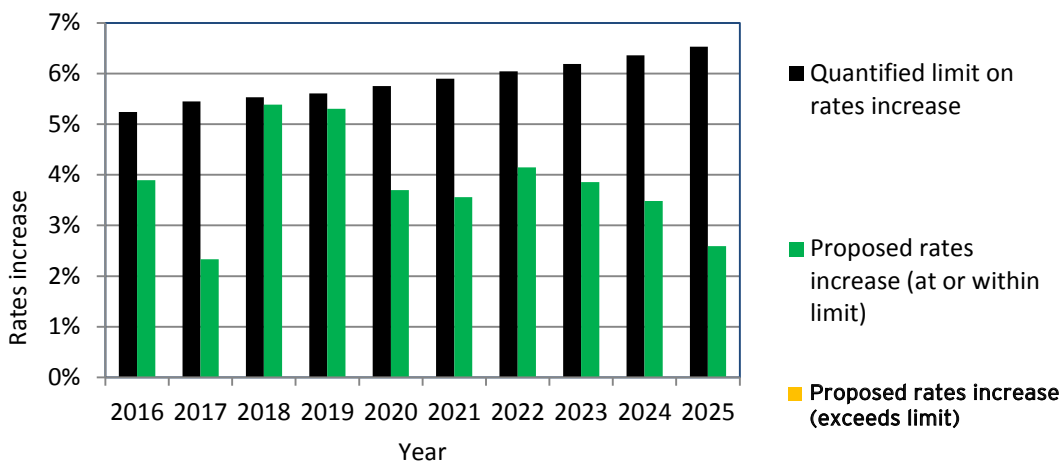
The graph on page 46 shows Council's limit on rates over the ten year period of the Long-Term Plan.

Year	Local Government Cost Index % Adjustment
2015/16	2.24
2016/17	2.45
2017/18	2.53
2018/19	2.61
2019/20	2.75
2020/21	2.90
2021/22	3.04
2022/23	3.19
2023/24	3.36
2024/25	3.53

2. Limits on Rate Increases

Council recognises that the cost of providing Council's services (LGCI) is rising at a higher rate than the Consumer Price Index (CPI). Council is also mindful of affordability issues amongst our ratepayers. Council continues to investigate cost-cutting methods to ensure that the rates revenue required to run Council is kept relatively steady. The rates increases reflect the money required each year. It is not Council's

Rates (Increases) Affordability Benchmark (2016 - 2025)



practice to rate more than it needs one year (and put that money aside for the following year) to reduce the next year's rates increase.

Council is setting a maximum limit on rates increases at the Local Government Cost Index (LGCI) plus 3%. The forecast LGCI increases for the next ten years are shown in the table (page 47), but for example, if the LGCI change was 2.24%, Council's rates increase would be no more than 5.24%. Council recognises that this increase could potentially be higher than household income, so although a maximum limit has been set, Council will endeavour to achieve lower increases when planning projects and services that rely on rates revenue.

The graph on page 47 shows Council's maximum rates increase in line with this policy and also what the projected actual rates increases are for the next ten years.

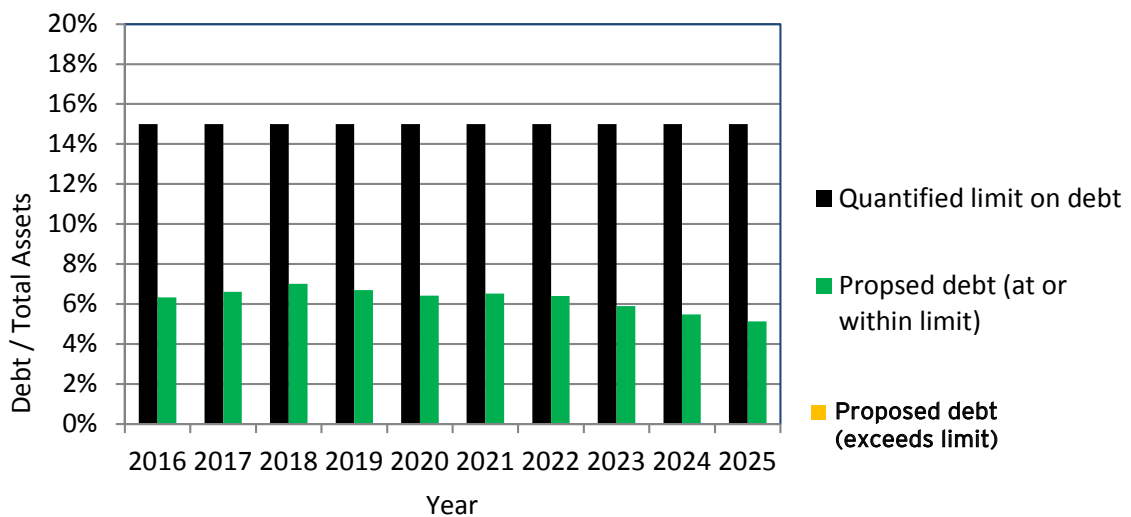
Changes in the consumer price index (CPI) are used as the basis for measuring the inflation faced by households. It gives a picture of how the prices of the goods and services purchased by the typical New Zealand household are changing over time. It is therefore heavily represented by

food, accommodation and transport costs, which collectively make up over 50 percent of the index. The Council however purchases a different mix of goods and services. Council's 'basket' is dominated by changes in the Local Government cost adjustors such as labour costs, land and materials associated with assets. There is therefore a difference between changes in CPI and Council's cost (LGCI). To enable Council to best predict what the future cost of providing Council's services will be, we have based future inflationary costs on the LGCI rather than CPI. The additional 3% is to allow Council to undertake new projects, for example the Branhholme Water Treatment Improvements project, to increase existing levels of service and to meet debt servicing costs.

3. Limits on Borrowing

Council wishes to continue to take a conservative approach to borrowing. Council uses loans to fund new identifiable long-term assets over a period of up to 20 years and does not use loans to fund ongoing annual operating costs. Borrowing is undertaken to ensure that the cost of providing activities or services that have intergenerational benefits are met by both current and future ratepayers.

Debt Affordability Benchmark (2016 - 2025)



Borrowing will be kept at a low level, managing exposure to adverse interest rate movements and ensuring rates are kept predictable

The two most common measures of limits on the borrowing of Council are as a percentage of assets or a percentage of income. The current level of borrowing as at 30 June 2014 is 4.01% of total assets or interest expense is 2.66% of total income. During the ten years of the Long-Term Plan, limits on borrowing are anticipated to remain at 7% or below (debt over total assets).

The Council considers that setting a borrowing limit of 15% of assets will assist in prudently managing Council's borrowing activities to ensure the ongoing funding of Council. Council will continue to consider and approve the borrowing requirement for each financial year in the Annual Plan or Long-Term Plan recognising that borrowing capacity does not have to be fully utilised.

The graph on page 48 shows Council's limits on borrowing over the ten year plan.

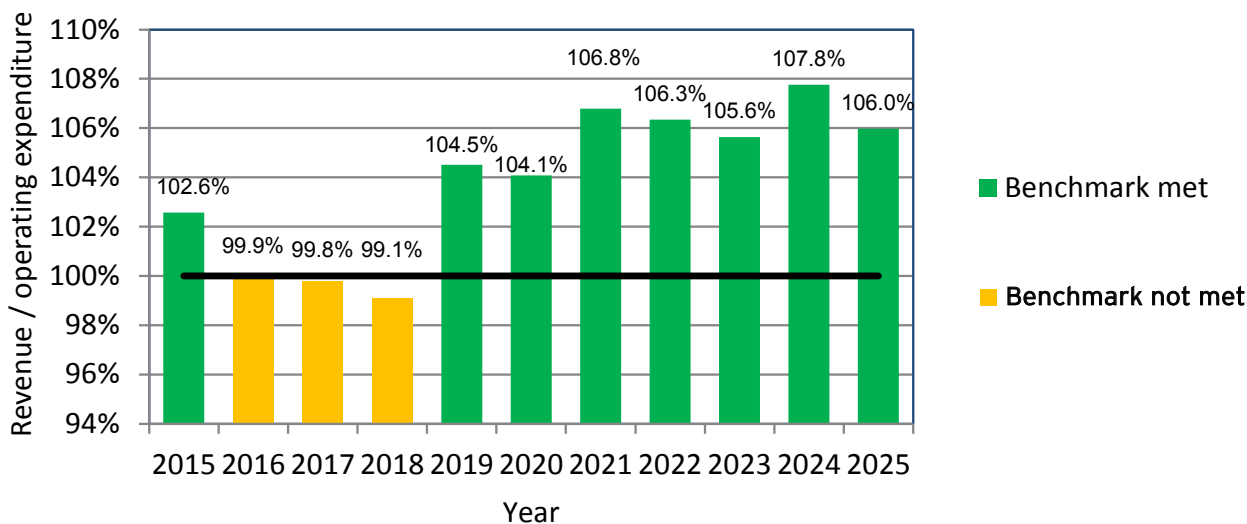
4. Balanced Budget Benchmark

The graph below displays the Council's revenue as a proportion of operating expenses. The Council meets this benchmark if its revenue equals or is greater than its operating expenses. In the first three years of this Plan, Council is not meeting the benchmark (is running a deficit). This is due to Council underfunding depreciation for the Roding Activity (in particular footpaths). In years 4 - 10 Council is running operating surpluses, this is due to the increased rate of expenditure on the asbestos cement pipes within the water distribution network.

5. Essential Services Benchmark

The graph on page 50 displays the Council's capital expenditure on network services as a proportion of depreciation on the network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Although not

Balanced Budget Benchmark (2016 - 2025)

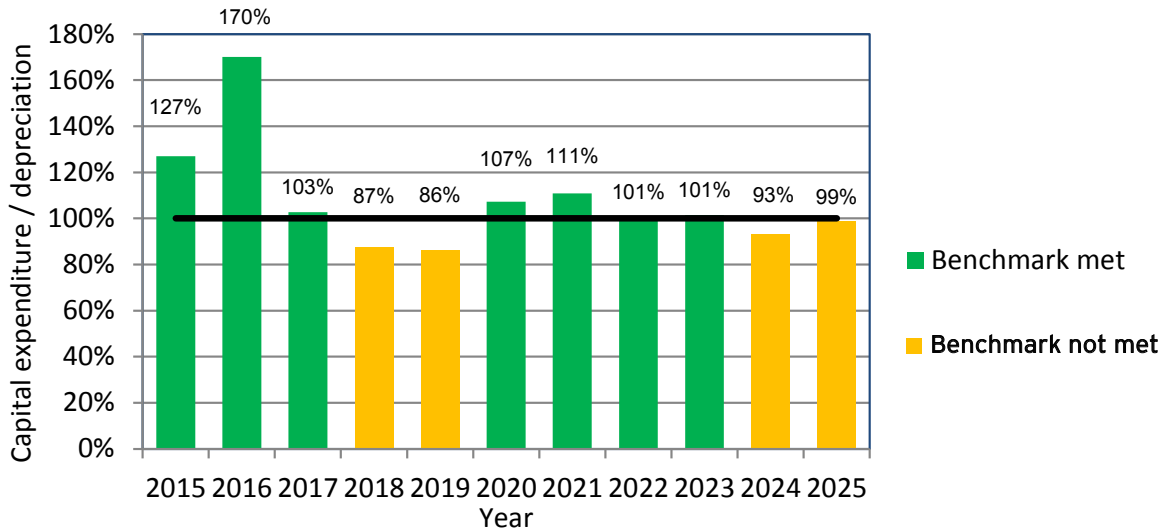


reaching the target in every financial year, over time Council's capital expenditure should equal its depreciation. This will mean Council is replacing its assets as they deteriorate, however due to some projects being large it is hard to assess this on a year by year basis.

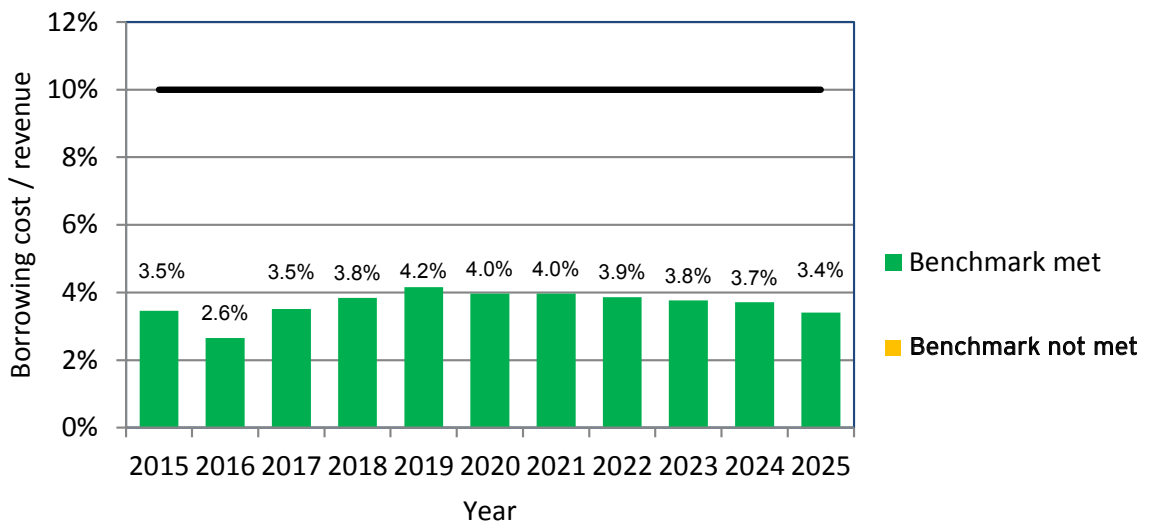
6. Debt Servicing Benchmark

The bottom graph displays the Council's borrowing costs as a proportion of revenue. The Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

Essential Services Benchmark (2016 - 2025)



Debt Servicing Benchmark (2016 - 2025)



Securities For Borrowing

Council does not currently give securities over borrowings but rather operates under a negative pledge with our funders. A negative pledge prohibits Council from creating any further security interest over the same property, specified in the loan documents, which might compete with the security of the party funding Council.

Council intends to change from this method and to enter into a Debenture Trust Deed in order to achieve greater flexibility in its funding sources. Council anticipates that this may enable the Council to obtain cheaper rates for its borrowing.

A debenture trust deed is a deed entered into between a local authority (Council) and a trustee. Under the deed, the local authority has the ability to issue bonds and other debt instruments to creditors. It is generally used by local authorities to borrow funding from financial institutions.

The local authority is required to grant a security interest in its rates and rates revenue to the 'trustee' under the debenture trust deed. Once security is granted to the trustee, any creditor of the local authority which makes funding available to the local authority under the framework of the debenture trust deed will have the benefit of the security granted to the trustee.

Importantly, the terms of the security will provide that, unless there is an enforcement event (which can only happen if the Council defaults under its debt obligations), the Council is free to set, assess and collect rates and spend the rates revenue as if there was no security in place. However, if there is an enforcement event, the trustee can take control of rates which have been collected and apply them to the repayment of the secured debt, and it can also appoint a receiver that is entitled to assess and collect a rate on behalf of the local authority to recover the secured debt.

Holding and Managing Financial Investments and Equity Securities

An investment is an asset held by Council that provides service potential or future economic benefit to Council. Investments include property, ownership in Council related trading entities and financial assets. A financial asset is any asset that is cash or the contractual right to receive cash including financial investment instruments.

Council holds financial investments sufficient to match reserve accounts created by Council resolution and as a result of short term cash flow surpluses.

The Council recognises that as a responsible public authority, any investments that it does hold should be of a relatively low risk. It further recognises that lower risk generally means lower returns. Council aims to maximise investment income within a prudent level of investment risks. Council currently has money invested with banks in New Zealand. Council aims to achieve market rates for these investments. Council may also consider using investment funds for strategic assets where this could result in lower than market rate returns.

Council's quantified target for returns on financial investments is to achieve a return equivalent to market rates. Council will ensure that all funds are placed in suitable deposit accounts and no excess funds will remain not on deposit for more than 90 days. This is Council's current practice.

Throughout the Long-Term Plan development process, Council has assessed its ability to maintain existing levels of service within the rates and debt limits set in this Financial Strategy. Council has determined that it can maintain current levels of service and meet additional demand for services while remaining within the rates and debt limits.

FUNDING IMPACT STATEMENT - INVERCARGILL CITY COUNCIL

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	7,054	6,898	6,676	6,781
Targeted rates	38,806	40,737	42,069	44,574
Subsidies and grants for operating purposes	3,476	3,311	3,376	3,500
Fees and charges	12,810	13,661	15,181	15,907
Interest and dividends from investments	4,601	4,915	4,971	5,220
Local authorities fuel tax, fines, infringements fees, and other receipts	9,196	8,757	8,726	8,833
Total operating funding	75,943	78,279	80,999	84,815
APPLICATIONS OF OPERATIONAL FUNDING				
Payment to staff and suppliers	58,426	60,168	61,407	66,777
Finance costs	2,773	2,182	2,990	3,411
Other operating funding applications	0	0	0	0
Total applications of operational funding	61,199	62,350	64,397	70,188
Surplus (deficit) of operational funding	14,744	15,929	16,602	14,627
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	3,782	3,651	3,601	3,414
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	3,336	14,854	5,691	3,076
Gross proceeds from sale of assets	152	202	143	146
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	7,270	18,707	9,435	6,636
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	271	1,156	41	42
- to improve the level of service	7,806	9,303	1,704	1,457
- to replace existing assets	16,919	27,330	22,922	18,421
Increase (decrease) in reserves	(2,982)	(4,153)	383	370
Increase (decrease) in investments	0	1,000	987	973
Total application of capital funding	22,014	34,636	26,037	21,263
Surplus (deficit) of capital funding	(14,744)	(15,929)	(16,602)	(14,627)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	19,676	22,229	24,019	22,864

2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)
7,148	7,117	7,275	7,353	7,361	7,587	7,649
46,916	48,940	50,772	53,096	55,416	57,375	59,001
3,474	3,639	3,634	3,731	3,834	3,954	4,082
16,409	16,947	17,600	18,218	18,799	19,431	20,115
5,480	5,706	5,926	6,149	6,381	6,633	6,921
9,054	9,517	9,552	9,828	10,221	10,450	10,805
88,481	91,866	94,759	98,375	102,012	105,430	108,573
64,111	65,903	67,445	69,395	71,672	73,925	76,389
3,848	3,815	3,930	3,977	4,032	4,095	3,871
0	0	0	0	0	0	0
67,959	69,718	71,375	73,372	75,704	78,020	80,260
20,522	22,148	23,384	25,003	26,308	27,410	28,313
3,561	3,601	3,688	3,899	4,402	4,200	4,287
0	0	0	0	0	0	0
(2,638)	2,688	1,225	(987)	76	(4,041)	(3,313)
170	200	177	177	176	233	211
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,093	6,489	5,090	3,089	4,654	392	1,185
118	122	46	47	48	50	52
2,716	3,932	2,006	1,785	993	1,174	1,944
18,323	24,265	26,070	25,772	29,158	25,281	28,482
498	360	397	537	815	1,352	(921)
(40)	(42)	(45)	(49)	(52)	(55)	(59)
21,615	28,637	28,474	28,092	30,962	27,802	29,498
(20,522)	(22,148)	(23,384)	(25,003)	(26,308)	(27,410)	(28,313)
0	0	0	0	0	0	0
24,510	26,400	25,360	27,434	29,776	28,547	30,871

infrastructure strategy



OVERVIEW

The focus of Council's Infrastructural Strategy over the next 30 years is to maintain and renew its current assets to ensure that the assets remain in such a condition as to continue to deliver a reliable and similar level of service to that currently being provided. They will be upgraded where appropriate, to enable Council to meet increasingly higher environmental standards. The levels of service and how they are provided will also reflect the changing needs of our ageing population.

Council does not anticipate any significant expansion of the infrastructure networks, with the exception of the Awarua Industrial Estate, where any expansion cost will not be attributable to ratepayers.

Key Strategies include:

- Maintaining assets by having regular and appropriate planned actions to keep the assets operating to expected levels.
- Renewing assets through managing deterioration as they approach their end of planned life.
- Identifying risks associated with owning and managing assets by developing detailed Asset Management Plans using data gathered, and then using appropriate mitigation methods to reduce any effect.
- Not expanding provision of the infrastructure networks delivery areas.
- Managing demand for service by utilising existing network capacities.
- Utilising subsidies, user payments, rates and loans to ensure that both current and future communities pay for the asset they are using.

- Utilising Council's financial "good health" and or insurances to manage risks if failure occurs.
- Increasing investment in pipe network renewals.
- Decreasing some levels of service where the community agrees or where funding is not available.
- Ensuring that affordability is the key focus of all expenditure and investment discussions.
- Identify, gather and improve data accuracy to enhance the Council's level of data confidence and reliability.

BACKGROUND

In the coming years, Invercargill City will experience greater pressures on infrastructure renewals. During the periods of the 1920s, 1960s and 1970s large areas of our city and associated infrastructure were developed over short periods. These assets will require renewal and the strategies deployed to manage this work will reflect in the cost to the Community.

Past investment cycles create a future echo, which means that a significant part of Council's infrastructure management in the future will be managing the renewal cycles. Council has managed its assets well in the past and believe that there is not a large deferred risk on assets from the past.

Council has good quality asset data included in its Asset Management Plans, and this has enabled Council to establish budgets that maintain the level of expenditure necessary to ensure a consistent level of service in our infrastructure areas.

Council will continue to develop the quality of our asset data and this improvement will be ongoing for the life of the strategy.

Council is in good financial health with a debt ratio of 5.8%, (Term Debt over Total Assets) which is rated as excellent for a New Zealand council.

Being in this financial position allows Council a 'safety net' if renewals are required sooner than anticipated and planned. Council can increase debt in the short term to meet increasing costs.

Council has renewal programmes in place and these programmes are expected to increase. The Water Supply Activity has highlighted an area of pipe network where pipes have to be renewed before their expected scheduled end of life.

For some of Council's infrastructure activities, a decision has been made to reduce the rate of renewal against depreciation forecasts. This 'sweating of the asset' enables Council to experiment with changing and extending the predicted lifecycle of the asset.

For example, Council is proposing to underfund the footpath renewal programme as it can be done at the lowest risk and has the highest visibility for future monitoring. In doing so, Council is hoping to extend the overall life of all of the footpath assets beyond what has been earlier planned for and signalled in its Roading Asset Management Plan.

Council wants to ensure that it is delivering the right level of infrastructure at a cost the community can afford, both now and into the future.

To do this Council has looked closely at the renewals and maintenance of existing infrastructure as well as any planned new infrastructure projects. This strategy sets out what Council believes to be the most likely scenario for infrastructure needs in the future and assesses the options available to Council and the Community for addressing these needs.

PURPOSE

The Infrastructure Strategy provides information about the significant infrastructure issues that the Invercargill area will face over the next thirty years.

Roading, Water Supply, Stormwater and Sewerage activities account for 55% of Council's operating expenditure and 76% of Council's capital expenditure. Council intends to maintain and renew its infrastructure assets to ensure that the assets remain in such a condition so as to generally continue to deliver a reliable and similar level of service to that currently being provided. Where a level of service is planned to change it is indicated in the Asset Management Plan.

This strategy applies to the following groups of activities:

- Roading
- Water Supply
- Sewerage
- Stormwater
- Other Infrastructure

Roading - The Roading activity provides a safe, convenient and efficient transport system in the city including streetlights, traffic signs and signals, footpaths, drainage, surface water channel systems, bridges, culverts, street furniture, parking facilities, vehicle access crossings and cycle tracks.

Water Supply - The Water Supply activity supplies potable water to residential, industrial and commercial properties to protect public health, support city growth and contribute to the general well-being of the community. Council owns or maintains assets, providing water at pressure to the boundary of each property in the Bluff and Invercargill urban areas and also to properties where the main pipeline has been laid.

Sewerage - The Sewerage activity provides for the removal of sewage from residential, industrial and

commercial properties. Council owns and maintains assets that provide a sewage collection service to each property in the Bluff and Invercargill urban areas, Omaui and some parts of Otatara. Treated effluent is discharged to Foveaux Strait at Bluff, to the New River Estuary at Invercargill, and to land at Omaui.

Stormwater - The Stormwater activity provides for the removal of stormwater from residential, industrial and commercial properties to reduce the risk of property damage by flooding. Council owns and maintains assets that provide a stormwater service to each property in the Bluff and Invercargill urban areas. Stormwater is discharged to natural waterways including the Waikiwi Stream, Waihopai River, Kingswell Creek, Clifton Channel, Oteponi Stream, the New River Estuary and Bluff Harbour.

Other Infrastructure - Community Infrastructure where Council anticipates significant expenditure has also been included within this Strategy. These community assets include things such as the Invercargill Public Library and the Southland Aquatic Centre (Splash Palace).

Council's vision is to create an exciting, innovative, safe, caring and friendly city offering lifestyles based on a healthy environment and diverse growing economy. Sound management of Council's infrastructure is integral to the realisation of this vision.

By getting infrastructure spending right, Council can assist our community and economy in continuing to thrive. This Strategy will assist both Council and the Community to make well-informed decisions regarding the future development of any assets as well as the maintenance and renewal of our existing assets.

WHERE ARE WE CURRENTLY

Geographic

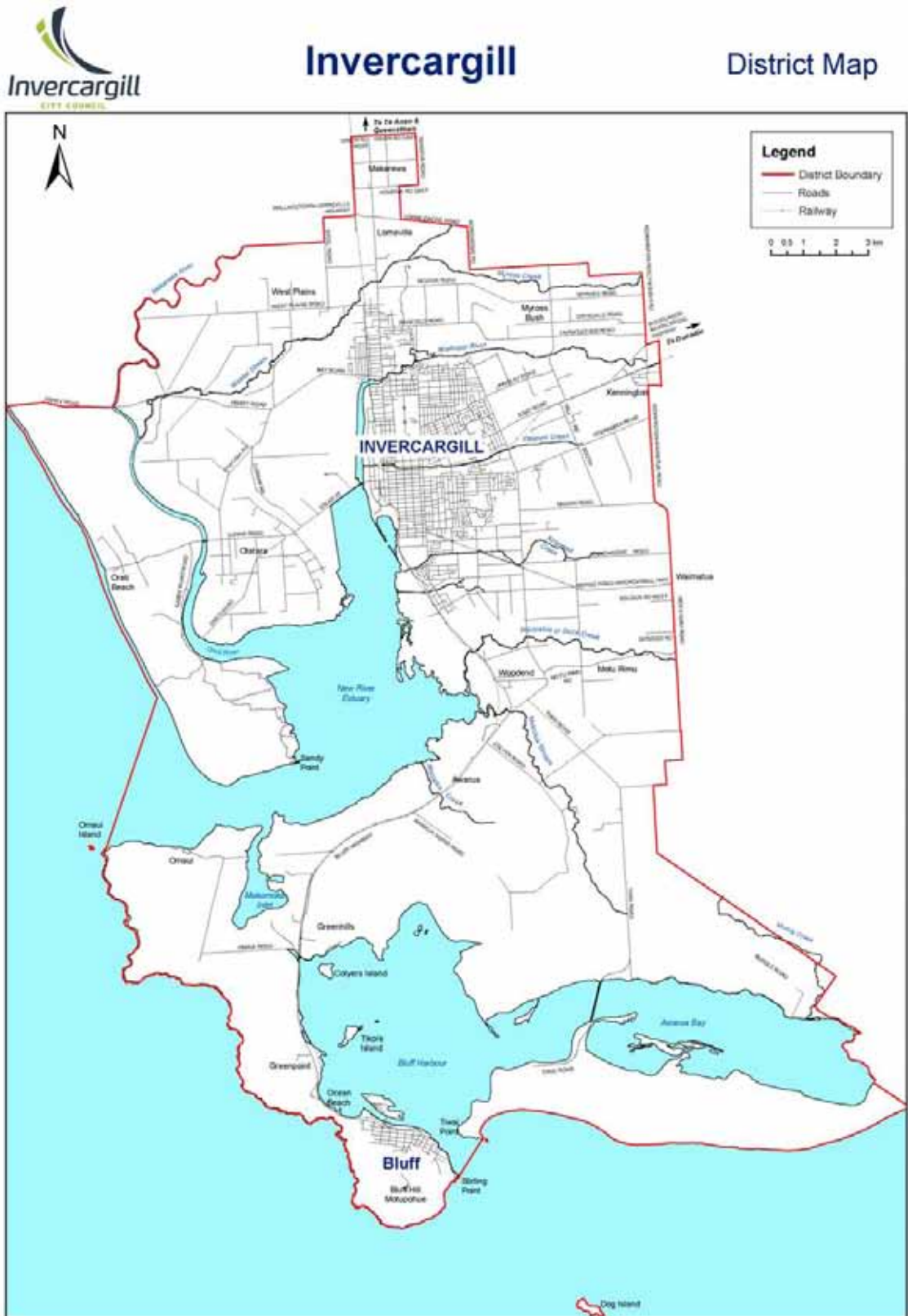
Extending from Makarewa in the north to Bluff in the south, Kennington in the east and Oreti Beach in the west, the Invercargill District encompasses an area of 49,142 hectares. Landscape features of importance to the community include Bluff Hill (Motupohue) and an extensive network of waterways which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

Current state of Infrastructure Assets - Overall

Council has experienced asset management practitioners who have a detailed knowledge of their assets. The Asset Management Plans prepared for each infrastructure asset includes a continuous improvement programme and are typically of an "intermediate" or better range when assessed by reviewers. It is difficult to accurately assess the condition of Council's underground utilities and this has been considered in developing the plans.

The Council has looked at the City's past investment cycles and considers that it is reasonable to assume that these create a future maintenance and replacement echo. A significant part of Council's infrastructure management in the future will be managing our renewal cycles. For some of Council's infrastructure activities a decision has been made to reduce the rate of renewal against depreciation forecasts. This 'sweating of the asset' enables Council to experiment with changing and extending the predicted life cycle of the asset. This has with it an inherent risk, so to do so Council has to ensure that it has good quality data, the ability to closely monitor the asset and the financial resources to quickly address the issue if necessary.

The Map below outlines the territorial boundaries of the Invercargill City Council.



WHAT ARE OUR KEY ASSUMPTIONS

The following assumptions and potential impacts have been considered while developing and preparing Asset Management Plans.

1. Economic Climate and Growth

Council has made the assumption that there will be gradual positive growth in the Invercargill and Southland economy. Council has assessed the risk of this assumption at a medium level. If this assumption should prove to be wrong, and there is a significant change to the economy, such as a large employer choosing to locate in the district, then Council may need to reassess its provision of infrastructure and the current strategy to not expand provision may need to be changed. Council continues to promote the Awarua Industrial Estate to enable job creation.

2. Population Growth

As the economy grows, more employment opportunities will arise within the district. Council has made the assumption that population growth will remain positive and that we will have a population of 53,400 (based on Statistics New Zealand projections) by 2031. With the average number of people per household assumed to be 2.3, Council is anticipating a further 570 occupied dwellings being constructed by 2031. Council has assessed the risk of these assumptions at a medium level. If these assumptions should prove to be wrong and there is a significant increase in population and the number of dwellings, this may result in a demand for infrastructure and services beyond the existing capacity, and Council would need to reassess its strategy of not increasing provision of services or expansion of the network. Should the assumptions prove to be wrong and there is a significant decrease in population and number of occupied dwellings, this would adversely impact on the Community's ability to fund the current levels of service provided in the infrastructure network and some levels of service may need to be reduced to ensure continued affordability.

3. Climate Change

Council has made the assumption that the impact of climate change on the District will be minimal in the next ten years. Over the next 30 years projections for Invercargill indicate a rise in average annual mean temperature of 0.1 to 1.9 degrees, with rainfall expected to vary from -2% to 19%. Southland's climate is expected to become warmer, windier and wetter. It is assumed that while rainfall will increase the intensity of a storm will not be greater than the current design standards and that the flood protection works (owned mainly by Environment Southland) will offer the necessary protection. The piped stormwater network will continue to deliver the necessary levels of service. Council has assessed the risk of this assumption being incorrect as low. Should the assumption prove incorrect and current stormwater networks do not have the capacity to meet the increased rainfall, the Community would need to determine if they wished to incur significant cost to increase the capacity of the system or suffer an increasing occurrence of flooding and cross contamination of the stormwater and sewerage networks.

4. Environmental Expectations

Council has made the assumption that we will continue to hold discharge resource consents for the Sewerage and Stormwater activities and that the conditions of the new consents will not be significantly different from current consents. Council has assessed the risk of this assumption as high.

The National Policy Statement on Freshwater Management developed under the Resource Management Act 1991 is likely to have an impact on how Council undertakes its Stormwater activity. Over the coming years, Environment Southland will be working with the Community to put in place standards for freshwater in the Southland Region. These standards may require improvement to our

stormwater quality that could include the need for treatment of stormwater prior to discharge. The cost implications of this have not yet been identified, but significant capital expenditure may be incurred if the conditions of new resource consents are significantly different to the existing consent.

5. NZTA Funding Assistance

The New Zealand Transport Agency provides funding assistance for carrying out the management and maintenance of the roading network. Invercargill City Council's financial assistance rate for 2015/16 will be 60% and reduce by 1% per year until it is at 51%. Council has made the assumption that Council revenue will meet the gap in funding caused by the decreasing NZTA subsidy. Council has assessed the risk of this assumption as low. Should the assumption prove to be incorrect and Council revenue is not made available to meet the gap left by the decreasing NZTA subsidy then less work on the roading network will be able to be undertaken and the roads will worsen more quickly than anticipated.

6. Catastrophes

Council has made the assumption that there will be no major catastrophes that impact on the district. Council has assessed the level of risk of this assumption as high. Should the assumption prove to be wrong a major catastrophe could significantly impact on the infrastructure network and the ability of the Community to pay for the current levels of service. Council mitigates this risk by having appropriate insurance.

7. Delivery of Service

Council has made the assumption that there will be no changes to the way that it delivers its services - in-house or contractors. This assumption has been assessed as having a medium risk. Should a change be made to how the infrastructure services are provided there may be an increase or decrease in cost and budgets would need to be amended to reflect the change. Service delivery will be reviewed

consistently in accordance with the requirements of the Local Government Act 2002. Council assumes that we will be able to train or procure the workforce necessary to deliver the plan over the next 30 years.

8. Fixed Asset Valuations and Useful Lives of Assets

Fixed Asset Valuation estimates are prepared based on Council's Accounting Policies. Those Accounting Policies include valuation policies appropriate for public benefit entity assets. Council has assessed the risk of the fixed asset valuation assumptions being incorrect as low. Consistent use of national standards reduces the risk of inaccurate asset valuation.

Depreciation rate assumptions are based on Council's Accounting Policies and useful lives as stated in Asset Management Plans, which use the IIMM Manual as a guide. Council has assessed the level of risk of getting the useful lives assumption wrong as medium. Shorter than anticipated useful lives create a financial burden on the Community by requiring renewal work, and the funding of, to be undertaken sooner than anticipated. Council has recently experienced this with the failure of some of the pipes within the Water Supply network. Using national guidelines for useful life minimises this risk.

9. Insurance

Council has made the assumption that it will have no issues in insuring its underground assets. This assumption is assessed as having low risk. Should the assumption prove to be wrong, Council would have to borrow to replace assets in the event of a disaster.

10. Cost Change Factors

Council has made the assumption that the rate of inflation for Council services will follow the Local Government Cost Index. Council has assessed this assumption as having a medium risk. The Local Government Cost Index was developed by Business and Economic Research Limited in October 2014. Should this assumption prove to be wrong it is likely

that the estimated cost of programmed works in the later years of this strategy are incorrect and would need to be reassessed closer to their implementation.

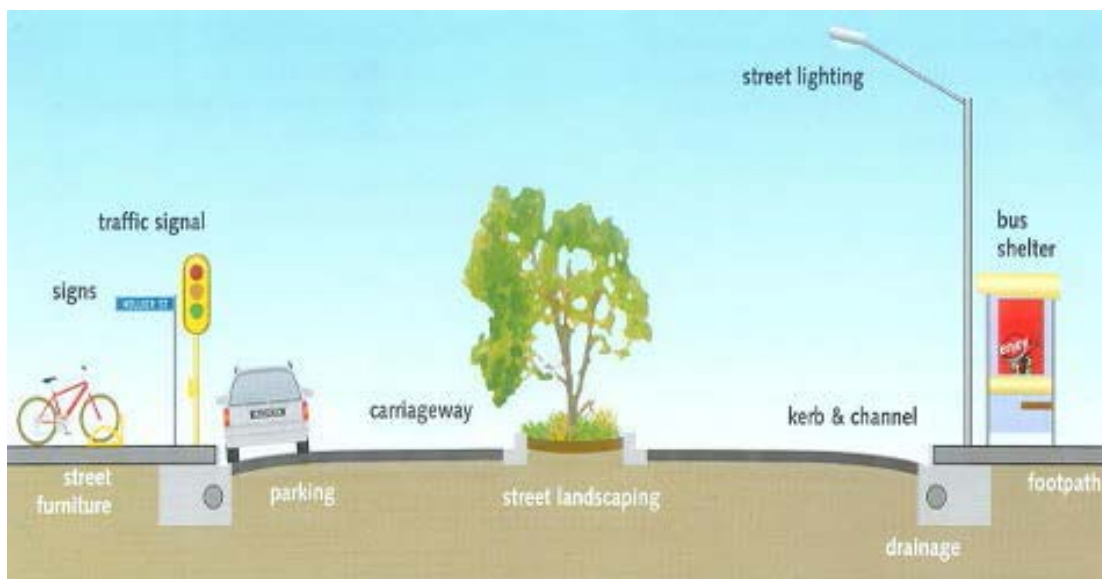
You can read more about Council's significant assumptions in the Significant Assumptions section of this Long-Term Plan.

what are our big issues?

roading

Council owns and operates approximately 600km of formed roads, 296km of urban road and 180km of rural road, including 127km of unsealed (gravel) roads. Other assets include 51 bridges, kerb and channelling, streetlights, road signs, traffic signal sets and road markings.

The image below shows the schematic layout of the roading network.



The condition of roads is established through regular specific testing and ratings and is recorded in the RAMM database. Road surface assets are able to be regularly inspected allowing faults or failures to be seen and managed in a timely manner. Assets can be “pushed” harder, and lives extended at relatively lower risk, than underground assets where deterioration is not easily observed and failure can be sudden.

The Key Issues are:

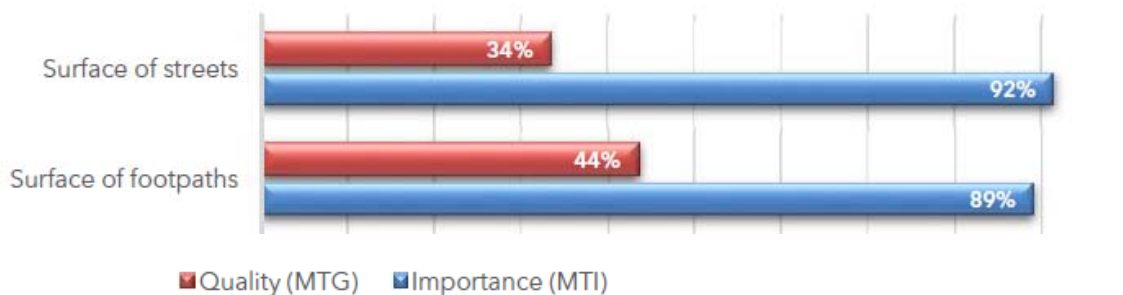
- The level of service provided by the Roding (carriageways) asset will reduce.
- The level of service provided by the Footpath asset will reduce.

Roding Activity Key Assumptions:

- Council will meet the gap in funding caused by the reduction in the NZTA subsidy. Approximately 71% of the Roding programme of works is subsidised by NZTA.
- Assets will continue to operate up to their predicted useful lives.
- A higher risk profile for footpaths is acceptable.

ROADING - CHANGE IN LEVELS OF SERVICE

Council's 2013 Service Levels Research, refer graph below, has highlighted that the road surfaces are the most important expectation of the community, with 92% of those surveyed responding that the surface of streets was "more than important", and one in which Council has scored relatively low in quality, only 34% of those surveyed rated the surface as "more than good". Respondents were asked to rate the importance of the roading services that Council provides. This was done by rating the importance of each service on a 5-point scale (where 1 is 'very important' and 5 is 'very unimportant').



To make these results easier to interpret, a composite 'more than important' (MTI) score was calculated. This simply combines the number of respondents who rated the service as 'important' or 'very important'. The same type of scale was utilised for the Quality where 1 is 'very poor' and 5 is 'very good'. Again a 'more than good' score has been provided.

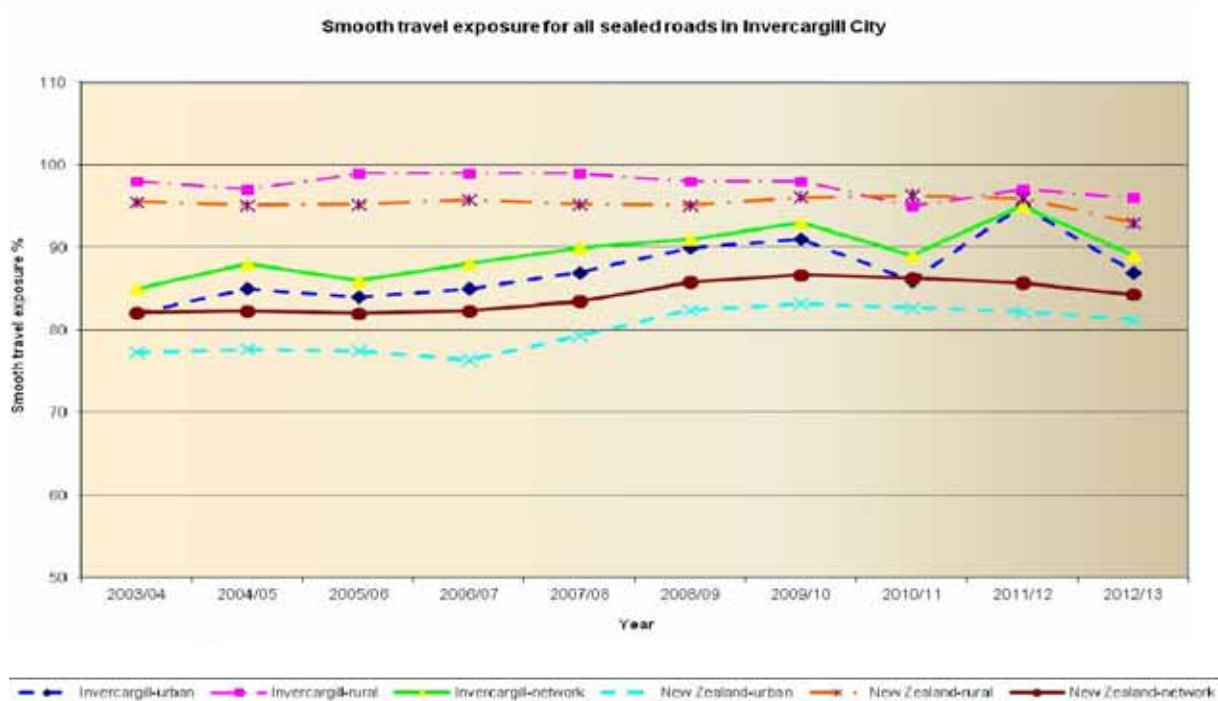
Funding for our roads is subsidised by the New Zealand Transport Agency (NZTA), who provide 60% of the funding for approved Council budgets. Council revenue provides the remaining 40% from rates, loans and other Council revenue.

A national review of the way NZTA allocate funding assistance is resulting in Council's financial assistance rate (FAR) decreasing by 1% per year from 60% to 51%, over the next nine years. This change will mean Council is faced with the decision to either keep the same annual investment level in roading by allocating extra money, or decide to leave Council's share the same and accept that the total funding available for maintenance and renewal would be less.

One of Council's key assumptions is that rates funding will meet any NZTA shortfall. This will cost approximately an additional \$90,000 cumulatively per year. In 2024/25 an extra \$810,000 (excluding inflation effects) will be required just to keep available roading funds the same.

Further, NZTA records show that Invercargill roads are better than the national average (refer graph overleaf) and, through their investment decisions and direction, are requiring that our level of interventions lessen. This means that NZTA expect that our roads will become less smooth and closer to the standard that the rest of New Zealand has. As a result our Community will notice a decrease in the level of service.

The following graph shows one of the key performance measures (Smooth Travel Exposure) which is a representation of the “smoothness” of our roads which the users (cars, buses and trucks) will experience. This index is an average of the network.



There is a gap in expectation between our co-investor (NZTA) and our users. Council has not planned to improve the smoothness of our roads.

Council programmes have focused works based on the function and hierarchy of the roads, what purpose the road serves from an arterial road to a low volume access road, and note that further additional investment from NZTA is unlikely. Council will maximise interventions in maintenance cycles at the optimum time. Council plans to do the work at the right time with the right solution.

The roading customer typically only sees and feels the travel they experience by the road surface and

consequently the smoothness measure, however, the delivery of the network is also closely connected to the strength of the pavement and the safety facilities of the network system.

It is expected that the customer’s experience of service levels within roading will decrease with time. The Asset Management Plan and this strategy do not aim to reduce this gap, but accept that the lesser smoothness at the national average is appropriate.

The gap between the customer’s expectation and what is able to be delivered is not resolved.

Renewals - Carriageway

Renewals and rehabilitations are an important part of the expenditure plans for the coming thirty years within the Roothing activity. These renewals are required to bring our important roads back up to full strength so they can deliver their function, making sure that freight can efficiently travel through and across Invercargill, together with providing a resilient and effective network for other users.

Invercargill is fortunate that, due to planning in the 1960s and 1970s for a population of 100,000, we have existing roading networks with the capacity to provide for the slow but steady growth experienced. However, the wide streets also mean that we have to maintain more than is necessary, and for efficiency, when benchmarked against other peer groups sized communities, we need to continue to look to renew in ways where the roads are sized for our population.

The renewals expenditure covers the renewal, refurbishment and replacement works carried out on the existing assets to extend the life of the asset. Advanced deterioration modelling (dTIMS) of the road pavements has been utilised with the data knowledge in our Asset Management System (RAMM) and practitioners to establish renewal and resurfacing programmes.

dTIMS utilises an analysis approach with various budget scenarios and outputs what the expected network will look like through technical measures such as NAASRA Roughness counts. Through this approach a model is developed to maximise existing pavement capabilities and to push existing pavements longer and harder before renewals are undertaken.

Council historically spent a renewals budget, including surfacing, of \$4.2 million per year. The forward plan, following detailed modelling and review, is to drop this budget to \$3.2 million for approximately 6 years, then increase to a \$4.2 million for approximately 25 years and then increase again to \$5.2 million.

This approach allows roughness to worsen, but remain within the national and network performance parameters, and utilises and optimises existing pavement strengths. This approach has resulted in a cost effective and prudent approach so that funding affordability can be maintained and meets expectations of NZTA.

New ONRC technical performance measures will ensure safety, efficiency, resilience and customers are measured and expectations monitored at a technical and national level.

Seal extensions and seal widening, often popular with localised resident groups, have historically been non-subsidised works. The current asset plan recognises that none of this type of work is planned due to the financial cost of the work and the impact on Council budgets.

Improvements within the street lighting area are planned to upgrade and improve residential light using LED technologies. These new lights are more energy efficient and generate ongoing savings in operational and maintenance costs.

The expectation of the renewal and surfacing budget is to have a lower level of service but that this will trend toward nationally accepted technical measures.

Council had identified three options for Roading - carriageways:

Option 1	COUNCIL'S PREFERRED OPTION Option 2	Option 3
Don't increase ratepayer funding.	Ratepayer funding increased to meet the gap left by the decreasing NZTA subsidy.	Further increase in ratepayer funding.
Impact on level of service Less work can be done and our roads will worsen more quickly.	Impact on level of service Our roads will slowly get worse and move back towards the New Zealand average.	Impact on level of service Our roads remain at the current level of service.
Cost to ratepayers No additional financial cost to ratepayers, but residents will experience a larger deterioration in road quality.	Cost to ratepayers \$90,000 each year, accumulating to an additional sum of \$810,000 (uninflated) per year in 2024/25.	Cost to ratepayers The cost of this is unknown, but is likely to be a substantial increase in the rates required for roading. Any extra ratepayer expenditure would not attract extra NZTA funding.

Following the consultation process Council determined to follow Option 2.

Footpaths - Change in Levels of Service

The asset valuation for footpaths indicates an expenditure of \$2.1 million for footpaths is required. Council is currently budgeting approximately \$1.24 million per year for footpath renewals.

Council has decided to under fund the footpath asset as the potential risks faced are the lowest for the infrastructural assets. A footpath failure is likely to be relatively localised, easily identified and remedied very quickly allowing a higher risk to be taken.

Council's strategy is to allow the number of "very poor" condition rated footpaths to increase from the current level of approximately 4% towards the performance target of 10%. The gap exists between

the customers expectation and what Council is intending to provide.

The risk of this strategy is mitigated as Council recognises that the materials utilised, more concrete than asphalt, and the thicker construction, 100mm not 75mm, that are currently being installed, will have a longer life than those installed during the 1980's under a government works scheme. This extended life will mean less annual calculated depreciation. The strategy also ensures that each street, at a minimum, would always have at least one good footpath ensuring easy and appropriate access for the ageing population.

Option 1	COUNCIL'S PREFERRED OPTION Option 2	Option 3
Spend \$2.1 million per year.	Spend \$1.24 million per year.	Spend \$1 million per year.
Impact on level of service Level of service will remain the same.	Impact on level of service Level of service will gradually reduce as the footpath asset deteriorates.	Impact on level of service Level of service will reduce as footpath deterioration and the risk of asset failure increases to the point where footpaths could become unsafe.
Cost to ratepayers \$2.1 million per year, an increase of \$860,000 per year over Council's preferred option.	Cost to ratepayers \$1.24 million per year (uninflated).	Cost to ratepayers 1 million per year. A saving of \$240,000 per year on Council's preferred option and a saving of \$1.1 million on the asset valuation expenditure.

Following the consultation process Council determined to follow Option 2.

Data Confidence and Reliability

The confidence in the data used in Asset Management Plans has been assessed using the following table:

Confidence Grade	General Meaning
A	<p>Highly Reliable</p> <p>Data based on sound records, procedures, investigations and analysis which is properly documented and recognised as the best method of assessment. Dataset is complete and estimated to be accurate 2%.</p>
B	<p>Reliable</p> <p>Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings' for example the data is old, some documentation is missing and reliance is place on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate 10%.</p>
C	<p>Uncertain</p> <p>Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A & B data is available. Dataset is substantially complete but up to 50% is extrapolated data and accurately estimated 30%.</p>
D	<p>Very Uncertain</p> <p>Data is based on unconfirmed verbal reports and/or cursory inspection and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy 40%.</p>

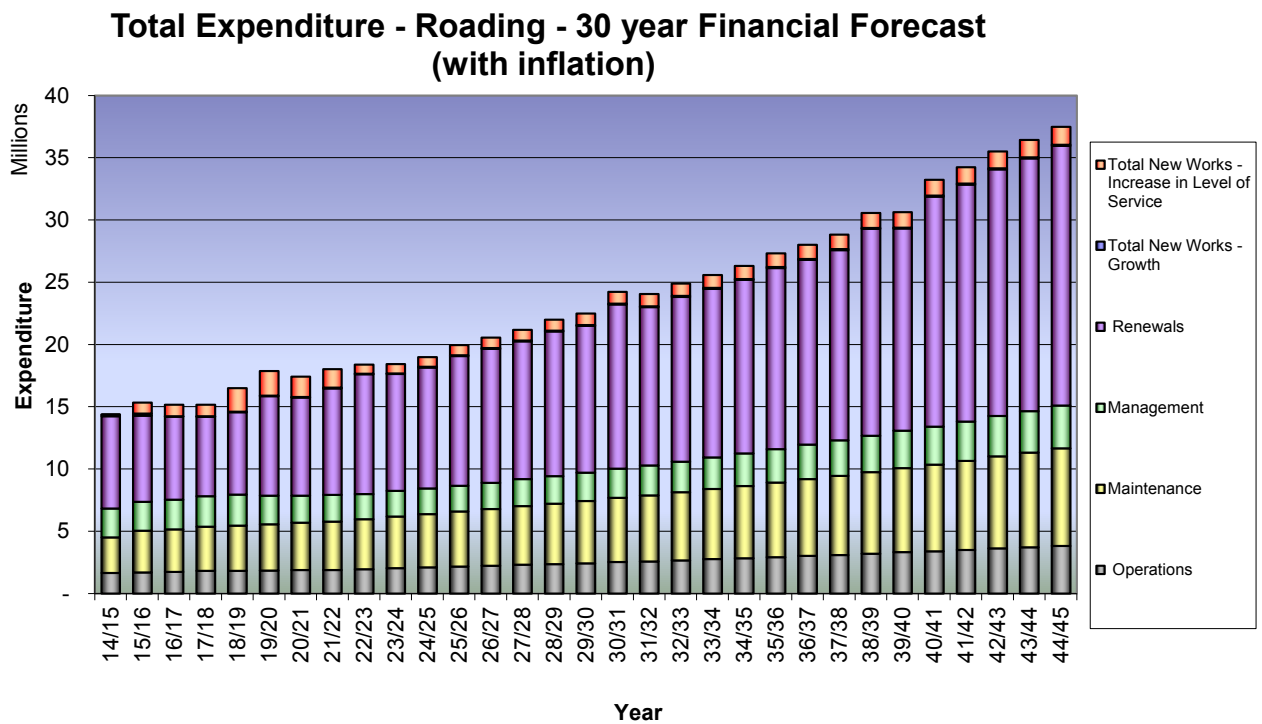
The confidence levels which have been allocated in the assessment of the financial forecasts are:

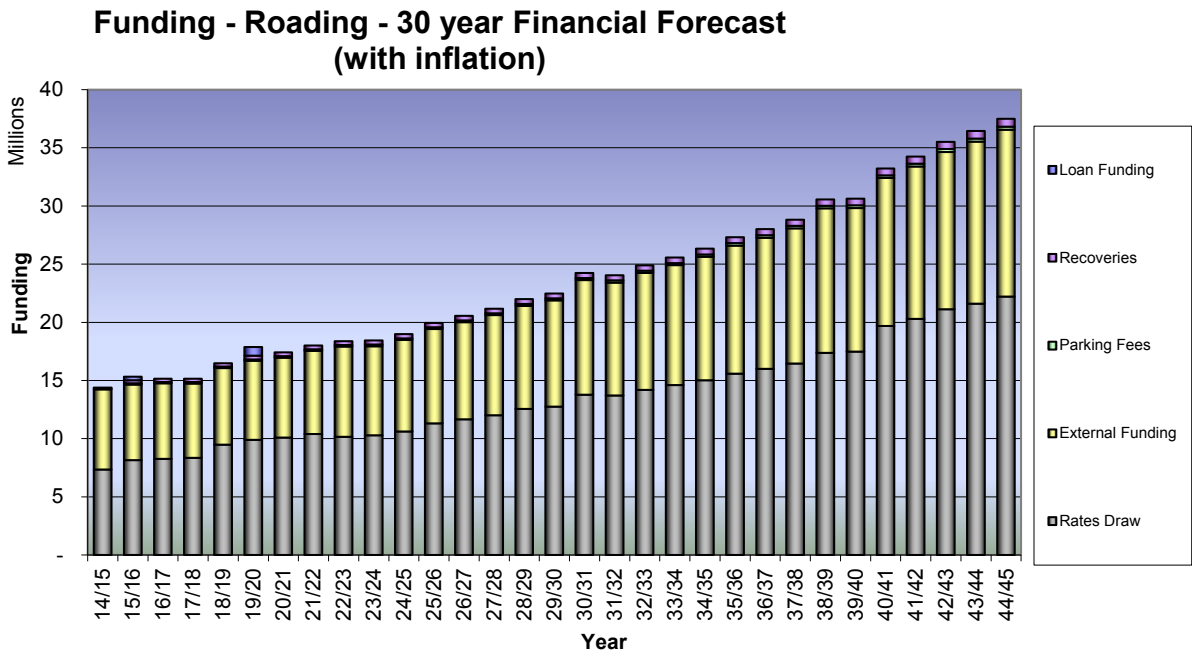
Asset Category	Confidence Level			
	A	B	C	D
Pavements		✓		
Top Surface		✓		
Kerbs and Channel		✓		
Footpaths		✓		
Bridges		✓		

ROADING - COSTS AND FUNDING

The following graph shows the total expenditure and income sources requirement for the roading activity, inflated in accordance with the Local Government

Cost Index, with annual inflation varying from 2.5% to 3.5%.





The following table shows how Council intends to fund the Key issues identified.

Key Issue	Sources of Funding
Level of service decrease - roads	NZTA subsidy
	Rates
Level of service decrease - footpaths	Rates

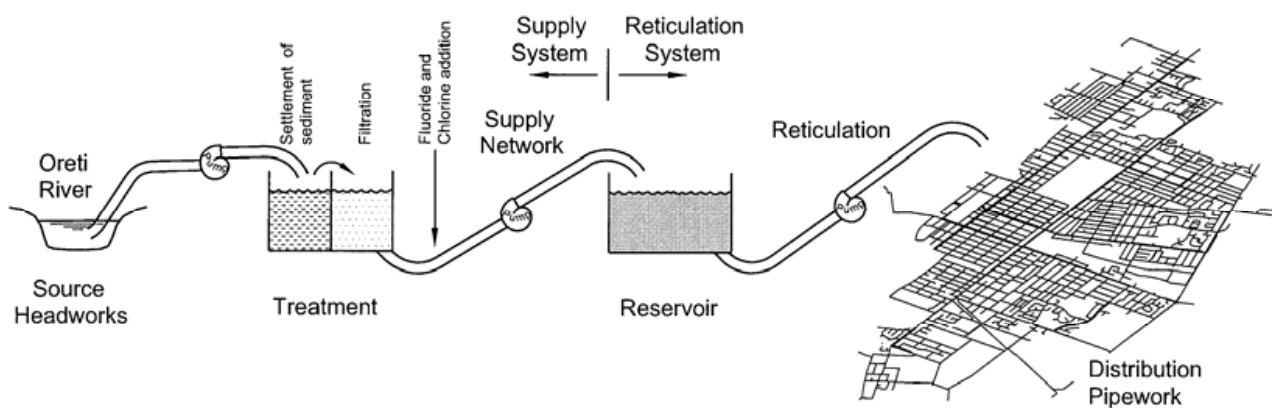
what are our big issues?

water supply

The Invercargill water supply provides water to the urban areas of Invercargill, Bluff and the Port of Bluff. It has one source, the Oreti River at Branxholme approximately 17 kilometres north of Invercargill. The supply system comprises a full treatment plant at Branxholme, a chlorination plant at Bluff, bulk

supply mains connecting Branxholme to Invercargill and Invercargill to Bluff, pumping stations and pipe distribution networks in both Invercargill and Bluff.

The image below shows the schematic layout of the water supply network.



The Key Issues are:

- Distribution water pipes, made of asbestos cement, require earlier replacement than expected.
- Delaying the alternative water supply project.
- Upgrade Branxholme Water Treatment Plant to meet the Drinking Water Standards.

Water Supply Activity Key Assumptions:

- Water distribution asbestos cement pipes fail earlier than expected.
- The Branxholme trunk water mains have yet to be structurally sampled but have an assumed life of 65 years.
- Concrete reservoir structures will only reach their predicted useful lives.
- No catastrophic event occurs that will require an alternative water supply prior to it being available.

Renewals - Asbestos Cement (AC)

Distribution mains

Recent failures in some areas of the pipe network have meant that Council has brought forward the programme for replacement of asbestos cement (AC) pipe as it now recognises that the expected life of the pipe will not be as long as previously anticipated. This has been validated by sampling processes and the testing of the materials taken out.

This type of pipe forms approximately 50% of the water supply network and has a significant impact on renewal programmes.

Thirty-eight samples of asbestos cement water main pipe were taken from the network and evaluated to assess their life. Results varied with the median life determined as 56 years, nine years less than the 65 years previously assigned. The results were then extrapolated across the network. This extrapolation suggests that there may be a significant number of pipes in the water main network, with a replacement value of \$22 million, which are near or close to failure. This will mean an increasing likelihood of failure of single isolated pipe assets.

The initial findings of the survey need to be verified by further condition assessment and this will be undertaken. However, it is clear from the recent pipe failures and surveys that renewals of the water mains system of asbestos cement pipes needs to start now rather than waiting for the 65 year life expectancy which has been used as the basis of previous Asset Management Plans.

This Strategy proposes an increasing commitment in the coming years to replacement of the asbestos cement pipes. This will be refined as more survey work is undertaken.

The only concerns that Council has relate to the state of the asbestos cement pipes. We have had no issues with other pipes in the network, for example polyethylene or cast iron, and are confident that the estimated life of those pipes is accurate.

\$22 million of renewal work needs to be moved forward starting next year and due for completion in 2024. Council has assigned one sample to each 5 year time period. The sample is assumed to be representative of all pipes of the same diameter that were laid within that period. When representative samples have not been taken the historical 65 year asset life has been used. In doing this, Council has taken a proactive measure to manage and lessen the risk over time.

Having identified the problem, there are limitations on how much work can be done in any one year due to the availability of suitably qualified contractors. The renewal programme must be staged and gradually escalated to allow contractors time to prepare.

Should all of the \$22 million be required to be completed at an earlier stage than what we have planned, Council would look to fund this from loans and consider deferring other works.

Council accepts that with respect to data confidence and uncertainty, more investigation into the condition of the pipe network is necessary. Due to the uncertainty there is the potential for a variation to financial forecasts in the range of 20 up to 30%. This means that in the worst case scenario, there could be a variation in the amount of work needed to be undertaken of up to \$15 million (uninflated). However, if the actual costs vary significantly from the estimate, the Council will consult on possible

funding options. Should an unexpected variation in future renewal costs occur Council's preferred option would be to loan fund the necessary work over a twenty year period. Due to Council's good financial position and low debt ratio, Council can increase debt in the short term to meet increasing costs.

Council also considers that replacement of the original Branxholme pipeline, which is also AC pipe, will be necessary and anticipates that this project will be scheduled over the 2021 to 2023 period. This replacement is aligned to its expected life which may need revision subject to determination of its actual condition.

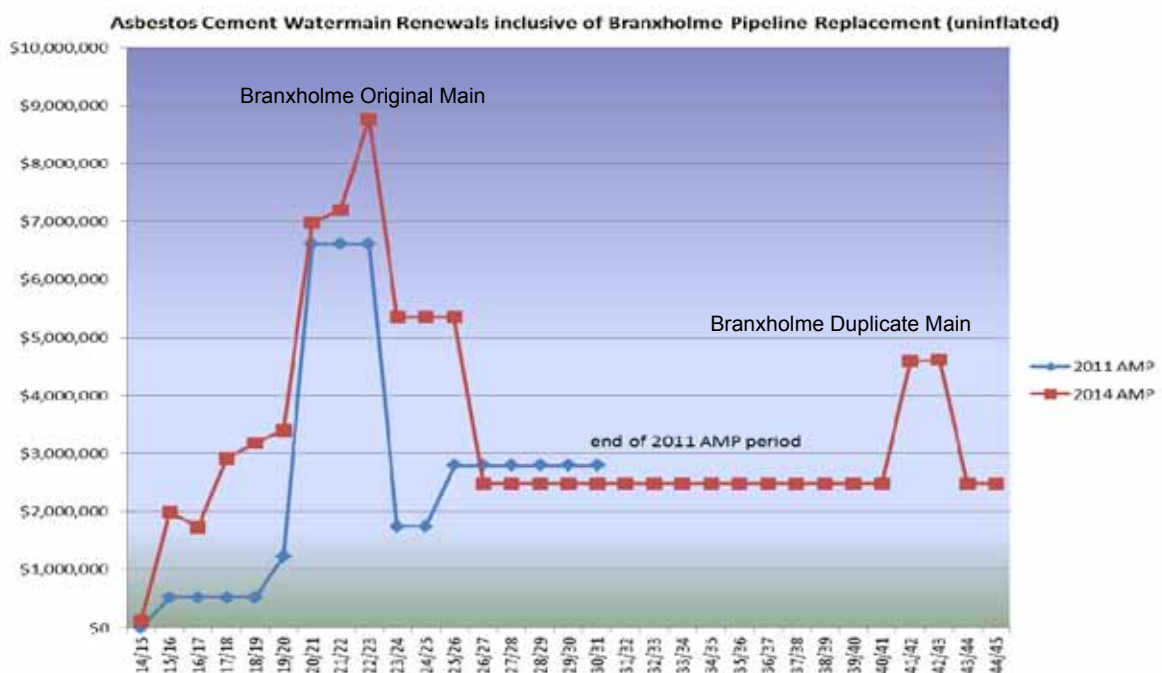
Similarly the replacement of the first part of the Branxholme duplicate pipeline has been scheduled in the 2041 to 2043 period, to be replaced at the end of its expected life. These replacements are high cost, but the pipes are significant in ensuring the ability to continue to transport water from Branxholme into the City reservoirs.

A low risk approach is being taken to renewal of

the supply network as the consequence of failure, and no water supply, is very high. The supply lines are regularly monitored and a sampling and testing regime is underway to better understand this asset.

The distribution watermain AC pipe replacement programme, used to bring water to homes of residents, has been moved forward. This is due to the recent failures, better data and an understanding that the pipes have shorter lives than was previously understood. Should it be found that the condition of the original Branxholme pipeline will also not meet its expected 65 year life, then the replacement programme for all AC pipe, both distribution and supply, will need review with adjustments made with respect to priority and affordability. The reduced life of AC pipe is being recognised nationally by councils.

The following graph shows the financial impact of bringing forward the asbestos cement pipe replacement programme in accordance with the earlier described assumptions.



Water Reservoirs

Council’s water storage reservoirs are large concrete structures important for holding enough water so that homes can be continuously supplied via the pipe distribution network. The reservoirs will reach the end of their planned service lives in 2029/30 (Doon Street) and 2044/45 (Waikiwi). Waikiwi is the largest reservoir and, as such, a significant and critical asset to be renewed. These structures are very important in the storage and delivery of water to Invercargill. While included in the budgets, further investigation continues to be undertaken to more clearly define the

end of life options and the key assumption is that a relatively conservative approach is taken and that the reservoirs will continue to operate to those expected lives.

Headworks and treatment plant renewals reflect normal planned renewal and replacement of mechanical plant and instrumentations expected of treatment and distribution equipment. Renewals in reservoirs, as outlined above, and pump stations similarly represent plant and equipment replacement.

Council had identified two options:

Option 1	COUNCIL’S PREFERRED OPTION Option 2
Do not bring forward the renewal programme for asbestos cement pipes.	Bring forward the rate of replacement for asbestos cement pipes.
<p>Impact on level of service</p> <p>Level of service will decrease with:</p> <ul style="list-style-type: none"> • Increasing risk of more frequent disruption to water supplies to individual properties; • Supply disruption increasingly lasts longer; • Increasing risk of flood damage to private property; • Increasing deterioration of the road owing to undermining of the road by flooding; • Cost of emergency maintenance will increase. 	<p>Impact on level of service</p> <p>Maintain the current level of service.</p>
<p>Cost to ratepayers</p> <p>Unpredictable. Rather than spending on a predictable renewals programme and routine maintenance, emergency repairs would have to happen as and when failures occur.</p>	<p>Cost to ratepayers</p> <p>The water rate will increase above the rate of inflation. This option advances expenditure that was planned to occur in later years. A total of \$46.8 million will be spent between 2015/16 and 2024/25, which equates to an average of \$4.7 million per year.</p>

Following the consultation process Council determined to follow Option 2.

Alternative Water Supply

Timing for the alternative water supply has been reprogrammed for the period 2025 through to 2027. This study had been anticipated to be undertaken during the 2019-2021 period however, Council proposes to delay this project to ensure better affordability can be maintained. Previous studies on potential water supplies indicate a substantial financial benefit of underground water supply over surface water, plus a different risk profile which would complement the existing Oreti scheme. The development of an underground water source will only be committed to if a suitable source, by way of quality and quantity, can be found. It is intended that

Council had identified two options:

the alternative water supply act as an emergency back up to the Oreti scheme to enable supply to continue, albeit to a reduced demand as would occur during an emergency.

Council anticipates that this project will cost approximately \$10 million and has, through consultation, established that if the public are happy with this timing given the other demands on the water reticulation piped networks through the AC renewals.

A key assumption made is that no catastrophic event occurs that will require an alternative water supply, prior to the alternative supply being available.

Option 1	COUNCIL'S PREFERRED OPTION Option 2
Carry out the Alternative Water Supply project in the 2019-2021 period.	Defer the work on the Alternative Water Supply project until 2025.
<p>Impact on level of service</p> <p>Level of service will increase as the Community has an emergency water supply.</p>	<p>Impact on level of service</p> <p>Maintain the current level of service, but acknowledge that the Community does not have an emergency water supply.</p>
<p>Cost to ratepayers</p> <p>\$10 million. This would be on top of critical infrastructure renewals, and Council has concerns regarding affordability.</p>	<p>Cost to ratepayers</p> <p>No increased cost in the immediate plan, but the project will need to be inflation adjusted from the \$10 million estimated for the 2025 year.</p>

Following the consultation process Council determined to follow Option 2.

Branxholme Water Treatment Plant

The Branxholme Water Treatment Plant will be upgraded over the 2015/16 period to address non-compliance with the Drinking Water Standard and the summer taste and odour issues. Total cost is estimated at approximately \$10 million. This upgrade will improve the level of service provided. The Branxholme Water Treatment Plant upgrades were consulted on as part of the 2014/15 Annual Plan

and are already underway and reflected in current budgets.

Data Confidence and Reliability

The confidence levels (as per description table in Rooding section) which have been allocated in the assessment of the financial forecasts are:

Asset Category	Confidence Level			
	A	B	C	D
Headworks / Treatment		✓		
Reservoir / Pump Station		✓		
Pipe Networks			✓	

WATER - COSTS AND FUNDING

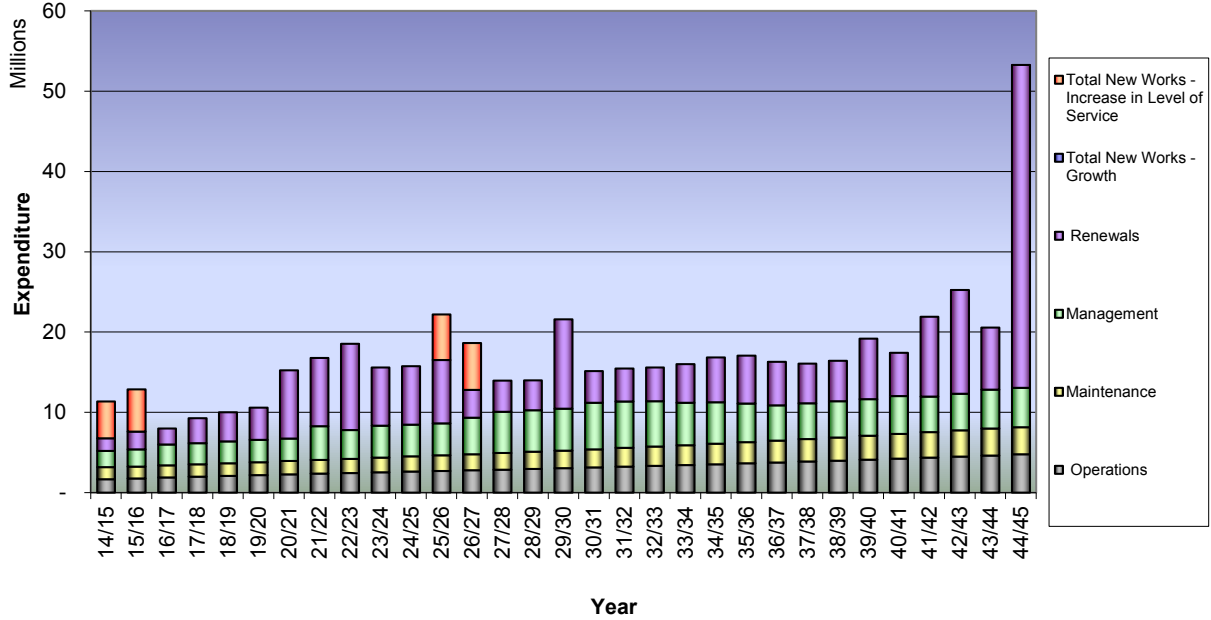
The following graph shows the total expenditure requirement for the water activity, inflated in accordance with the Local Government Cost Index, with annual inflation varying from 2.5% to 3.5%.

This expenditure is largely influenced by renewals and the one-off projects such as the development of an alternative water supply, reservoir renewals, supply

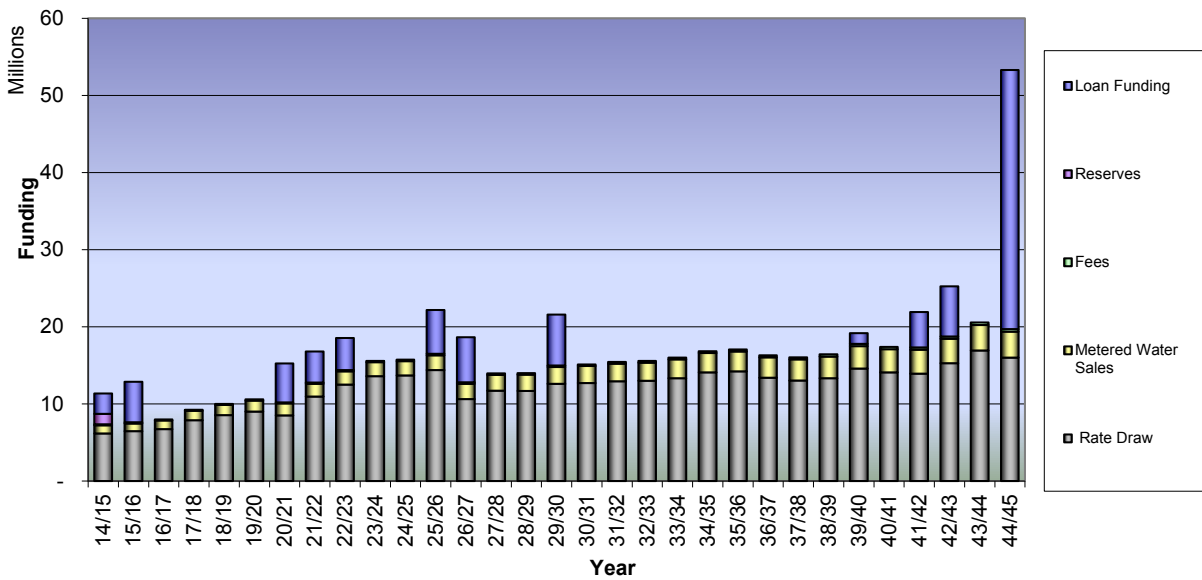
main renewals and the upgrade of the Branxholme Water Treatment Plant.

The rise in management cost is a direct reflection of increasing loan servicing costs to fund the Branxholme pipeline, reservoir renewals, the upgrade of the Branxholme Plant and development of an alternative water supply.

Total Expenditure - Water - 30 year Financial Forecast (with inflation)



Funding - Water - 30 year Financial Forecast (with inflation)



The following table shows how Council intends to fund the Key issues identified.

Key Issue	Sources of Funding
Asbestos Cement Pipe Replacements.	Loan and Rates
Delaying the alternative water supply project.	Loan

what are our big issues?

sewerage

The Council manages three sewerage networks consisting of a total of 364 kilometres of pipe in a variety of materials and in sizes ranging from 50 millimetres in diameter to 1,500 millimetres in diameter. The separate sewerage networks are located at Omaui, Bluff and Invercargill. The sewerage system includes 29 pumping stations ranging in size from those serving only a few households, to the Mersey Street station, serving a population of approximately 26,000. The three treatment plants produce high quality effluent, and Council holds discharge consents which will expire in 2025 for the Bluff plant and 2029 for the Omaui and Clifton (Invercargill) plants.

The Key Issues are:

- Planned Renewals of Pipes
- Clifton Wastewater Treatment Plant and Pump Stations
- Kennington Sewerage Scheme

The key assumptions are:

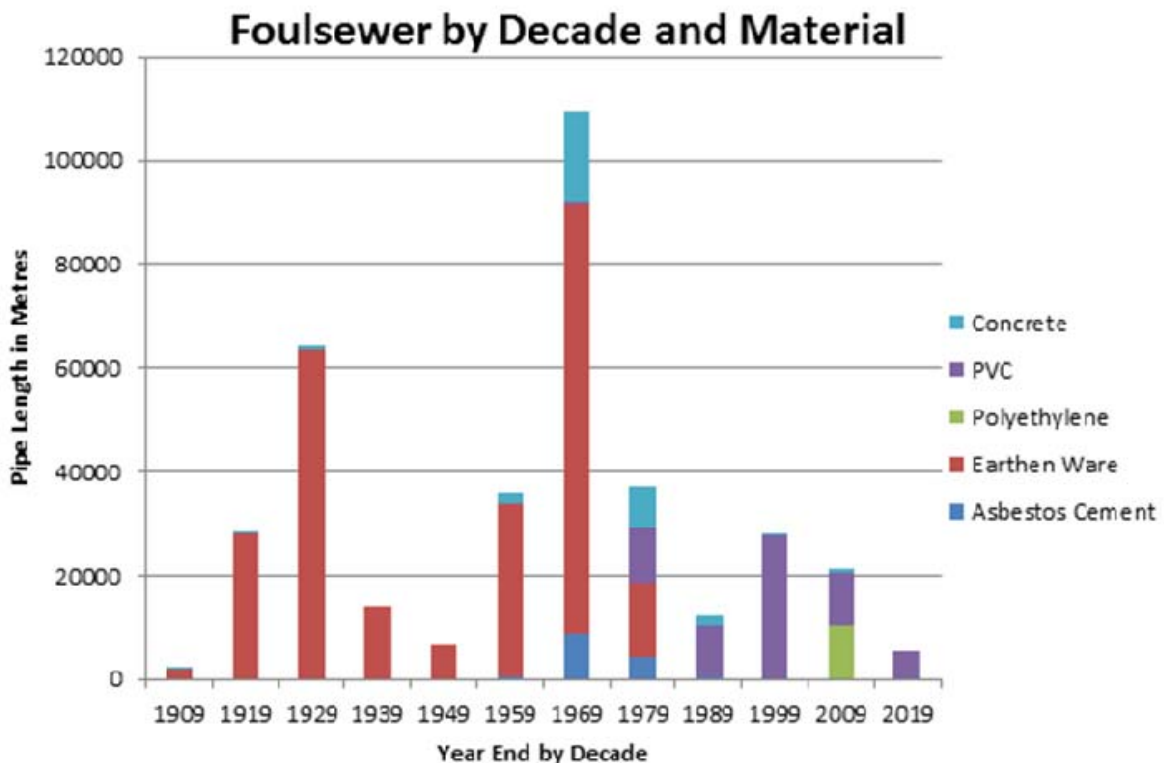
- Assets will continue to operate satisfactorily until they reach their useful lives
- No further areas of the community (aside from Kennington) will require access to the sewerage network
- Discharge consents will be renewed in 2025 (Bluff) and 2029 (Omaui and Clifton), with no significant new consent conditions.

Planned Renewals of Pipes

The pipe network is ageing with the oldest parts of the network now over 100 years of age, the assumed economic life of the pipes. Council has begun funding the renewal of ageing pipelines. The network is generally in good condition. This has been confirmed by the CCTV inspections undertaken to date, together with the low numbers of system blockages and collapses. However, a flow monitoring survey has revealed high levels of stormwater infiltration in some areas and renewal work will focus on these areas to address the impact of sewage overflows. High stormwater infiltration means during rain storms the sewer pipes become full and could overflow.

The Sewerage renewal programme is intended to maintain the overall standard of the sewerage network by providing for the rehabilitation or replacement of individual assets as they reach the end of their useful life. The overall decline in service standards is approximately measured, in financial terms, by the depreciation rate. In the past Council has only partially matched depreciation and Council intends, over the next seven years, to increase renewal expenditure to equal the rate of depreciation. This will lead to an improvement in the level of service and was included as an option in the Long Term Plan Consultation Document.

The graph below shows the age of the City's sewerage network. Renewals are closely linked to the age of the asset.



Pipes laid in the decades ending 1900-1929 are typically made of earthenware (kiln fired clay) and have been demonstrating a life expectancy of approximately 100 years. By 2030 it would be expected that these pipes will need to be replaced and Council's strategy of increasing the investment in sewer pipe renewals supports this renewal approach. The peak renewals occurring due to the initial placement of pipes during the 1920s will be completed before the second peak of renewal activity is required during the 2050 - 2080 period to replace pipes originally laid in the 1950 - 1980 period.

Failure of asbestos cement (AC) pipes, as noted in Water Supply above, is not a significant issue for the sewerage network as the proportion of AC pipe is small and the pipes are not pressurised as they are for water supply. AC pipes within the sewerage network are performing adequately and are expected to last the assigned service life of 65 years.

Council had identified three options:

Option 1	COUNCIL'S PREFERRED OPTION Option 2	Option 3
Retain current expenditure on replacement sewerage pipes.	Increase ratepayer funding to match depreciation levels within the next seven years.	Increase expenditure in Option 2 by another 50% which would allow pipes to be replaced at a faster rate.
Impact on level of service Level of service will reduce due to increased pipe failure and more blockages.	Impact on level of service Level of service will increase due to fewer pipe failures and blockages. There will be some reduction in the cross contamination of stormwater and sewerage systems.	Impact on level of service Level of service will increase due to faster reduction of pipe failures, blockages and cross contamination of stormwater and sewerage systems.
Cost to ratepayers Maintain current level of expenditure at \$1.072 million per year.	Cost to ratepayers By 2021 expenditure will increase to \$1.674 million per year.	Cost to ratepayers Increase in expenditure by another 50% per year, to \$1.627 million per year in 2016/17, followed by annual inflationary adjustments.

Following the consultation process Council determined to follow Option 2.

Clifton Wastewater Treatment Plant and Pump Stations

Planned renewal projects are required at Invercargill's main treatment facility to replace the original 1960s floating lids on two of the three digesters as well as to improve screening by renewing ageing screening equipment. These works are planned in 2015/16. Improvements to screening are intended to reduce

accumulation of fibrous material in the digester to improve their operation. The budgeted cost of this project totals \$1,739,000. Ongoing equipment renewal is an expected part of managing treatment facilities and pump stations but at times these components are of high value.

Council had identified two options:

Option 1	COUNCIL'S PREFERRED OPTION Option 2
Do not replace lids and screens.	Replace the lids and screens.
<p>Impact on level of service Level of service will decrease due to the potential failure of the assets, which could result in major odour issues in the Clifton residential area.</p>	<p>Impact on level of service The level of service will be maintained due to more adequate screening and ensuring the security of the asset.</p>
<p>Cost to ratepayers No additional cost to ratepayers, but Council could incur legal costs if breaches to resource consents transpire.</p>	<p>Cost to ratepayers \$1.739 million in the 2015/16 year.</p>

Following the consultation process Council determined to follow Option 2.

Kennington Sewerage Reticulation

The small community of Kennington, consisting of approximately 50 homes, most of which exceed 50 years in age, has no reticulated sewerage system, and relies on on-site septic tanks and disposal fields for effluent disposal.

Many of these systems have been found to be failing, resulting in contamination of waterways and land within the community, and carrying an associated health risk.

Council plans to install a reticulated sewer network for the community. This work and the funding split have been included as part of the 2015-25 Long Term Plan development.

The preliminary price estimate for this project is \$1,000,000. Council has planned to undertake this work in the 2015/16 year.

Council had identified three options for the funding split:

Option 1	COUNCIL'S PREFERRED OPTION Option 2	Option 3
100% of the cost is paid for by all ratepayers who received the sewerage service.	37% of the cost is paid for by the Kennington ratepayers that are connecting to the scheme and the remaining 63% is paid for by all ratepayers who receive the sewerage service.	100% of the cost is paid for by the Kennington ratepayers connecting to the scheme.

Following the consultation process Council determined to follow Option 2.

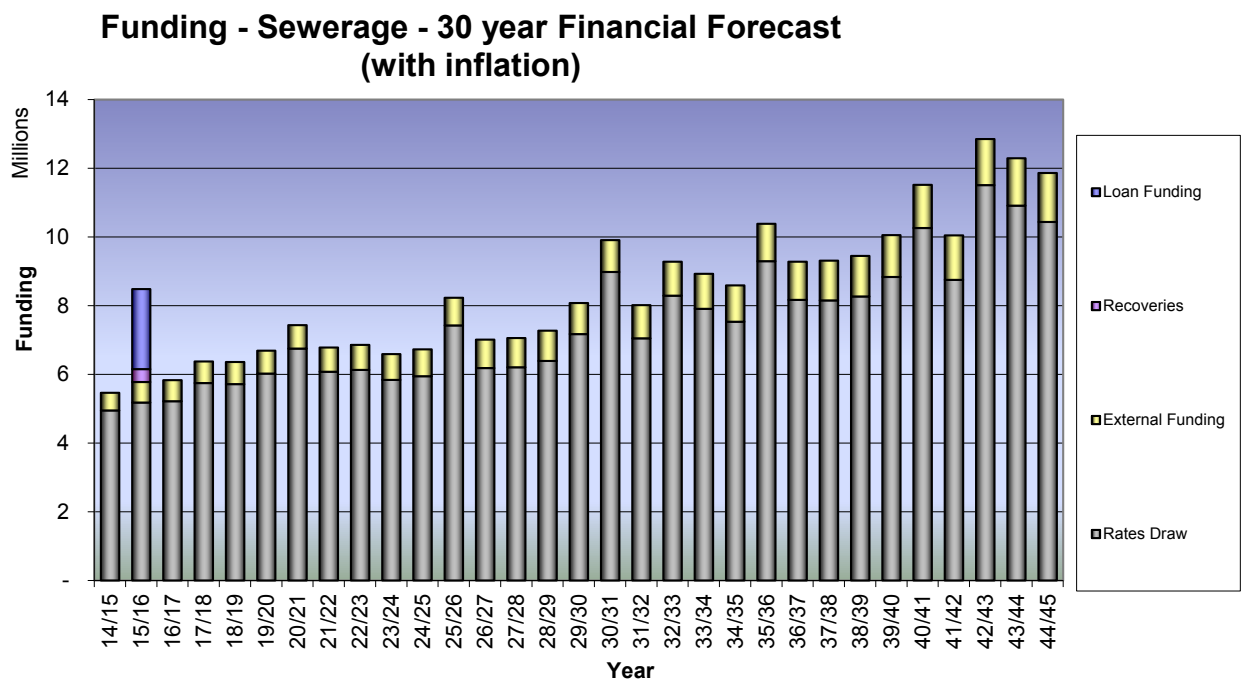
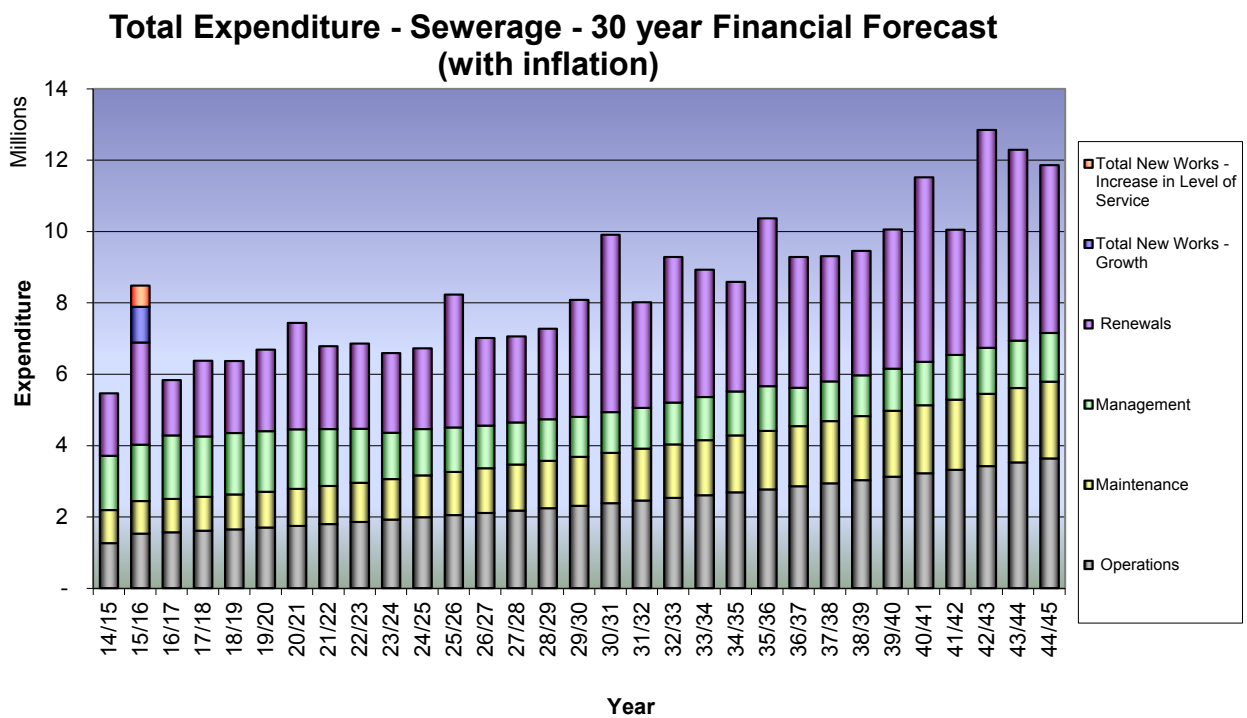
Data Confidence and Reliability

The confidence levels (as per description table in Roading section) which have been allocated in the assessment of the financial forecasts are:

Asset Category	Confidence Level			
	A	B	C	D
Treatment Plants		✓		
Pump Stations		✓		
Pipe Network Renewals		✓		

SEWERAGE - COSTS AND FUNDING

The following graph shows the total expenditure requirement for the sewerage activity, inflated in accordance with the Local Government Cost Index, with annual inflation varying from 2.5% to 3.5%.



The expenditure is influenced largely by renewals, with peak requirements coinciding with major plant renewals anticipated for treatment plants and pump

stations. Management expenditure is forecast to decrease over the initial twenty years of the period as loans for major developments are paid off.

The following table shows how Council intends to fund the Key issues identified above.

Key Issue	Sources of Funding
Planned Renewals of Pipes.	Rates
Clifton Wastewater Treatment Plant and Pump Stations.	Rates
Kennington Sewerage Scheme.	Loan and User Charges (Recoveries)

what are our big issues?

stormwater

The Council manages a stormwater network consisting of 412 kilometres of pipes in the Invercargill urban area, Bluff and Otatara, and approximately 15 kilometres of open drains, situated in the rural residential area of Otatara.

The Key Issues are:

- Planned renewals of pipes.

The key assumptions are:

- Assets will continue to operate satisfactorily until they reach the end of their useful lives.
- Predicted increase in climate change and rainfall does not change the pipe design approach, being based upon storm intensity, for stormwater piped networks meaning planned pipe diameters and budgets remain appropriate.
- Council will continue to hold discharge resource consents for the Stormwater activity and conditions of the new consents will not be significantly different from current conditions.

Planned Renewals of Pipes

The majority of pipes in the stormwater network are earthenware or reinforced concrete, and have an assumed service life of 100 years. Work plans have been developed on the assumed service lives of pipes. Planned renewal of assets is a significant part of the activity's costs.

Information on the condition of the pipe network is limited due to the pipes being old and difficult and deep to dig down to, to undertake sampling and testing. There are a relatively small number of pipe system blockages indicating that for its age, the system is in reasonable condition. Approximately 5.3% of the network has been inspected by CCTV, and some visual inspection has been done from manholes and excavations during maintenance work to validate condition and expected lives.

The network also includes 9 pumping stations. Planned pump station renewals vary throughout the thirty year period as pumps and electrical components reach the end of their economic life.

Council intends to increase renewal expenditure to equal the rate of depreciation by 2020.

This will result in a level of service improvement.

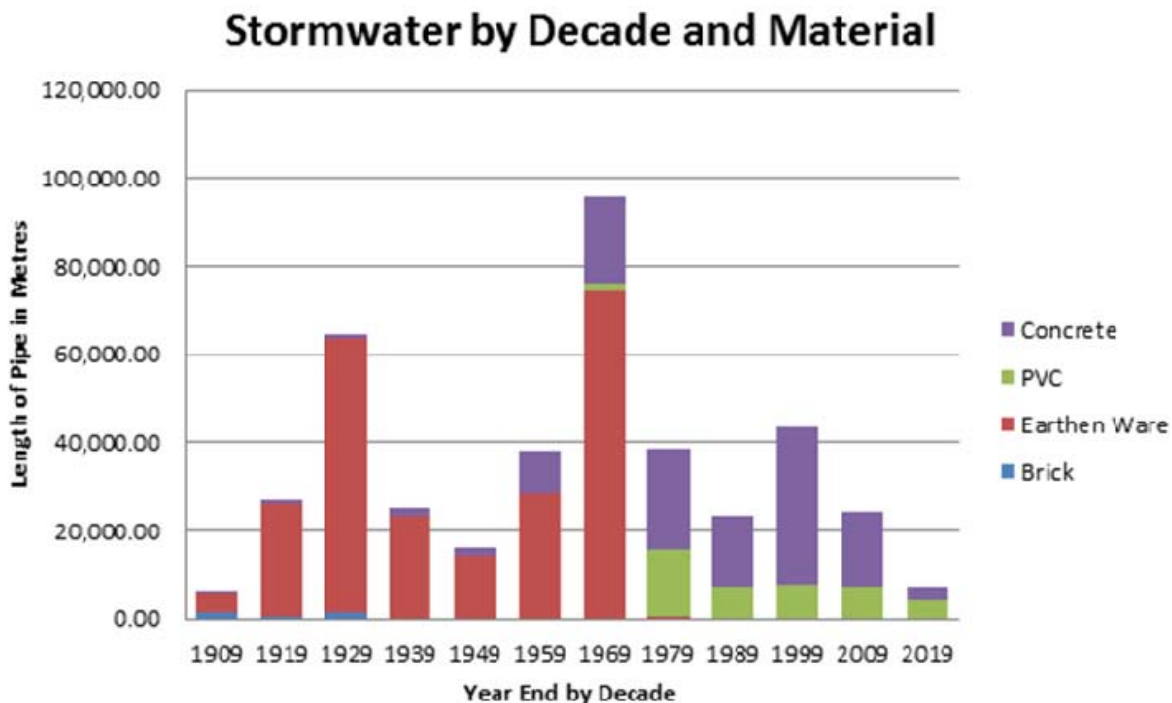
In the past Council has partially matched depreciation, however over the last 20 years, following the flooding in 1984, Council has been investing in "improvements" to the large capacity mains so that a reliable core high capacity network exists. This has enabled Council to extend the lives of low risk, smaller piped, assets and these are now the planned renewal programme. These smaller pipes connect to the high capacity mains.

The Stormwater activity renewal programme is intended to maintain and improve the performance of the network.

The graph below shows the age of the City's stormwater network. Renewal requirements are closely linked to the age of the asset.

Pipes laid in the decades ending 1900-1929 are typically made of earthenware (kiln fired clay) and

have been demonstrating a life expectancy of 100 years. By 2030 it would be expected that these pipes will need to be replaced and Council's strategy of increasing the investment in stormwater pipe renewals supports this renewal approach.



Council had identified three options:

Option 1	COUNCIL'S PREFERRED OPTION Option 2	Option 3
Don't increase ratepayer funding to begin to match depreciation levels.	Increase ratepayer funding to match depreciation levels within the next seven years.	Increase ratepayer funding to match depreciation levels sooner than in seven years.
Impact on level of service Level of service will reduce due to increased failure of pipes within the network and the possibility of non-compliance with the conditions of our discharge consents.	Impact on level of service Level of service will increase due to the replacement of the oldest pipes in the worst condition. There will also be some reduction in the cross contamination of stormwater and sewerage. The possibility of flooding will also decrease owing to the increased pipe capacity.	Impact on level of service Level of service will increase as pipes will be replaced at a faster rate than under Council's preferred option.
Cost to ratepayers Maintain current level of expenditure at \$1.289 million per year.	Cost to ratepayers By 2021 expenditure will increase to \$2.439 million per year.	Cost to ratepayers Increase in expenditure by a further 50% per year to \$2.216 million per year in 2016/17, followed by annual inflationary adjustments.

Following the consultation process Council determined to follow Option 2.

Data Confidence and Reliability

The confidence levels (as per description table in Roading section) which have been allocated in the assessment of the financial forecasts are:

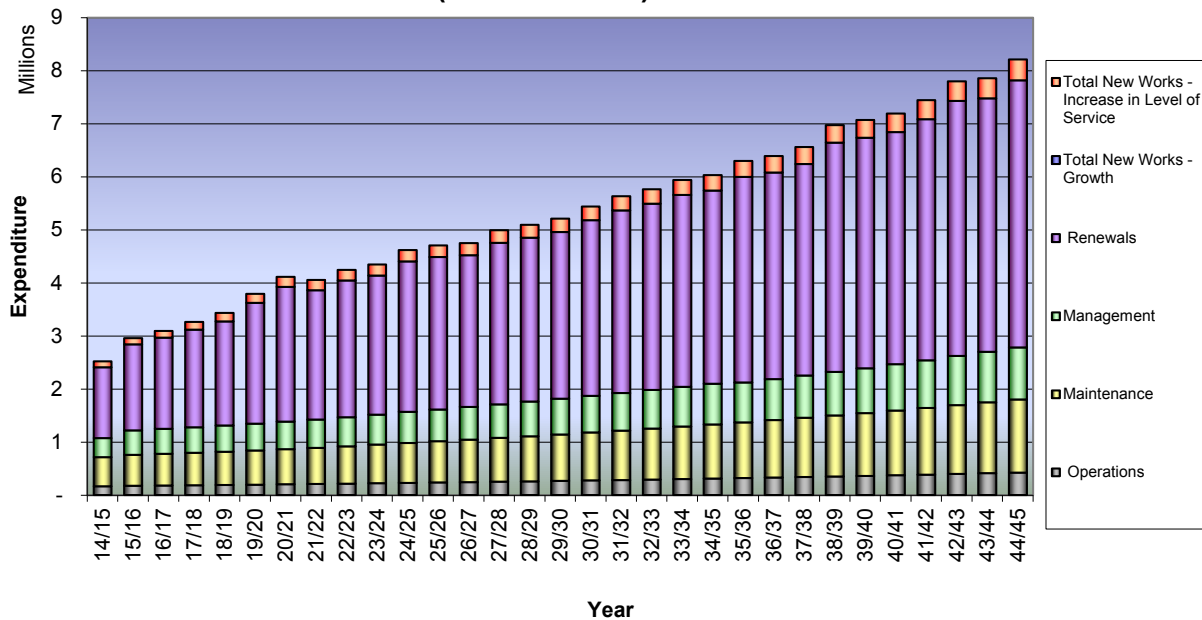
Asset Category	Confidence Level			
	A	B	C	D
Pump Stations		✓		
Pipe Networks Renewals		✓		

STORMWATER - COSTS AND FUNDING

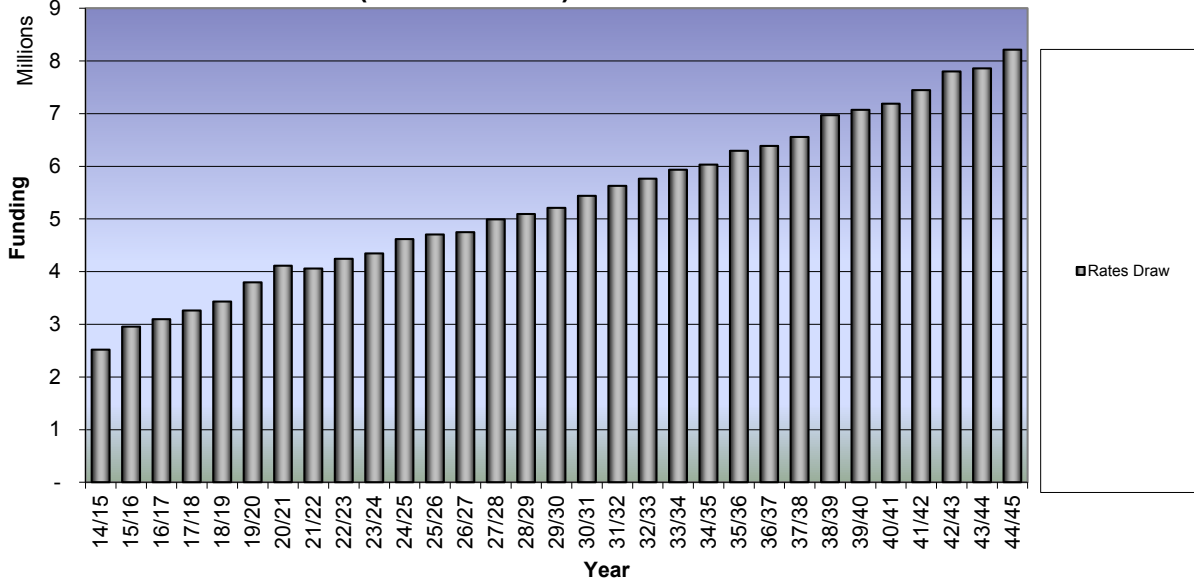
The following graph shows the total expenditure and income sources for the Stormwater activity, inflated in accordance with the Local Government Cost Index, with annual inflation varying from 2.5% to 3.5%.

The expenditure is influenced by asset renewal requirements, with an additional allocation for service improvement, which provides for infrastructure of a greater capacity to meet current design standards.

Total Expenditure - Stormwater - 30 year Financial Forecast (with inflation)



Funding - Stormwater - 30 year Financial Forecast (with inflation)



The following table shows how Council intends to fund the Key issues identified above.

Key Issue	Sources of Funding
Planned Renewals of Pipes.	Rates

what are our big issues?

other infrastructure

The Council provides a range of services to provide for the current and future interests of its Community. Some of these services require specialist buildings including swimming pools, libraries and theatres. The Council provides these buildings as an essential part of providing the services to the community. These buildings are referred to as the Core Buildings.

Developing an Asset Management Plan for Core Buildings ensures that they are designed, constructed, developed, enhanced and maintained for their specific purposes throughout their lifecycle.

The Key Issues are:

- Planned renewals of buildings.
- Fitness Centre at Splash Palace.
- Deferring the Archives Building Expansion.

The key assumptions are:

- Council continues to deliver services that require Core Buildings.
- The Archives building will not be at capacity prior to it being expanded.

Core Buildings Issues.

Ageing buildings require increasing renewals over time. Council has provisionally allocated \$4.4 million for renewals to the Civic Administration Building over the next two years.

Ageing buildings also require increasing development over time to enable them to fulfil their service delivery requirements.

Council has consulted on two projects. Council is proposing to spend \$2.1 million to expand the foyer, office and change rooms and to develop a gym at Splash Palace during the 2015/16 year and a further \$6.74 million to expand the current Archives building in the 2025/26 year. The Archives building expansion has been deferred from its original proposed timing of 2016/17 to ensure that the cost to ratepayers remains affordable. The change in timing may result in the Archive building being full prior to the expansion being started.

Core buildings are generally in good condition for their age and the main issues are replacement of

Council had identified two options for the Fitness Centre at Splash Palace:

Option 1	COUNCIL'S PREFERRED OPTION Option 2
Do not build the Fitness Centre.	Build the Fitness Centre.
Impact on level of service Level of service will remain inadequate for the current number of pool users.	Impact on level of service The level of service will increase with further services offered at Splash Palace.
Cost to ratepayers No additional cost to ratepayers.	Cost to ratepayers No additional cost to ratepayers as the extension is to be funded through user charges.

Following the consultation process Council determined to follow Option 2.

Council had identified two options for the Archives Building Expansion:

Option 1	COUNCIL'S PREFERRED OPTION Option 2
Carry out work on the Archives Building in 2016/17.	Defer work on the Archives Building until 2025/26.
Impact on level of service Level of service is maintained.	Impact on level of service The level of service will slowly decrease as the archives building moves towards capacity.
Cost to ratepayers \$6.74 million in the 2016/17 year.	Cost to ratepayers \$6.74 million plus inflation in the 2025/26 year.

Following the consultation process Council determined to follow Option 2.

building components as they reach end of life or inability to provide a required level of service. The Southland Museum and Art Gallery is the only core building identified which may require earthquake strengthening dependent on the Building Act

Amendment adopted.

Data Confidence and Reliability

The confidence levels (as per description table in Roading section) which have been allocated in the assessment of the financial forecasts are:

Asset Category	Confidence Level			
	A	B	C	D
Structural Condition		✓		
Condition		✓		
Replacement Costs	✓			

City Centre Revitalisation

Over the period comprising 2015/16 - 2019/20 Council is anticipating spending \$8.03 million on the City Centre Revitalisation project. This funding will enable Council to carry out physical work in the City Centre area. These works are intended to make the City Centre the heart of the Community. To do so it needs to be an exciting and relevant place for all

ages, accessible and an attractive place for business and property developers. As Council prepares to undertake each stage of the City Centre Revitalisation project we will be seeking public input. This will occur prior to each stage being signed off. You can read more about the City Centre Revitalisation project in the Council Activities Section.

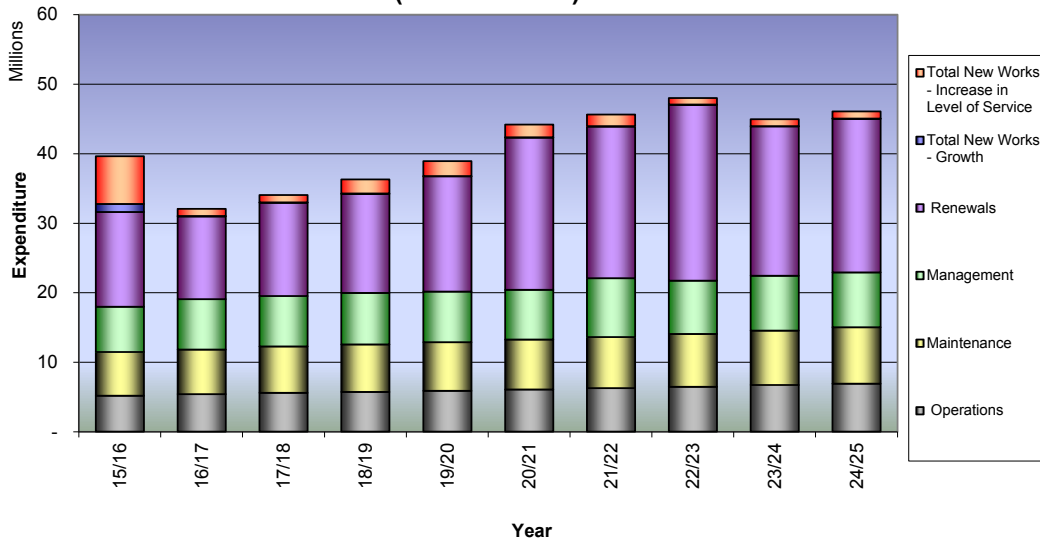
what are our big issues? infrastructure - what will it cost

The two graphs below show, in detail for the first 10 years and then in five year blocks, the total infrastructure expenditure anticipated over the next 30 years.

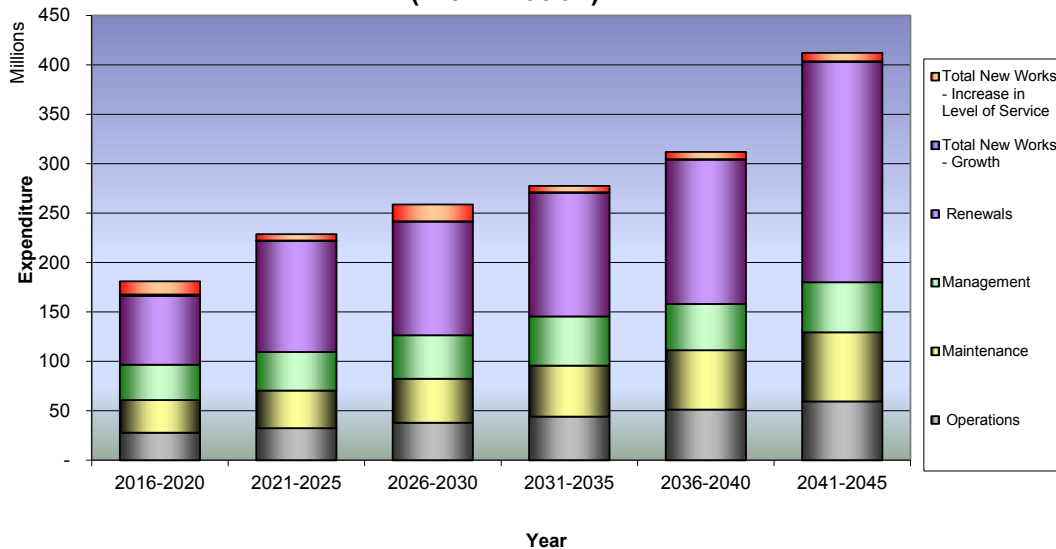
The graphs indicate that while operating expenditure continues to steadily increase, there is a significant increase in capital expenditure over the 2025-30 period and also during the 2040-45 period.

The increase in capital expenditure in the 2025-30 period can be attributed to a number of renewals being scheduled for Council's pipe network assets. The increase in the 2040-45 period is mainly attributable to the major capital reservoir project within the Water Supply activity.

Total Expenditure - Infrastructure - 10 year Financial Forecast (with inflation)



Total Expenditure - Infrastructure - 5 yearly Financial Forecast (with inflation)



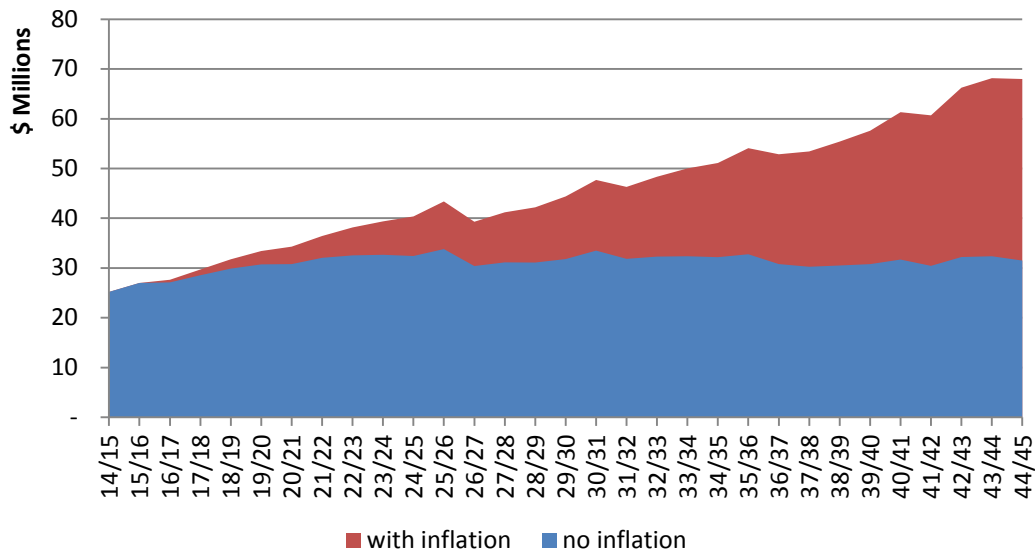
HOW ARE WE PROPOSING TO FUND THIS

Council's strategy is to ensure that both current and future ratepayers pay their fair share of the cost of providing services. This intergenerational equity is achieved through loan funding long-term assets and drawing rates to pay for the loan over an extended period of time. This ensures that both current and future users pay for the service.

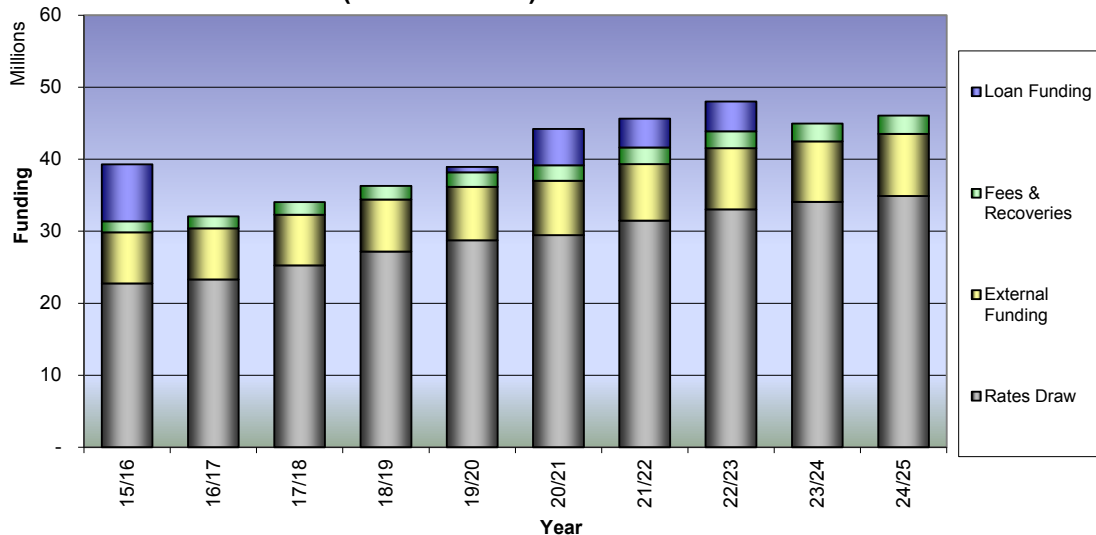
The graph below shows the overall impact of the anticipated infrastructure spend (inflated) on the required rates revenue for the 30 year period.

There is an increasing trend in the level of rates required over the 30 year period and this is predominantly related to inflation costs.

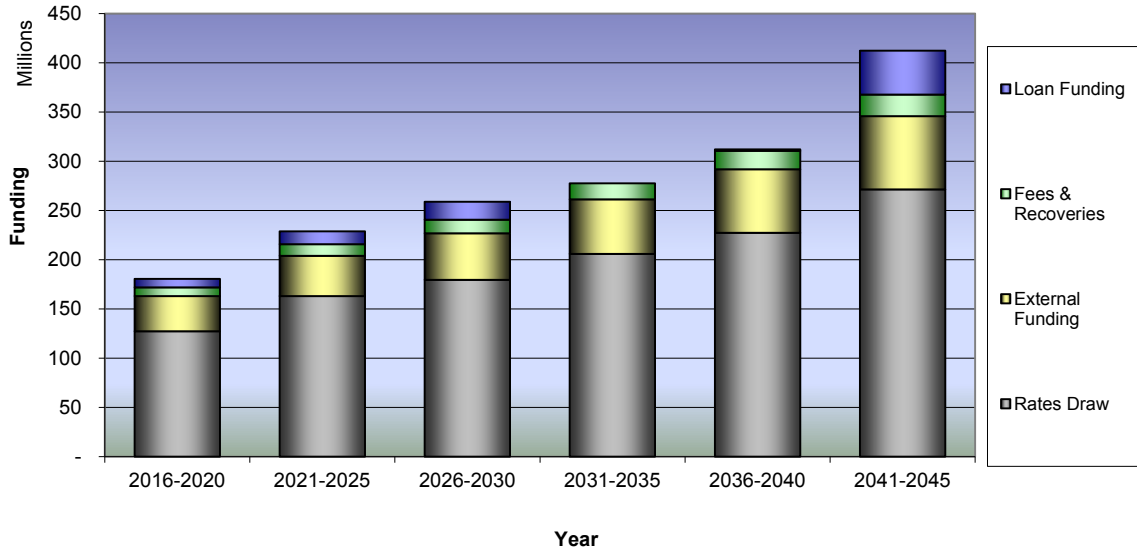
Infrastructure - Rates Required



Funding - Infrastructure - 10 year Financial Forecast (with inflation)



Funding - Infrastructure - 5 yearly Financial Forecast (with inflation)

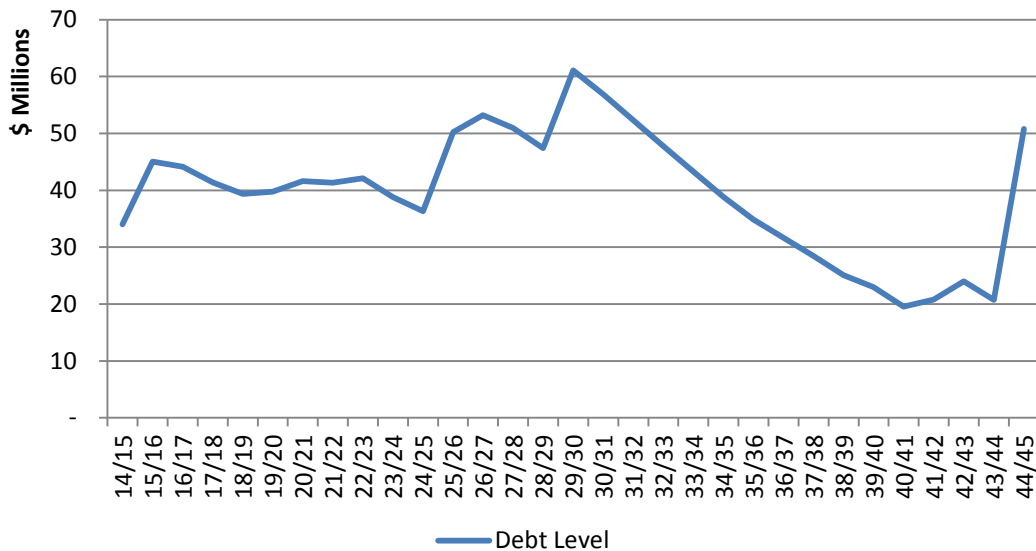


The graph below shows Council’s debt levels due to the anticipated infrastructure spend over the 30 year period. This shows a peak in debt levels for the 2029/30 year and, as loans are repaid, the debt level falls. There are three significant loans in 2025/26, 2029/30 and 2044/45 which increase debt levels. The peak in debt is predominantly due to the

Civic Theatre upgrade, the Doon Street and Waikiwi Reservoir replacement projects.

Most of the renewal works (including roads, footpath, pipes and treatment equipment) are funded from rates rather than loan.

Infrastructure - Debt Levels (with inflation)



CONCLUSION

The major issues identified in this strategy are the age of the infrastructure and the requirement to renew large numbers of these assets over the next thirty years. When read in conjunction with the Financial Strategy, Council considers that an appropriate level of service can be maintained at a cost that is affordable to the community, both now and into the future.

Council has developed detailed Asset Management Plans and this Strategy to deliver reliable and affordable infrastructure to the Community. Levels of service are indicated to change with the ability to fund these activities. Council believes it has made appropriate assumptions and identified how risks will be managed. It further believes that it has sufficient financial security to be able to manage any unforeseen failure of assets.

GLOSSARY

NZTA	New Zealand Transport Agency.
ONRC	One Network Road Classification. The One Network Road Classification System is categorising roads based on the functions they perform in the national roading network.
RAMM database	Roading Asset and Management
AMP	Asset Management Plan
dTIMS	Deighton's Total Infrastructure Management System. A software application which has been designed for multi-year programming of road works. It primarily enables a user to find the optimal set of maintenance strategies to apply to a network under a given set of constraints, usually cost.
NAASRA	National Association of Australia State Road Authorities
LED	Light-emitting Diode
IIMM	International Infrastructural Management Manual

council activities



GROUPS OF ACTIVITIES

This section outlines all of the activities of Council and includes information so that the Community can see how we plan, manage, deliver and fund activities. This section is divided into eight "groups of activities":

1. Roading
2. Sewerage
3. Solid Waste Management
4. Stormwater
5. Water Supply
6. Development and Regulatory Services
7. Community Services
8. Corporate Services

The first five groups of activities encompass the infrastructural services role of Council. These are generally accepted as essential for a predominantly urban population. The cost of providing these five groups of activities accounts for over 50% of Council's rates draw.

The Development and Regulatory Services Group includes those activities which enable people to live closely together by establishing with the Community minimum standards for development and behaviour. The activities within this group are:

- Animal Control
- Building Control
- Civil Defence and Emergency Management
- Compliance
- Environmental Health
- Resource Management.

The Community Services Group includes activities which provide services and facilities for the Community's enjoyment. The activities within this group are:

- Community Development
- Housing Care Services
- Libraries and Archives
- Parks and Reserves
- Passenger Transport
- Pools
- Public Toilets
- Theatre Services.

The Corporate Services Group includes activities which provide democratic processes and provide or promote business-to-business relationships. The activities within this group are:

- Democratic Process
- Destinalional Marketing
- Enterprise
- Investment Property.

ACTIVITY PLANNING

Most activities have a robust Activity Plan or Asset Management Plan that outlines the activity's direction and how Council plans to manage this. The main points from each of these plans are included in this section.

Full Activity Plans or Asset Management Plans are available for viewing on www.icc.govt.nz or by contacting Council on 03 211 1777.

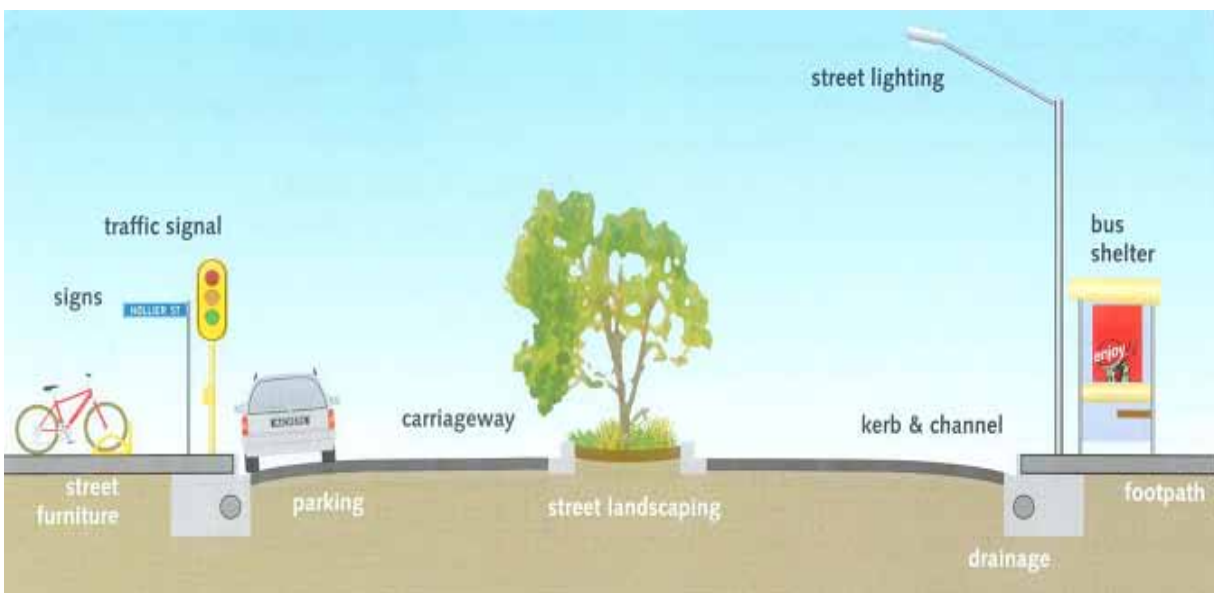
roading



WHAT WE DO

The Roading Activity provides a safe, convenient and efficient transport system in the city. To achieve this, Council manages and develops the roading network and roading infrastructure, which is comprised of:

- Street lights
- Traffic signs and signals
- Footpaths
- Drainage
- Surface water channel systems
- Bridges
- Culverts
- Street furniture
- Parking facilities
- Vehicle access crossings
- Cycle tracks.



WHY WE DO IT

The Roothing Activity is generally regarded as the most essential activity associated with enhancing the District's economy and accessibility. Council has identified the roading network including street lighting, footpaths and parking as a strategic asset owned by Council.

The land that roads are situated on (the road reserve) is kept in public ownership so that all people can freely move around the City. This allows for the ready movement of goods and services on roads, and for the location of electricity, gas, water, stormwater, sewers and telecommunications networks within the road reserve.

Footpaths are provided for safe and comfortable passage of pedestrians around the City areas.

Streetlights are provided for the safety of all road users, including motorists, cyclists and pedestrians, during night time hours.

WHAT WE CONTRIBUTE TO THE CITY

Council provides a road network to promote the current and future interests of the Community. Being able to safely travel within and through the District enables the Community to develop and function. Being able to move easily within an urban area by road (including cycleways and footpaths) creates efficiencies and opportunities for the Invercargill Community as well as those who live outside the District.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyles in a healthy environment.	Provide and promote access to open spaces, including green spaces and the coast.	The footpaths and cycleway network encourages people to become physically active and provides access to open spaces.
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communications and workforce.	Quality road surfaces, road signs and markings and traffic signals allow people and vehicles to easily travel within the District in a safe and efficient manner for their business and leisure activity requirements.
A City that is a great place to live and visit.	Design spaces, buildings and roads with community safety and interest in mind and encourage others to do the same.	<p>Council provides street lighting, signs, road markings and signals on urban roads so that vehicles, cyclists and pedestrians can travel in safety.</p> <p>The Roothing Activity ensures that the District is easy to get around and the road network is well maintained.</p>

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

1. Negative Effect:

Road deaths and injuries.

1. Monitor: Annual NZTA report on crash statistics for Invercargill City.

Response:

- Maintain a road safety strategy and a road safety action plan.
- Prepare a 'minor improvement projects' plan each year.
- Prepare renewals plans and maintenance plans to address potentially unsafe road surfaces (especially blackspots).
- Set appropriate speed limits.
- Work closely with NZTA, the New Zealand Police and Road Safety Southland.

2. Negative Effect:

Effects of poor quality roading assets and personal security when using the City's roading network.

2. Monitor: Survey of user satisfaction/perception of safety for infrastructure under direct Council control (eg footpath and road surface condition).

Response:

- Develop guidelines to improve the level of service (eg footpath upgrade policy), targeted level of service improvements (eg better lighting works and safety audits).

3. Negative Effect:

Hazardous material spills within the road corridor or transport facility.

3. Monitor: Notification of spill by call centre from Customer Contact or Emergency Services.

Response:

- As set out in Emergency Response, Maintenance Contractor is required to make safe within one hour of notification.

4. Negative Effect:

The impact on public health from the reliance on cars.

4. Response:

- Promote the active transport modes such as walking and cycling. Investigate the future demand for public transport services and infrastructure.

5. Negative Effect:

Delays and detours resulting from new construction, maintenance and utility works on the local road network.

5. Monitor: Complaints and call-centre queries.

Response:

- Require approved traffic management plan for construction works, ongoing liaison with key utility operators.

The Roding Activity is managed to ensure that it does not create significant negative effects on the Community.

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS CONTINUED

6. Negative Effect:

Impacts of major transport infrastructure projects on adjacent residents and environment such as excessive noise and vibration.

6. Monitor: Survey of residents / businesses about the impact of major infrastructure under direct Council control. Complaints and call centre queries.

Response:

- Install noise barriers where appropriate.
- Set appropriate speed limits.
- Use appropriate surfacing on busy roads in residential areas.
- Manage contracts to minimise effects.

7. Negative Effect:

Dust nuisance on unsealed roads and contamination of waterways by stormwater discharged from road surfaces.

7. Monitor: Use dust traps to measure dust generation in sensitive areas.

Response:

- Ensure proper attention is paid to water run-off / sediment control management when carrying out work on the roads.
- Manage roadside drains.
- Clean sumps regularly.
- Using innovative products to reduce dust generation in other areas.
- Allow controlled oiling of roads outside residences.

8. Negative Effect:

Cost escalations due to oil price increases and inflation rates.

8. Monitor: NZTA monthly release of bitumen price indices.

Response:

- Seek additional funding to maintain work programme, or reduce work programme to meet existing budget.
- Manage timing of works.

9. Negative Effect:

Impact on residents due to noise and other effects due to road classification and use.

9. Monitor: Survey and traffic count roads to ensure the use is appropriate to the classification.

Response:

- High priority roads have expectation of greater numbers of vehicles including heavy vehicles which is appropriate to the function of the road.
- Use Bylaws to control use.
- Develop traffic calming strategies to direct traffic.

The Roding Activity is managed to ensure that it does not create significant negative effects on the Community.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Roothing Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A City that is a great place to live and visit.	Design spaces, buildings and roads with community safety and interest in mind, and encourage others to do the same.	Council provides street lighting, signs, road markings and signals on urban roads so that vehicles, cyclists and pedestrians can travel in safety.	Provision of a street lighting network in urban areas.	Compliance with the New Zealand Street Lighting Standard.
				Road safety.
				Response to Service Requests.
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communications and workforce.	Quality road surfaces, road signs and markings and traffic signals allow people and vehicles to easily travel within the District in a safe and efficient manner for their business and leisure activity requirements.	Traffic signs, road name signs and public street maps are well maintained.	Road condition.
				Road maintenance.
				Signs and maps are promptly "responded to" when vandalised or missing.*
				Traffic signals are "responded to" within one hour for emergency works, four hours for serious faults and 12 hours for minor faults.*
Healthy lifestyles in a healthy environment.	Provide and promote access to open spaces, including green spaces and the coast.	The footpaths and cycleway network encourages people to become physically active and provides access to open spaces.	Promotion of Council's cycling network.	Footpaths.
				Council's cycling network is fully marked.

* "Responded to" means that Council's contractor has been informed, inspected the issue and taken the necessary steps to resolve the problem.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
64%	Compliance with the New Zealand Street Lighting Standard.	Increasing percentage	Increasing percentage	Increasing percentage	95% compliance by 2019/2020
99% within 48 hours.	Vandalised/missing signs and maps are promptly "responded to".*	Greater than 90% within 48 hours.	Greater than 92% within 48 hours.	Greater than 95% within 48 hours.	Greater than 95% within 48 hours.
98%	Traffic signals are "responded to" within one hour for emergency works, four hours for serious faults and 12 hours for minor faults.*	85%	90%	92%	95%
83%	Council's cycling network is fully marked.	Increasing percentage	Increasing percentage	Increasing percentage	Increasing percentage

* "Responded to" means that Council's contractor has been informed, inspected the issue and taken the necessary steps to resolve the problem.

The Council is planning to provide road pavements at or above the national average for smoothness. The New Zealand Transport Agency has signalled that Council is above the national average and reduced investment may be appropriate. It is likely that Council's average will decrease towards the average. Roads will become less smooth. The current performance level of service will decrease.

The Council is planning to provide safe footpaths and ensure that less than 10% of the footpath length is classified as "very poor footpaths". Currently Council has approximately 4% of its footpath length rated as "very poor". Investment timing may change the current condition profile but Council will still meet the less than 10% criteria. The current performance level of service is expected to decrease.

NATIONAL NON FINANCIAL PERFORMANCE MEASURES

The following mandatory performance measures have been set for the Roding activity and are required to be reported on annually.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
New measure.	Road Safety The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Reducing number.	Reducing number.	Reducing number.	Reducing number.
Urban 83% Rural 96%	Road Condition The average quality of ride on a sealed local road network, measured by smooth travel exposure.	Urban > 81% Rural > 93%	Urban > 81% Rural > 93%	Urban > 81% Rural > 93%	Urban > 81% Rural > 93%
New measure.	Road Maintenance The percentage of the sealed local road network that is resurfaced.	Chipsealing 5.9%	Chipsealing 6.1%	Chipsealing 6.3%	Chipsealing 6.3%
96%	Footpaths The percentage of footpaths within a Council's district that fall within the level of service or service standard for the condition of footpaths as set out in the Asset Management Plan.	95% of sealed footpaths have a condition of good or better.	92% of sealed footpaths have a condition of good or better.	90% of sealed footpaths have a condition of good or better.	90% of sealed footpaths have a condition of good or better.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
New measure.	<p>Response to Service Requests.</p> <p>The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.</p>	75% within 5 days.	80% within 5 days.	85% within 5 days.	95% within 5 days.

WHAT ASSETS WE OWN

Major Asset Category	Number
Road Pavement	597 kilometres
Footpaths	500 kilometres
Kerb and Channel	555 kilometres
Bridges	51
Street Lights	7,026
Traffic Signs	8,957
Traffic Signals	17
Car Parking Buildings	1
Car Parks	4
Parking Meters	781
Bus Shelters	55
Litter Bins	164
Recycle Bins	15

WHAT'S AHEAD

Road Surface/Pavements

The condition of Council's roads are assessed and monitored through the RAMM computer treatment selection programme. When a road is identified for maintenance, an on-site assessment is carried out before a decision is made on the timing of resurfacing or renewal.

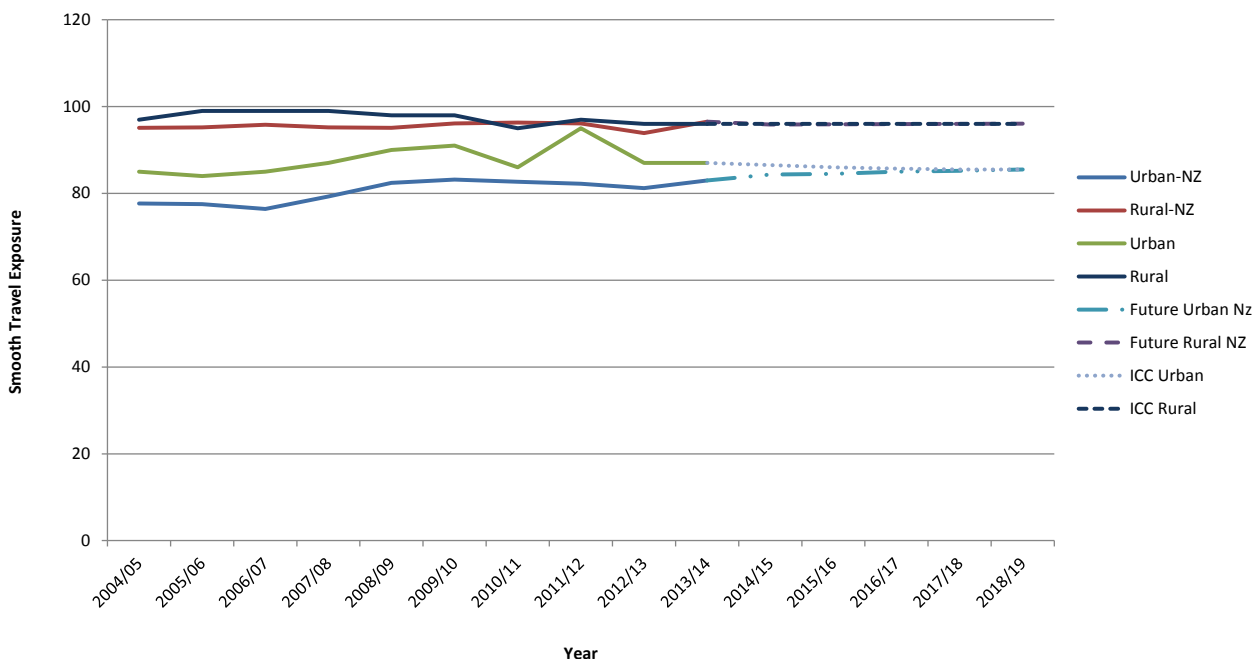
Seal extensions of gravel roads are undertaken where economically justified and funding is available. Council faces increased pressure for roads to be sealed, particularly with increasing number of rural developments on unsealed roads.

City roads are funded by the Council and the New Zealand Transport Agency (NZTA). The NZTA is decreasing its subsidy to the Council for roading projects. The 2015/16 subsidy is 60%, gradually decreasing to 51% by 2023/24. The Council has

decided to increase its rates funding to meet the shortfall. There is a gap in expectation between NZTA and ratepayers. NZTA has indicated that Invercargill roads are better than the national average and that we should reduce our investment to use up some of the existing capacity of our roading asset. The community has told the Council that it wants to maintain its smoother roads. So even with an increased level of ratepayer investment, the quality of our roads will slowly reduce as Invercargill moves closer to the national average by doing less work.

The graph below contains the data which compares the road smoothness of the Invercargill District's roading network with the average New Zealand Territorial Authority.

Smooth Travel Exposure for all Sealed Roads in Invercargill City

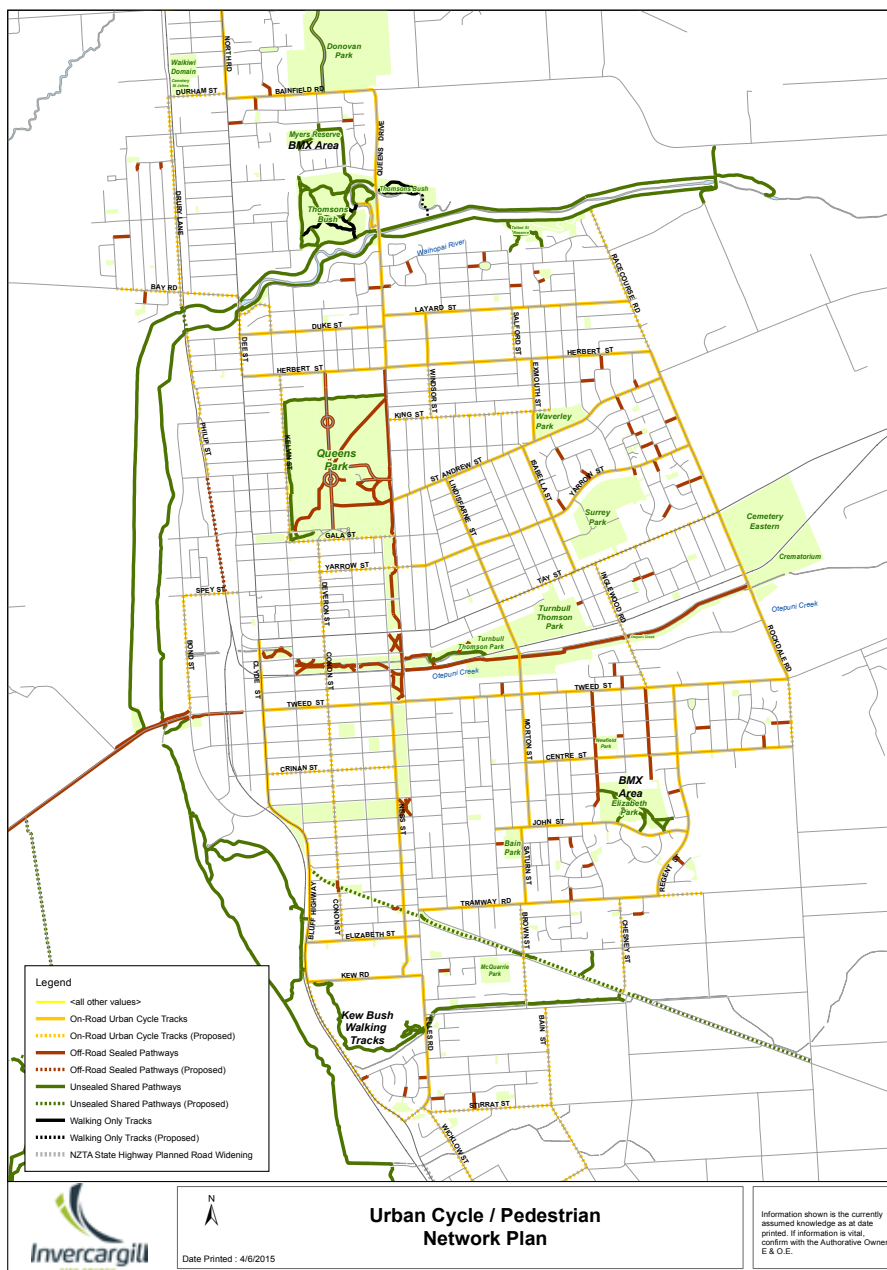


Footpaths and Cycleways

Footpaths and cycleways provide safe, comfortable and efficient networks for pedestrians, including those with disabilities, and cyclists. These networks are built and maintained to standards for smoothness, width and protection from traffic. Council manages 500km of footpaths and 7.3km of sealed walkways. Council has been developing the cycle network

and encouraging cycling as an alternative form of transport. A cycle lane network is being developed for the urban areas of Invercargill City. The network encompasses both on and off road cycling lanes.

The map below illustrates Council's Walking Tracks and Cycle lanes:



Footpaths are important to our community. Council provides concrete footpaths on local road areas as pedestrian numbers are lower in these areas and concrete has a longer life expectancy, 40 years as compared to 25 years for asphalt. Council calculates that every year approximately \$2.1 million of wear occurs on footpaths in the Invercargill City area. To keep them at the same standard, Council should spend this amount. However, Council has decided to spend approximately \$1.24 million per year for

footpath renewals. This level of work will allow the percentage of “very poor” footpaths to gradually increase from 4% of footpaths to no more than 10% of the footpath length. This means that where a road has two footpaths, potentially only one will be maintained to a high standard. Pedestrians requiring a high standard of footpath may need to cross the road.

The graph below illustrates Council’s current condition rating for footpath surfaces:

Footpath Surface - Current Condition Rating



Kerb and Channel

Kerb and channel protects the road edge through the diversion of stormwater to the main stormwater system and separates vehicles from the footpath. Council manages 555km of kerb and channel, incorporating 4,835 sumps which connect to the stormwater system. All kerb and channels are inspected in association with the pavement and footpath condition rating survey on a yearly cycle.

A significant proportion of Council's kerb and channel was constructed in the 1950's, 60's and 70's with a predicted service life of between 60 and 85 years.

Maintenance work is undertaken to extend the life of the structure, ensure public safety, correct flooding issues and minimise repair costs.

Bridges, Culverts and Structures

Bridges, culverts and structures are provided to enable safe and continuous usage of the roading network. Council owns 51 bridges including three large culverts which are inspected six yearly.

Street lighting

Street lighting enables the safe and efficient movement of vehicles, cyclists and pedestrians at night as well as providing a measure of security to households.

An eleven year street lighting renewal programme has been developed with the aim of having all of Invercargill's street lighting asset fully compliant with the Australia / New Zealand Standard 1158 by June 2021.

Road Signs and Markings

Road signs and markings contribute to the efficiency and safety of the road network. As speed, parking and other regulations are enforceable, the signs must comply with prescribed standards. Street signs are susceptible to accidental vehicle damage and vandalism. Road markings deteriorate with age, traffic volumes and the condition of the road. The visibility of road markings in adverse weather conditions can be poor. Council now uses thermo plastic markings on high trafficked roads. This has a longer life expectancy than previous markings and enhances the brightness and contrast of the road marking while reducing glare, particularly on wet roads with asphalt surfaces.

Traffic Signals

Traffic signals control traffic at major intersections, reducing the potential for collisions and optimising traffic flows and pedestrian movement.

Council has observed that Deveron/Gala Streets and Kelvin/Herbert Streets have greater levels of traffic congestion during peak hours and a solution for these intersections may include signalisation.

PLANNED WORKS PROJECTS

The Roding Activity has a comprehensive Asset Management Plan which is the key to ensuring that capital funding and existing assets are used as

efficiently and effectively as possible. Capital works for the next three years having a value exceeding \$500,000 per annum are:

Project	2015/2016 \$000	2016/2017 \$000	2017/2018 \$000
Road surface renewals and rehabilitation.	3,785	3,744	3,475
Footpath renewals and rehabilitation.	1,280	1,347	1,308
Kerb and channel and culvert replacement.	786	747	670
Street lighting.	720	743	769

Activity	Source of Funding			
	User Charges / Fees	Target Rates	Loans	NZTA Funding
Maintenance and Operations	✓	✓		✓
Renewals		✓	✓	✓
Capital for Improvement			✓	✓

FUNDING IMPACT STATEMENT - ROADING

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	377	372	387	389
Targeted rates	7,005	7,794	7,874	7,960
Subsidies and grants for operating purposes	2,243	2,051	2,072	2,139
Fees and charges	255	260	295	302
Internal charges and overheads recovered	258	258	278	286
Local authorities fuel tax, fines, infringements fees, and other receipts	800	897	918	942
Total operating funding	10,938	11,632	11,824	12,018
APPLICATIONS OF OPERATIONAL FUNDING				
Payment to staff and suppliers	5,919	6,375	6,501	6,775
Finance costs	322	283	256	214
Internal charges and overheads applied	258	258	278	286
Other operating funding applications	0	0	0	0
Total applications of operational funding	6,499	6,916	7,035	7,275
Surplus (deficit) of operational funding	4,439	4,716	4,789	4,743
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	3,782	3,651	3,601	3,414
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(610)	(337)	(708)	(753)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	3,172	3,314	2,893	2,661
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	100	156	41	42
- to improve the level of service	51	890	932	920
- to replace existing assets	7,416	6,931	6,674	6,383
Increase (decrease) in reserves	44	53	35	59
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	7,611	8,030	7,682	7,404
Surplus (deficit) of capital funding	(4,439)	(4,716)	(4,789)	(4,743)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	8,061	10,161	11,231	10,102

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
447	460	440	442	409	422	439
9,048	9,450	9,665	9,954	9,748	9,869	10,188
2,145	2,293	2,255	2,315	2,380	2,450	2,525
310	318	328	338	348	360	373
293	301	310	319	329	340	352
966	993	1,022	1,053	1,086	1,123	1,162
13,209	13,815	14,020	14,421	14,300	14,564	15,039
6,900	7,044	7,221	7,370	7,606	7,880	8,106
179	135	151	123	103	91	79
293	301	310	319	329	340	352
0	0	0	0	0	0	0
7,372	7,480	7,682	7,812	8,038	8,311	8,537
5,837	6,335	6,338	6,609	6,262	6,253	6,502
3,561	3,601	3,688	3,899	4,402	4,200	4,287
0	0	0	0	0	0	0
(790)	138	(406)	(356)	(185)	(171)	(146)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,771	3,739	3,282	3,543	4,217	4,029	4,141
43	44	46	47	48	50	52
1,887	1,981	1,631	1,555	762	788	786
6,627	7,986	7,876	8,622	9,621	9,393	9,720
51	63	67	(72)	48	51	85
0	0	0	0	0	0	0
8,608	10,074	9,620	10,152	10,479	10,282	10,643
(5,837)	(6,335)	(6,338)	(6,609)	(6,262)	(6,253)	(6,502)
0	0	0	0	0	0	0
11,168	12,380	11,175	12,406	13,813	12,524	13,969

sewerage



WHAT WE DO

Council owns and maintains assets on behalf of the Community, providing a sewage collection service to each property in the Bluff and Invercargill urban areas. Treated effluent is discharged to Foveaux Strait at Bluff, to the New River Estuary at Invercargill, and to land at Omaui in accordance with the discharge consent negotiated with Environment Southland.

The sewerage system is managed and operated by staff employed directly by Council. Maintenance and capital works are carried out by contract under supervision by Council staff.

No communities within the District are currently supplied with a sewerage disposal service other than the urban communities of Invercargill (including Otatara), Bluff and Omaui. In general, schools, industries and residential homes outside these areas provide their own on-site sewage disposal systems although industrial tradewastes are pumped from Kennington and Awarua.

WHY WE DO IT

The removal of sewage from residential, industrial and commercial properties protects public health, supports city growth and contributes to the general well-being of the Community. In urban areas, sewage disposal is most effectively achieved by means of reticulated (piped) sewerage systems. This allows the costs associated with maintaining high standards and efficient infrastructure to be spread over a wide population.

WHAT WE CONTRIBUTE TO THE CITY

Council undertakes sewerage activities to promote the current and future interests of the Community. Economic interests are promoted as the Clifton and Bluff Waste Water Treatment Plants accept trade waste, subject to specific quantity and quality conditions and a payment regime. Environmental interests are promoted by the provision of a reliable sewerage network, treatment and disposal facilities which protect the environment from the negative impact of human activity.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyle in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable, effective sanitation.	The sewerage network efficiently removes sewage from urban areas for treatment. Sewerage is treated and discharged in a manner that minimises health risks.
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communications and work force.	Acceptance of tradewaste effluent compliant with Tradewaste Bylaw.

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Negative Effect

1. Disposal of Treated Effluent can cause environmental degradation.
2. Discharge of sewage from sewerage reticulation due to blockage or overloading can contaminate waterways.
3. Inappropriate disposal of treatment byproducts (Biosolids) can cause environmental degradation.
4. Odours from the sewerage activity (Reticulation or Treatment Plants).
5. Health and safety risks associated with operation of the Activity.
6. Property damage resulting from activity failures.
7. The cost to the Community as a result of property damage caused by system failures.

Response

1. Treatment Plants are actively managed and monitored to ensure that discharges are compliant with consent conditions and that degradation of the receiving environment does not occur.
2. Reticulation maintenance contractors are on 24 hour call to respond to reports of blockage and overflow, and to mitigate any effects of discharges.
3. Biosolids are produced and applied to land in accordance with the "Guidelines for Safe Application of Biosolids to Land in New Zealand."
4. The reticulation network and treatment plants are managed to minimise the occurrence of odour.
5. All staff and contractors involved in the Activity are required to work to safety plans to minimise risk to themselves and the public.
6. Reticulation maintenance contractors are on 24 hour call to respond to reports of blockage and overflow, and to mitigate any effects of discharges.
7. Reticulation maintenance contractors are on 24 hour call to respond to reports of blockage and overflow, and to mitigate any effects of discharges.

The Sewerage Activity is managed to ensure that it does not create significant negative effects on the Community.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Sewerage Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyle in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable effective sanitation.	The sewerage network efficiently removes sewage from urban areas for treatment.	Low levels of interruption from the sewerage network.	Service disruptions for individual property are less than 12 hours.
				System adequacy.
				Customer satisfaction.
				Fault response times.
		Sewage is treated and discharged in a manner that minimises health risks.	Receiving waters are not adversely affected by effluent discharges.	Comply with effluent quality standards as defined in current discharge consents for Clifton and Bluff facilities.
Discharge compliance.				
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place.	Acceptance of tradewaste effluent compliant with Tradewaste Bylaw.	Applications for tradewaste discharges are processed efficiently.	Tradewaste consent applications are responded to within 10 working days.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-2025
90%	Service disruptions for individual properties are less than 12 hours.	100%	100%	100%	100%
100%	Compliance with effluent quality standards are defined in current discharge consents for Clifton and Bluff facilities.	100%	100%	100%	100%
100%	Trade waste consent applications are responded to in ten working days.	80%	80%	80%	80%

NATIONAL NON FINANCIAL PERFORMANCE MEASURES

The following mandatory performance measures have been set for the Sewerage activity and are required to be reported on annually.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-2025
New measure.	<p>System and adequacy.</p> <p>The number of dry weather sewerage overflows from the Invercargill City Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system</p>	< 4 blockages per 1,000 properties annually.	< 4 blockages per 1,000 properties annually.	< 4 blockages per 1,000 properties annually.	< 4 blockages per 1,000 properties annually.
New measure.	<p>Discharge compliance.</p> <p>Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of:</p> <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders • Convictions received by Council in relation to those resource consents. 	<p>100% compliance.</p> <p>No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.</p>	<p>100% compliance.</p> <p>No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.</p>	<p>100% compliance.</p> <p>No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.</p>	<p>100% compliance.</p> <p>No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.</p>

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-2025
New measure.	<p>Customer Satisfaction</p> <p>The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> • Sewerage odour • Sewerage system faults • Sewerage system blockages. <p>The Council's response to issues with its sewerage system, expressed per 1,000 connections to Council's sewerage system.</p>	<p>Sewerage odour - zero complaints per year.</p> <p>Sewerage system faults and blockages - < 4 blockages per 1,000 connections per year.</p>	<p>Sewerage odour - zero complaints per year.</p> <p>Sewerage system faults and blockages - < 4 blockages per 1,000 connections per year.</p>	<p>Sewerage odour - zero complaints per year.</p> <p>Sewerage system faults and blockages - < 4 blockages per 1,000 connections per year.</p>	<p>Sewerage odour - zero complaints per year.</p> <p>Sewerage system faults and blockages - < 4 blockages per 1,000 connections per year.</p>

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-2025
New measure.	<p>Fault response times.</p> <p>Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured:</p> <ul style="list-style-type: none"> • Attendance time - from the time that Council receives notification to the time that service personnel reach the site; and • Resolution time - from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault 	<p>Service personnel reach site within 1 hour for emergency work and 4 hours for urgent events (90% compliance).</p> <p>Temporary repair completed within 6 hours for emergency events and 24 hours for urgent events (90% compliance.)</p>	<p>Service personnel reach site within 1 hour for emergency work and 4 hours for urgent events (90% compliance).</p> <p>Temporary repair completed within 6 hours for emergency events and 24 hours for urgent events (90% compliance.)</p>	<p>Service personnel reach site within 1 hour for emergency work and 4 hours for urgent events (90% compliance).</p> <p>Temporary repair completed within 6 hours for emergency events and 24 hours for urgent events (90% compliance.)</p>	<p>Service personnel reach site within 1 hour for emergency work and 4 hours for urgent events (90% compliance).</p> <p>Temporary repair completed within 6 hours for emergency events and 24 hours for urgent events (90% compliance.)</p>

WHAT ASSETS WE OWN

Major Asset Category	Number
Pipelines	364 kilometres
Pump Stations	29
Waste Water Treatment Facilities	3

WHAT'S AHEAD

Renewals

Sewage collection is a key Council service. The Council is increasing expenditure to enable the replacement of sewer pipes and assets at the end of their life. The renewed sewer pipes will also reduce infiltration of stormwater (see below). The sewerage pipe network in the Invercargill city area is ageing, with the oldest parts of the network now over 100 years of age, which is the assumed economic life of the pipe. As renewals are closely linked to the age of the asset, a significant proportion of the network is due for replacement within the next thirty years.

Infiltration Of Stormwater

During intense rainstorms the sewerage reticulation network can become overloaded with stormwater. This means that up to four times the average flow of sewage enters treatment facilities during wet weather. Council has been conducting flow monitoring and infiltration surveys to identify pipes which are deteriorating structurally or which are subject to high levels of infiltration. The results of these surveys and of maintenance records will be used to identify areas of concern and help prioritise the renewal programme.

Sewerage Extension to Kennington

The small community of Kennington, consisting of approximately 50 homes, most of which exceed 50 years in age, has no reticulated sewerage system, and relies on on-site septic tanks and disposal fields for effluent disposal. Many of these systems have been found to be failing, resulting in contamination of waterways and land within the community, and carrying an associated health risk.

Council has included a \$1 million loan in its Sewerage Activity budget for the public reticulation of the Kennington community, including connections to each property boundary. On-site costs to connect to the system and upgrade household drainage systems, if necessary, will be additional and at the cost of individual property owners. Council will fund 63% of the budgeted cost and property owners will be required to contribute the remaining 37% of the cost.

Trade Waste

The quantity and type of trade waste that enters the public system can considerably affect costs and treatment options. Invercargill City Council Bylaw 2007/1 - Trade Waste provides for the review and control of trade waste and requires trade waste consent holders to consider cleaner production pathologies. As the Council actively encourages industry and thereby employment opportunities to the District, trade waste volumes may increase, requiring changes to treatment plants. Trade waste charges have been developed to recover costs.

PLANNED WORKS PROJECTS

The Sewerage Activity has a comprehensive Asset Management Plan which is the key to ensuring that capital funding and existing assets are used as

efficiently and effectively as possible. The capital works for the next three years having a value exceeding \$200,000 per annum are:

Project	2015/2016 \$000	2016/2017 \$000	2017/2018 \$000
Pipe Asset Renewals	1,238	1,233	1,334
Treatment Plant Asset Renewals	1,563	236	492
Kennington Sewerage Scheme	1,000	-	-

Activity	Source of Funding		
	User Charges / Fees	Uniform Annual Charges	Loans
Maintenance and Operations (Residential)	✓	✓	
Maintenance and Operations (Non - Residential)	✓	✓	
Trade Waste Discharge	✓		
Renewals	✓	✓	✓
Capital for Improvement	✓	✓	✓

FUNDING IMPACT STATEMENT - SEWERAGE

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	33	0	0	0
Targeted rates	4,912	5,039	5,173	5,704
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	537	970	615	630
Total operating funding	5,482	6,009	5,788	6,334
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	2,739	2,978	3,051	3,127
Finance costs	396	363	456	419
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	3,135	3,341	3,507	3,546
Surplus (deficit) of operational funding	2,347	2,668	2,281	2,788
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(594)	1,688	(732)	(665)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(594)	1,688	(732)	(665)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	1,000	0	0
- to improve the level of service	0	594	0	0
- to replace existing assets	1,753	2,762	1,549	2,123
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	1,753	4,356	1,549	2,123
Surplus (deficit) of capital funding	(2,347)	(2,668)	(2,281)	(2,788)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	2,069	2,305	2,432	2,399

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
5,673	5,979	6,706	6,028	6,078	5,784	5,892
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
647	664	684	705	727	751	778
6,320	6,643	7,390	6,733	6,805	6,535	6,670
3,209	3,298	3,394	3,496	3,608	3,728	3,859
406	371	324	278	236	202	176
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,615	3,669	3,718	3,774	3,844	3,930	4,035
2,705	2,974	3,672	2,959	2,961	2,605	2,635
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(691)	(689)	(686)	(639)	(575)	(373)	(373)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(691)	(689)	(686)	(639)	(575)	(373)	(373)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,014	2,285	2,986	2,320	2,386	2,232	2,262
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,014	2,285	2,986	2,320	2,386	2,232	2,262
(2,705)	(2,974)	(3,672)	(2,959)	(2,961)	(2,605)	(2,635)
0	0	0	0	0	0	0
2,534	2,681	2,655	2,816	2,992	2,976	3,172

solid waste management



WHAT WE DO

Council is part of Shared Services for Solid Waste Management, which is delivered through WasteNet Southland. WasteNet Southland has been established to provide a more coordinated approach to solid waste management and minimisation between the Invercargill City, Southland District and Gore District Councils.

The Solid Waste Activity is responsible for the management of solid waste services in the Invercargill District and responsibilities include:

- Kerbside recycling collection service delivery
- Kerbside residual waste collection service delivery
- Transfer Station service delivery
- Landfill operations
- Education and Advocacy (waste minimisation).

WHY WE DO IT

Invercargill faces the challenges of using resources whilst ensuring that our environment and our health are not harmed, through inefficient use or by the waste generated. The disposal of solid waste in a way that protects the health of the community and the environment is a fundamental requirement for community well-being.

Under the Local Government Act 2002, and the Waste Minimisation Act 2008, Council is required to encourage and promote effective and efficient waste management and minimisation within its District.

Invercargill City Council maintains a “hands on” approach to this activity because it feels that waste can be most effectively and efficiently managed by Council, where current and future interests can be balanced for the benefits of its Community.

WHAT WE CONTRIBUTE TO THE CITY

Council undertakes solid waste management activities to promote the current and future interests of the Invercargill Community.

Environmental interests are promoted because the Community expects Council to provide

waste collection services and disposal in an environmentally appropriate manner for the long term. Environmental interests are also promoted by increasing the Community’s awareness of disposal options and issues.

Economic interests are promoted by businesses having access to a range of disposal options for their solid waste.

Cultural and social interests are promoted by offering a regular waste collection service to residential areas, removing a potential health risk and disposing of it in a culturally sensitive manner.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyles in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable, effective sanitation.	Provision of solid waste facilities for the collection and disposal of recycling and rubbish.
Strong, innovative leadership.	Actively seek efficiencies through innovation, shared services and streamlining processes.	Collaboration with other local territorial authorities for the coordinated delivery of waste management and minimisation in Southland.

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Negative Effect

1. Noise, dust and odour from transfer station operations.

Response

1. The Council strives to minimise nuisances such as noise, dust and odour from transfer station operations by closely monitoring the operation of the transfer station. The nuisance caused by windblown litter from waste disposal areas is also mitigated by the installation of wind fencing.

2. Vermin such as rats or seagulls.

2. The Council conducts regular checks for vermin and lays bait to minimise colonisation of waste disposal areas or facilities by vermin. Council staff also make every effort to keep solid waste disposal areas clean and tidy.

The Solid Waste Activity is managed to ensure that it does not create significant negative effects on the Community.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Solid Waste Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyle in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable, effective sanitation.	Provision of solid waste facilities for the collection and disposal of recycling and rubbish.	Ensure regular kerbside collection services.	Comparing trends in recycling and rubbish tonnages. <ul style="list-style-type: none"> ▪ Kerbside recycling. ▪ Kerbside rubbish ▪ Solid waste to
			Appropriate operating hours for facilities.	
			Encourage waste minimisation.	
Strong, innovative leadership.	Actively seek efficiencies through innovation, shared services and streamlining processes.	Collaboration with other local territorial authorities for the coordinated delivery of waste management and minimisation in Southland.	Operation of WasteNet Southland as a shared service for the benefit of Southland.	WasteNet Southland produces an Action Plan.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
3,718 tonnes	Increasing trend in kerbside recycling.	Increasing trend	Increasing trend	Increasing trend	Increasing trend
10,186 tonnes	Decreasing trend in kerbside rubbish.	Decreasing trend	Decreasing trend	Decreasing trend	Decreasing trend
25,416 tonnes	Decreasing trend in solid waste to landfill.	Decreasing trend	Decreasing trend	Decreasing trend	Decreasing trend
New measure	Increasing trend in diverted material.	Increasing trend	Increasing trend	Increasing trend	Increasing trend
New measure	Maintain a regional materials discarded rate of 650kg disposed per person.	Maintain	Maintain	Maintain	Maintain

WHAT ASSETS WE OWN

Major Asset Category

- Invercargill Waste Transfer Station
- Mobile Bins (yellow recycling and red rubbish)
- Closed landfill
- Bluff Waste Transfer Station

WHAT'S AHEAD

Council works collaboratively with the Southland and Gore District Councils to provide the Solid Waste activity, under the joint committee banner of WasteNet Southland. WasteNet's mission is to provide the coordinated delivery of solid waste and recycling services within Southland to achieve the region's vision of a sustainable Southland. In 2012 WasteNet developed the Joint Waste Management

and Minimisation Plan 2012-2018 on behalf of the three Councils. This Plan documents the strategic direction (vision, goals and objectives), actions and funding policy for the Councils to meet both public health protection issues and the legal requirement to promote effective and efficient waste management and minimisation.

Activity	Source of Funding		
	User Charges / Fees	Uniform Annual Charges	Loans
Kerbside Recycling and Rubbish Collection Service		✓	
Operation of Waste at Transfer Stations	✓		
Capital Expenditure (Bond Street Transfer Station)	✓		

FUNDING IMPACT STATEMENT - SOLID WASTE MANAGEMENT

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	16	0	0	0
Targeted rates	3,808	3,839	3,933	4,032
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	2,862	2,630	2,694	2,763
Internal charges and overheads recovered	1,508	1,518	1,555	1,594
Local authorities fuel tax, fines, infringements fees, and other receipts	67	80	82	84
Total operating funding	8,261	8,067	8,264	8,473
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	6,791	6,449	6,607	6,774
Finance costs	0	0	0	0
Internal charges and overheads applied	1,508	1,518	1,555	1,594
Other operating funding applications	0	0	0	0
Total applications of operational funding	8,299	7,967	8,162	8,368
Surplus (deficit) of operational funding	(38)	100	102	105
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	0	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	80	100	102	105
Increase (decrease) in reserves	(118)	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	(38)	100	102	105
Surplus (deficit) of capital funding	38	(100)	(102)	(105)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	357	328	337	345

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
4,138	4,252	4,375	4,508	4,652	4,808	4,978
0	0	0	0	0	0	0
2,835	2,913	2,997	3,088	3,187	3,294	3,410
1,636	1,694	1,744	1,797	1,854	1,916	1,984
86	89	91	94	97	100	104
8,695	8,948	9,207	9,487	9,790	10,118	10,476
6,951	7,143	7,349	7,573	7,815	8,077	8,362
0	0	0	0	0	0	0
1,636	1,694	1,744	1,797	1,854	1,916	1,984
0	0	0	0	0	0	0
8,587	8,837	9,093	9,370	9,669	9,993	10,346
108	111	114	117	121	125	130
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
108	111	114	117	121	125	130
0	0	0	0	0	0	0
0	0	0	0	0	0	0
108	111	114	117	121	125	130
(108)	(111)	(114)	(117)	(121)	(125)	(130)
0	0	0	0	0	0	0
355	367	376	390	404	416	433

stormwater



WHAT WE DO

Council owns and maintains assets on behalf of the Community, providing a stormwater service to each property in the Bluff and Invercargill urban areas. Stormwater is discharged to natural waterways, including the Waikiwi Stream, Waihopai River, Kingswell Creek, Clifton Channel, Otepunui Stream, the New River Estuary and Bluff Harbour.

WHY WE DO IT

The removal of stormwater from residential, industrial and commercial properties reduces the risk of property damage by flooding, and so protects public health, supports City growth and contributes to the general well-being of the Community. In urban areas, stormwater disposal is most effectively achieved by means of reticulated (piped) stormwater systems. This allows the costs associated with maintaining high standards and efficient infrastructure to be spread over a wide population.

WHAT WE CONTRIBUTE TO THE CITY

Council undertakes stormwater activities to promote the current and future interests of the Invercargill Community. Economic interests are promoted by stormwater being collected and disposed of in the urban area and parts of the rural area of the District to prevent flooding. The stormwater systems remove runoff from hard surfaces, such as roads and roofs of buildings, which prevents flooding of buildings and allows business activities to operate during rainfall events. Environmental interests are promoted by stormwater being collected and then discharged into the nearest watercourse. Council minimises contaminants entering the stormwater system from roads by the installation and cleaning of stormwater sumps. These sumps collect the contaminants that are washed off the road when it starts to rain.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyle in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable, effective sanitation.	The stormwater network reduces the impact of flooding on the built environment.
	Provide a quick and effective response to potential environmental hazards or nuisance.	

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Negative Effect

1. Stormwater carries pollutants from the built environment (for example roads, footpaths and driveways) which can cause environmental degradation.
2. Stormwater systems transfer stormwater quickly to receiving waters resulting in significantly higher flows than would occur naturally during rainstorms, and low flows during dry weather. The variance in flows has detrimental effects on stream ecology, and extreme flows increase the risk of flooding.
3. Health and safety risks associated with operation of the activity.
4. Property damage resulting from system failures or rainstorms exceeding system capacity.
5. The cost to the Community as a result of property damage caused by system failures, or extreme rainstorms.

Response

1. Stormwater discharges are regularly monitored, in accordance with consent conditions, and sources of contaminants eliminated where possible.
2. Low impact designs (including retention of peak stormwater flows) will be considered for new developments.
3. Staff and contractors involved in the Stormwater Activity work to safety plans to minimise risk to themselves and the public.
4. Maintenance contractors are on 24 hour call to attend to system failures and flooding events to mitigate effects of flooding on people and property.
5. Maintenance contractors are on 24 hour call to attend to system failures and flooding events to mitigate effects of flooding on people and property.

The Stormwater Activity is managed to ensure that it does not create significant negative effects on the Community.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Stormwater Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyle in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable effective sanitation.	The stormwater network reduces the impact of flooding on the building environment.	Low levels of stormwater ponding on roads during rainfall events.	Complaints of stormwater blockage are responded to within one hour.
				Response times.
				Customer satisfaction.
		Provide a quick and effective response to potential environmental hazards or nuisance.	Reliable removal of stormwater where there are Council managed networks.	No flooding in living areas of houses during a five year return period storm.
				System adequacy.
				Discharge compliance.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
83%	Complaints of stormwater blockage responded to within one hour.	90%	90%	90%	90%
No houses flooded	No flooding in houses during a five year return period storm.	0	0	0	0

NATIONAL NON FINANCIAL PERFORMANCE MEASURES

The following mandatory performance measures have been set for the Stormwater activity and are required to be reported on annually.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
17 Storm events. Zero habitable floors flooded.	<p>System adequacy.</p> <p>The number of flooding events that occur in the Invercargill City district.</p> <p>For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to Council's stormwater system).</p>	Zero habitable floors affected per 1,000 properties during any five year return storm.	Zero habitable floors affected per 1,000 properties during any five year return storm.	Zero habitable floors affected per 1,000 properties during any five year return storm.	Zero habitable floors affected per 1,000 properties during any five year return storm.
New measure.	<p>Discharge compliance.</p> <p>Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of:</p> <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders • Convictions received by Council in relation to those resource consents. 	100% compliance. No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.	100% compliance. No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.	100% compliance. No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.	100% compliance. No abatement notices, enforcement orders or convictions are recorded against Council in relation to its resource consents in any one year.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
New measure.	Response times. The median response time to attend a flooding event, measured from the time that Council received notification to the time that service personnel reach the site.	Median response time to emergency events - 1 hour. Median response time to urgent events - 4 hours.	Median response time to emergency events - 1 hour. Median response time to urgent events - 4 hours.	Median response time to emergency events - 1 hour. Median response time to urgent events - 4 hours.	Median response time to emergency events - 1 hour. Median response time to urgent events - 4 hours.
New measure.	Customer Satisfaction The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the Council's stormwater system.	< 4 complaints per 1,000 properties per annum.	< 4 complaints per 1,000 properties per annum.	< 4 complaints per 1,000 properties per annum.	< 4 complaints per 1,000 properties per annum.

WHAT ASSETS WE OWN

Major Asset Category	Number
Pipelines	413 kilometres
Open Drains	15 kilometres
Pumping Stations	9

WHAT'S AHEAD

Stormwater Discharge Consents

Stormwater systems, with many ground surface entry points on roads and private properties are susceptible to accidental or deliberate discharge of contaminants. In order to reduce the incidence of contamination, mud sumps are required on all ground level entry

points to the stormwater, and these have the ability to settle silts and a limited quantity of floatable liquids for collection during regular sump maintenance activities.

Consequent to the Regional Water Plan, which was adopted by Environment Southland, and became operative in January 2010, Invercargill City Council was granted consents to discharge stormwater to each of the fresh waterways through the urban parts of the city in November 2011. The discharge consents require Council to monitor stormwater discharges and their effects on the receiving water and to report results to Environment Southland. It is possible that, if stormwater is unable to meet the quality levels required by the Regional Water Plan, improvements to the stormwater or sewerage system will be required.

Renewal/Upgrading Of The Pipe Network

In 1985, following widespread flooding of Invercargill in 1984, a new design standard for the stormwater network was adopted and a major upgrading of the stormwater system began. Pipes laid since this time have been designed to the new standard. The stormwater network upgrade is a key priority because

we need to maintain a high quality of stormwater discharged to comply with our resource consent conditions from Environment Southland. Our pipe network is old and allows infiltration of groundwater into the system. A high percentage of the stormwater network is over 100 years old, which is the assumed economic life of the pipes. As renewals are closely linked to the age of the asset, a significant portion of the network is due for replacement within the next 30 years. Council is increasing expenditure on the replacement of the stormwater pipes.

PLANNED WORKS PROJECTS

The Stormwater Activity has a comprehensive Asset Management Plan which is the key to ensuring that capital funding and existing assets are used as efficiently and effectively as possible. The capital works for the next three years having a value exceeding \$500,000 per annum are:

Project	2015/2016 \$000	2016/2017 \$000	2017/2018 \$000
Stormwater Pipe Asset Renewal/Upgrade	1,420	1,513	1,731
Stormwater Pump Renewal	200	205	109

Activity	Source of Funding	
	Uniform Charges	Targeted Loans
Maintenance and Operations	✓	
Renewals	✓	✓
Capital for Improvement	✓	✓

FUNDING IMPACT STATEMENT - STORMWATER

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates	2,560	3,101	3,140	3,308
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	0	0	0	0
Total operating funding	2,560	3,101	3,140	3,308
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	1,112	1,217	1,247	1,277
Finance costs	1	31	29	29
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,113	1,248	1,276	1,306
Surplus (deficit) of operational funding	1,447	1,853	1,864	2,002
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(2)	(15)	(16)	(17)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(2)	(15)	(16)	(17)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	108	118	130	144
- to replace existing assets	1,337	1,720	1,718	1,841
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	1,445	1,838	1,848	1,985
Surplus (deficit) of capital funding	(1,447)	(1,853)	(1,864)	(2,002)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	2,127	2,183	2,283	2,291

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
3,480	3,843	4,162	4,108	4,298	4,400	4,674
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,480	3,843	4,162	4,108	4,298	4,400	4,674
1,310	1,346	1,387	1,429	1,475	1,523	1,579
30	30	28	27	26	25	23
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,340	1,376	1,415	1,456	1,501	1,548	1,602
2,139	2,466	2,747	2,652	2,797	2,852	3,072
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(17)	(17)	(17)	(18)	(19)	(21)	(22)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(17)	(17)	(17)	(18)	(19)	(21)	(22)
0	0	0	0	0	0	0
158	173	189	195	201	208	215
1,964	2,276	2,541	2,439	2,577	2,623	2,835
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,122	2,449	2,730	2,634	2,778	2,831	3,050
(2,139)	(2,466)	(2,747)	(2,652)	(2,797)	(2,852)	(3,072)
0	0	0	0	0	0	0
2,400	2,518	2,536	2,667	2,810	2,842	3,004

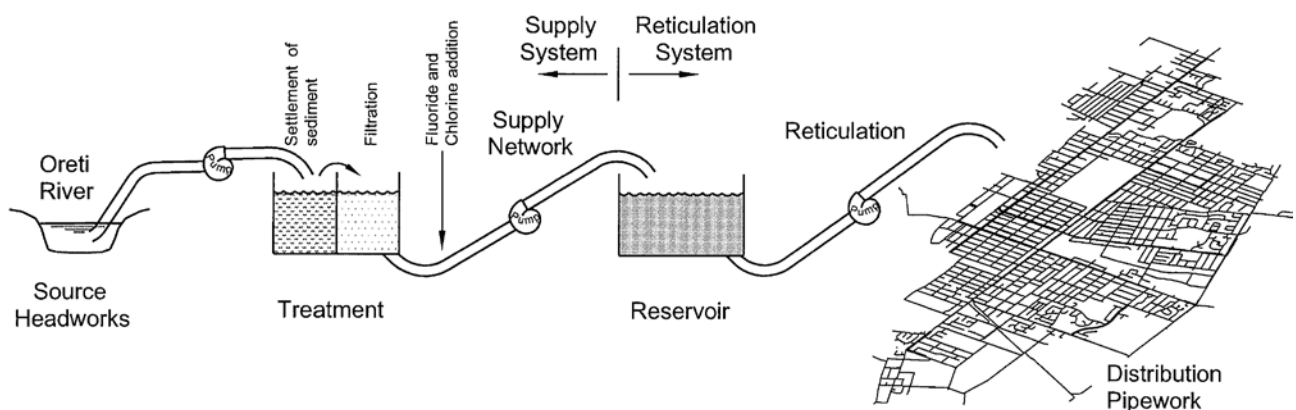
water supply



WHAT WE DO

Council owns or maintains assets on behalf of the Community, providing water at pressure to the boundary of each property in the Bluff and Invercargill urban areas and also to properties where the main pipeline has been laid. The water is taken from the Oreti River, treated at Branxholme and piped to the District. Property owners arrange connection to the Council supply. Water is also used for fire fighting via the street hydrants.

The Water Supply network is illustrated by the diagram below:



No communities within the District are supplied with water other than the urban communities of Invercargill and Bluff. In general, schools, industry and properties outside the urban areas of Bluff and Invercargill, which are not close to trunk water mains, find their own supply which is normally in the form of rain water collection systems or underground bores.

WHY WE DO IT

The supply of potable (drinkable) water to residential, industrial and commercial properties protects public health, supports city growth and contributes to the general well-being of the Community. In urban areas, potable water is most effectively supplied by means of reticulated (piped) community water supply. This allows the costs associated with maintaining high standards and efficient infrastructure to be spread over a wide population.

WHAT WE CONTRIBUTE TO THE CITY

Council undertakes the provision of water reticulation in the urban areas of the District to promote the current and future interests of the Invercargill Community. Water is extracted from the Oreti River at Branxholme where it is treated and then piped into Invercargill. Businesses require a reliable, quality water supply to enable them to operate with certainty. Residents and visitors receive health benefits from having a safe and reliable water supply. The Community's interests are further promoted by having a fire fighting water supply in the urban parts of the District.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyle in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable, effective sanitation.	Council provides a safe supply of water
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communications and work force.	Council provides a reliable water network with sufficient pressure and flow to meet demand.

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Negative Effect

1. Health concerns held by some of the Community relating to the dosing of potable water with chlorine and fluoride.
2. Quality of water does not support health of the Community.
3. Property damage resulting from mains failures.

Response

1. Chlorine and fluoride dosing is kept within bounds permitted by New Zealand Drinking Water Standards.
2. Water quality is monitored with chemical dosing undertaken in accordance with New Zealand Drinking Water Standards.
3. Pipe network rehabilitation/renewal programmes are carried out with works to industry standards. Despite these measures pipe line failures cannot be eliminated entirely. Council has contracted maintenance services to ensure prompt response and repair in accordance with defined standards.

The Water Supply Activity is managed to ensure that it does not create significant negative effects on the current and future interests of the Community.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Water Supply Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyle in a healthy environment.	Provide or ensure provision of services that include a quality water supply and reliable, effective sanitation.	Council provides a safe supply of water.	The water supply is safe to drink.	Ministry of Health Grade.
			The water is pleasant to drink.	Number of complaints of taste and smell.
			Reticulated properties receive a continuous supply of water.	Notification of planned shutdowns.
				Duration of break.
				Safety of Drinking Water.
				Customer Satisfaction.
	Demand management .			
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communications and work force.	Council provides a reliable water network with sufficient pressure for firefighting purposes.	There is sufficient water flow and pressure for fire-fighting purposes.	Hydrants meet fire-fighting standards.
				Maintenance of the Reticulation Network.
				Fault response times.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
Invercargill -Aa Bluff -Ab	Ministry of Health Grade.	Invercargill -Aa Bluff -Aa	Invercargill -Aa Bluff -Aa	Invercargill -Aa Bluff -Aa	Invercargill -Aa Bluff -Aa
2 in February. 2 in May.	Number of complaints of taste and smell.	No more than ten per month.	No more than ten per month.	No more than ten per month.	No more than ten per month.
Not achieved.	Notification of planned shutdowns.	At least 24 hours by letter drop.	At least 24 hours by letter drop.	At least 24 hours by letter drop.	At least 24 hours by letter drop.
Not achieved.	Duration of break.	No more than eight hours.	No more than eight hours.	No more than eight hours.	No more than eight hours.
100%	Hydrants meet fire fighting standards.	At least 97.5% of hydrants tested by NZFS exceed 12.5 litres per second flow rate.	At least 97.5% of hydrants tested by NZFS exceed 12.5 litres per second flow rate.	At least 97.5% of hydrants tested by NZFS exceed 12.5 litres per second flow rate.	At least 97.5% of hydrants tested by NZFS exceed 12.5 litres per second flow rate.

NATIONAL NON FINANCIAL PERFORMANCE MEASURES

The following mandatory performance measures have been set for the Water Supply activity and are required to be reported on annually.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
	Safety of Drinking Water.				
	The extent to which the local authority's drinking water complies with:				
(a) New measure.	(a) part 4 of the drinking-water standards (bacteria compliance criteria).	(a) 100%	(a) 100%	(a) 100%	(a) 100%
(b) Not compliant.	(b) part 5 of the drinking-water standards (protozoal compliance criteria)	(b) 100%	(b) 100%	(b) 100%	(b) 100%
New measure.	Maintenance of the reticulation network.	Less than 30%	Less than 30%	Less than 30%	Less than 30%
	The percentage of real water loss from the networked reticulation system (calculated according to the methodology outlined in Water NZ Water Loss Guidelines publication February 2010).				

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
(a) New measure.	Fault response times. (a) Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site.	(a) 4 hours	(a) 4 hours	(a) 4 hours	(a) 4 hours
(b) New measure.	(b) Resolution of urgent call-outs: from the time that the council receives notification to the time that service personnel confirm resolution of the fault or interruption.	(b) 24 hours	(b) 24 hours	(b) 24 hours	(b) 24 hours
(c) New measure.	(c) Attendance for non-urgent call-outs: from the time that council receives notification to the time that service personnel reach the site.	(c) 5 working days	(c) 5 working days	(c) 5 working days	(c) 5 working days
(d) New measure.	(d) Resolution of non-urgent call-outs: from the time that the council receives notification to the time that service personnel confirm resolution of the fault or interruption.	(d) 10 working days	(d) 10 working days	(d) 10 working days	(d) 10 working days

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
	Customer Satisfaction				
	The total number of complaints received by council about any of the following:				
(a) New measure.	(a) drinking water clarity	(a) No more than 0.45 per month	(a) No more than 0.45 per month	(a) No more than 0.45 per month	(a) No more than 0.45 per month
(b) New measure.	(b) drinking water taste	(b) No more than 0.43 per month	(b) No more than 0.43 per month	(b) No more than 0.43 per month	(b) No more than 0.43 per month
(c) New measure.	(c) drinking water odour	(c) No more than 0.45 per month	(c) No more than 0.45 per month	(c) No more than 0.45 per month	(c) No more than 0.45 per month
(d) New measure.	(d) drinking water pressure or flow	(d) No more than 0.45 per month	(d) No more than 0.45 per month	(d) No more than 0.45 per month	(d) No more than 0.45 per month
(e) New measure.	(e) continuity of supply	(e) No more than 0.45 per month	(e) No more than 0.45 per month	(e) No more than 0.45 per month	(e) No more than 0.45 per month
(f) New measure.	(f) council response to any of these issues	(f) No more than 0.45 per month	(f) No more than 0.45 per month	(f) No more than 0.45 per month	(f) No more than 0.45 per month
	Expressed per 1000 connections to the Council's networked reticulation system.	Per 1000 connections.	Per 1000 connections.	Per 1000 connections.	Per 1000 connections.
New measure.	Demand Management	Less than 700 litres/day.	Less than 700 litres/day.	Less than 700 litres/day.	Less than 700 litres/day.
	The average consumption of drinking water per day per resident within the Invercargill City Council territorial district.				

WHAT ASSETS WE OWN

Major Asset Category	Number
Treatment Plants	Two - Branxholme and Bluff
Number of Reservoirs	Seven
Number of Pumping Stations	Six
Length of Pipe Work	422.6 kilometres (supply mains and distribution networks)
Fire Hydrants	2,160 approximately in Invercargill 150 approximately in Bluff

WHAT'S AHEAD

Pipe Network

Asbestos cement pipes form approximately 50% of the water pipe network and were installed from the late 1950s to the late 1980s. When they were installed it was assumed that they would last for about 65 years and their gradual replacement was planned to start in 2015.

In 2014 there were 28 failures of asbestos cement pipes. This means that businesses and residents can be without a water supply while the pipe is being fixed and the cost of a failure can be up to \$30,000.

Samples of pipe have been taken to assess their condition and life expectancy. The results indicate that there is approximately \$22 million worth of pipe that may be near or close to failure.

Council has a plan to bring forward the replacement of these pipes and increase the amount replaced each year. It is anticipated that by 2024 the pipes that have reached the end of their life will have been replaced.

Council accepts that with respect to data confidence and uncertainty, more investigation into the condition of the pipe network is necessary. Due to the

uncertainty there is the potential for a variation to financial forecasts in the range of 20 up to 30%.

If the actual costs of replacement vary significantly from the \$22 million estimate, the Council will consult the community on possible funding options.

We fund the renewal of reticulation pipes from rates because it is considered to be maintenance of the network and occurs on an annual basis.

The timing of the replacement of the Branxholme mainline between 2020/21 and 2022/23 remains unchanged.

Should the condition of the original Branxholme pipeline be found not to align with its expected 65-year life, then the replacement programme will be reviewed, with adjustments made with respect to priority and affordability.

This will cost a total of \$55 million (which includes planned renewals and those assessed as close to failure) between 2015/16 and 2024/25.

Water Treatment

The completion of the upgrade of the Branxholme Water Treatment Plant. This is a significant project of estimated \$10 million cost. The upgrade will enable consistent compliance with the New Zealand Drinking Water Standard plus address the long term taste and odour problem experienced in summer months. The project is scheduled for completion in 2015/16.

Emergency Water Supply

Council is investigating the establishment of an alternative water supply to act as an emergency supply to lessen the risk borne by being solely dependant, as we are at present, on the Oreti River sources. Council would like an alternative water source as a back up for emergencies, but the estimated \$10 million cost is not affordable on top of increased expenditure on more critical infrastructure renewals. Council has therefore delayed the investigation and development of an emergency drinking water source until 2025/26, after the asbestos cement water pipe renewal programme begins to taper off.

PLANNED WORKS PROJECTS

Project	2015/2016 \$000	2016/2017 \$000	2017/2018 \$000
Asbestos Cement Watermain Renewals	1,992	1,777	3,065
Branxholme Water Treatment Plant Upgrade	5,263	-	-

Activity	Source of Funding		
	User Charges / Fees	Uniform Charges	Targeted Loans
Maintenance and Operations		✓	
Connections	✓		
Renewals		✓	✓
Capital for Improvement		✓	✓

FUNDING IMPACT STATEMENT - WATER SUPPLY

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	26	0	0	0
Targeted rates	6,188	6,461	6,732	7,898
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	1,182	1,147	1,246	1,351
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	21	0	0	0
Total operating funding	7,417	7,608	7,978	9,249
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	4,125	4,089	4,282	4,422
Finance costs	710	622	908	894
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	4,835	4,711	5,190	5,316
Surplus (deficit) of operational funding	2,582	2,897	2,788	3,933
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	2,293	4,816	(613)	(652)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	2,293	4,816	(613)	(652)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	4,577	5,263	0	0
- to replace existing assets	1,564	2,235	1,975	3,088
Increase (decrease) in reserves	(1,266)	215	200	193
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	4,875	7,713	2,175	3,281
Surplus (deficit) of capital funding	(2,582)	(2,897)	(2,788)	(3,933)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	2,854	3,333	3,430	3,496

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
8,548	8,998	8,503	10,940	12,503	13,606	13,698
0	0	0	0	0	0	0
1,462	1,580	1,706	1,840	1,898	1,962	2,031
0	0	0	0	0	0	0
0	0	0	0	0	0	0
10,010	10,578	10,209	12,780	14,401	15,568	15,729
4,574	4,733	4,910	5,093	5,255	5,432	5,624
927	923	887	1,110	1,333	1,555	1,485
0	0	0	0	0	0	0
0	0	0	0	0	0	0
5,501	5,656	5,797	6,203	6,588	6,987	7,109
4,509	4,922	4,412	6,577	7,813	8,581	8,620
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(670)	(714)	4,269	2,100	3,069	(1,220)	(1,236)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(670)	(714)	4,269	2,100	3,069	(1,220)	(1,236)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,643	4,018	8,503	8,513	10,732	7,226	7,262
196	190	178	164	150	135	122
0	0	0	0	0	0	0
3,839	4,208	8,681	8,677	10,882	7,361	7,384
(4,509)	(4,922)	(4,412)	(6,577)	(7,813)	(8,581)	(8,620)
0	0	0	0	0	0	0
3,603	3,724	3,945	4,222	4,519	4,644	4,826

development & regulatory services



WHAT WE DO

Development and Regulatory Services encompasses those activities which allow people to live closely together by establishing with the Community minimum standards for development and behaviour.

These include:

- Animal Services
- Building Control
- Civil Defence and Emergency Management
- Compliance
- Environmental Health
- Resource Management.
-

WHY WE DO IT

Development and Regulatory Services enable us to live in close proximity to each other by the setting and enforcement of minimum standards for activities and developments. Development and Regulatory Services have legislation as their *raison d'être* (reason for being) and it is Council's role to interpret these for the Invercargill District. Council has historically provided these services to the Community and the Community endorses this role.

WHAT WE CONTRIBUTE TO THE COMMUNITY

Development and Regulatory Services group of activities contributes significantly to the following Community Outcomes.

Community Outcome	Animal Control	Building Control	Civil Defence Emergency Management	Compliance	Environmental Health	Resource Management
A diverse and growing economy.				✓	✓	✓
Healthy lifestyles in a healthy environment.	✓		✓		✓	✓
A City that is a great place to live and visit.	✓	✓		✓		✓
Strong, innovative leadership.			✓			

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY

The Development and Regulatory Services group of activities does not create any significant negative effects on the Community. Establishing and enforcing minimum standards means that an individual's activity or behaviour does not impact significantly on other people in the Community. Not undertaking actions within the Development and Regulatory group of activities could result in significant negative effects.

FUTURE DEMAND ASSUMPTIONS FOR DEVELOPMENT AND REGULATORY SERVICES

The demand for, and the provision of, the Development and Regulatory Services group of activities is directly influenced by legislation and economic activity. It is assumed that changes in legislation will include the ability for Council to on-charge the costs of providing the service.

FUNDING IMPACT STATEMENT - DEVELOPMENT AND REGULATORY SERVICES

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	1,837	1,848	1,863	1,896
Targeted rates	1,223	1,239	1,167	1,170
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	3,735	3,530	3,626	3,771
Internal charges and overheads recovered	73	223	233	238
Local authorities fuel tax, fines, infringements fees, and other receipts	1,083	1,178	1,211	1,220
Total operating funding	7,951	8,018	8,100	8,295
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	7,689	7,608	7,687	7,872
Finance costs	10	10	9	9
Internal charges and overheads applied	73	223	233	238
Other operating funding applications	0	0	0	0
Total applications of operational funding	7,772	7,841	7,929	8,119
Surplus (deficit) of operational funding	179	177	171	176
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(5)	(5)	(5)	(6)
Gross proceeds from sale of assets	12	77	29	21
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	7	72	24	15
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	157	305	109	71
Increase (decrease) in reserves	29	(56)	86	120
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	186	249	195	191
Surplus (deficit) of capital funding	(179)	(177)	(171)	(176)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	142	137	138	140

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
1,915	1,994	1,974	2,057	2,096	2,191	2,251
1,208	1,238	1,274	1,310	1,360	1,401	1,559
0	0	0	0	0	0	0
3,870	3,975	4,148	4,274	4,411	4,559	4,720
245	252	257	265	274	282	291
1,253	1,288	1,323	1,364	1,407	1,455	1,506
8,491	8,747	8,976	9,270	9,548	9,888	10,327
8,056	8,305	8,524	8,808	9,064	9,391	9,816
9	9	9	8	8	7	7
245	252	257	265	274	282	291
0	0	0	0	0	0	0
8,310	8,566	8,790	9,081	9,346	9,680	10,114
181	181	186	189	202	208	213
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(6)	(6)	(7)	(7)	(7)	(8)	(9)
35	86	33	23	51	85	38
0	0	0	0	0	0	0
0	0	0	0	0	0	0
29	80	26	16	44	77	29
0	0	0	0	0	0	0
0	0	0	0	0	0	0
168	345	123	79	222	350	139
42	(84)	89	126	24	(65)	103
0	0	0	0	0	0	0
210	261	212	205	246	285	242
(181)	(181)	(186)	(189)	(202)	(208)	(213)
0	0	0	0	0	0	0
144	145	147	149	162	164	167

animal services



WHAT WE DO

The Animal Services Activity provides for the control of dogs and stock, and helps to minimise the harm done by dogs.

The Activity also promotes good dog care and welfare in the Community through education and raising awareness about legal obligations and duties for dog owners and the general public.

The Animal Services Activity:

- Enforces animal control legislation in an efficient and fair manner.
- Maintains a register of dogs within the City.
- Provides a service and facility for the impounding and care of stray and seized animals.
- Provides public education on dog control, ownership and safety.

WHY WE DO IT

Pet ownership, and in particular dog ownership, contributes to people's lifestyle through companionship and the need to regularly exercise

animals. The Activity promotes good animal care and control through education and registration activity as well as enforcement. We ensure that animal-related nuisances are minimised and handled in a humane manner.

WHAT WE CONTRIBUTE TO THE CITY

In recent times, Council has changed the service it provides from a reactive to a proactive service with a greater focus on education and positive animal ownership.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A City that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit.	The Animal Services Activity minimises the effects of dogs on Invercargill residents' and visitors' quality of life.
Healthy lifestyles in a healthy environment.	Provide a quick and effective response to potential environmental hazards or nuisance.	The Animal Services Activity provides 24-hour animal control services to ensure that animal related nuisances are responded to.

NEGATIVE EFFECT - There are no significant negative effects identified for the Animal Services Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Animal Services Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A city that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit.	Animal Services activity minimises the effects of dogs on Invercargill residents' and visitors' quality of life.	The Animal Services activity encourages responsible dog ownership.	Education is undertaken relating to good animal control and care.
		Animal Services promotes good animal control and care through education and registration as well as enforcement.		
Healthy lifestyles in a healthy environment.	Provide a quick and effective response to potential environmental hazards or nuisance.	Animal Services activity provides 24-hour animal control services to ensure that animal related nuisances are minimised and handled in a humane manner.	The Animal Services activity is professional and prompt, especially in instances of community safety.	Trained staff are available to respond to requests for service. All complaints are investigated and resolved within an acceptable resolution timeframe.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
Achieved.	Education is undertaken relating to good animal control and care.	At least one animal education campaign is undertaken annually.	At least one animal education campaign is undertaken annually.	At least one animal education campaign is undertaken annually.	At least one animal education campaign is undertaken annually.
Achieved.	Trained staff are available to respond to requests for service.	Trained staff are available 24 hours per day, seven days per week.	Trained staff are available 24 hours per day, seven days per week.	Trained staff are available 24 hours per day, seven days per week.	Trained staff are available 24 hours per day, seven days per week.

WHAT ASSETS WE OWN

Major Asset Category

Animal Care Facility (Shared Facility with the Southland District Council).

WHAT'S AHEAD

The Animal Services Activity administers and enforces a range of legislation and standards in the district. It is responsible for ensuring minimum standards are met and aims to encourage continuous incremental improvements within the activity. The key areas of focus for the next three years are:

- Records kept of complaints and communication of resolution to complainant.

- Increasing education of dog owners on good animal husbandry and the general public on how to behave around dogs.
- Increased monitoring of aggressive dogs.
- Reduce number of unregistered dogs.

Activity	Source of Funding		
	User Charges / Fees	General Rate	Loans / Reserves
Maintenance and Operations	✓	✓	
Renewals	✓	✓	✓
Capital for Improvement	✓	✓	✓

FUNDING IMPACT STATEMENT - ANIMAL SERVICES

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	347	248	246	197
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	678	651	667	736
Internal charges and overheads recovered	0	58	64	65
Local authorities fuel tax, fines, infringements fees, and other receipts	98	147	150	154
Total operating funding	1,123	1,104	1,127	1,152
Applications of operational funding				
Payments to staff and suppliers	1,069	953	976	998
Finance costs	10	10	9	9
Internal charges and overheads applied	0	58	64	65
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,079	1,021	1,049	1,072
Surplus (deficit) of operational funding	44	83	77	80
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(5)	(5)	(5)	(6)
Gross proceeds from sale of assets	0	18	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(5)	13	(5)	(6)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	87	12	13
Increase (decrease) in reserves	39	9	60	61
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	39	96	72	74
Surplus (deficit) of capital funding	(44)	(83)	(77)	(80)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	26	43	44	45

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
202	208	157	160	165	169	180
0	0	0	0	0	0	0
0	0	0	0	0	0	0
756	776	856	882	910	941	974
67	69	70	72	74	76	78
158	163	167	172	178	184	190
1,183	1,216	1,250	1,286	1,327	1,370	1,422
1,025	1,054	1,083	1,116	1,152	1,191	1,236
9	9	9	8	8	7	7
67	69	70	72	74	76	78
0	0	0	0	0	0	0
1,101	1,132	1,162	1,196	1,234	1,274	1,321
82	84	88	90	93	96	101
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(6)	(6)	(7)	(7)	(7)	(8)	(9)
7	20	0	0	8	23	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1	14	(7)	(7)	1	15	(9)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
45	102	14	14	51	115	16
38	(4)	67	69	43	(4)	76
0	0	0	0	0	0	0
83	98	81	83	94	111	92
(82)	(84)	(88)	(90)	(93)	(96)	(101)
0	0	0	0	0	0	0
46	47	48	50	52	53	55

building control



WHAT WE DO

Council must act as a Building Consent Authority within the Invercargill area in relation to any application for a Building Consent, and any consent granted in response to that application.

The Building Control Activity includes:

- Providing advice and education to the general public, tradespeople and designers on proposed building work.
- Receiving and processing applications under the Building Act 2004. This includes Project Information Memorandums (PIMs), issuing Building Consents, inspections, issuing Code Compliance Certificates and Compliance Schedules.
- Enforcing the requirements of the Building Act and responding to requests for service to investigate problems.
- Promotion of knowledge of regulatory requirements.

WHY WE DO IT

The Building Control Activity implements the requirements of the Building Act fairly and impartially so that the public has confidence that buildings are constructed in accordance with the Building Code and consented buildings meet Building Code requirements.

Council most recently received accreditation as a Building Consent Authority in 2014; this is reassessed every two years. Accreditation as a Building Consent Authority means that Council's processes are such that building work is assessed and inspected to ensure it meets minimum standards. Meeting minimum standards means that buildings are safe to enter and suitable for their purposes.

WHAT WE CONTRIBUTE TO THE CITY

Council provides the Building Control Activity to meet the current and future needs of the Community. The Council aims to carry out its responsibilities under the Building Act in a way that provides an efficient

and user friendly service, while protecting the public from poor building work and the Council itself from litigation.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A City that is a great place to live and visit.	Design spaces, buildings and roads with community safety and interest in mind, and encourage others to do the same.	<p>Building Control Activity ensures that all buildings are of a safe and durable standard for occupation.</p> <p>Building Control Activity keeps records showing that commercial and industrial buildings have been maintained to the standard required to ensure public safety.</p> <p>Building Control Activity promotes best practice in the building industry through education and advice.</p> <p>The Building Consent Authority has a quality control process covering building consents.</p>

NEGATIVE EFFECT - There are no significant negative effects identified for the Building Control Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Building Control Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A City that is a great place to live and visit.	Design spaces, buildings and roads with community safety and interest in mind, and encourage others to do the same.	The Building Control Activity ensures that all buildings are of a safe and durable standard for occupation.	The Council ensures that building work is safe and in accordance with the Building Act by processing applications, inspecting work, holding records and providing information and advice.	Statutory time frames for processing consents are met.
		Building Control Activity promotes best practice in the building industry through education and advice.		Council's 'Building Sector News' is regularly published.
		The Building Consenting system is a quality control process covering building work.		The Building Consenting system is a quality control process covering processing of building work.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
99.52%	Statutory time frames for processing consents are met.	100%	100%	100%	100%
Achieved.	Council's 'Building Sector News' is regularly published at least 12 times per year.	Published 12 times per year.	Published 12 times per year.	Published 12 times per year.	Published 12 times per year.
Accreditation received in 2014.	Accreditation as a Building Consent Authority is retained.	Accreditation is retained.	Accreditation is retained.	Accreditation is retained.	Accreditation is retained when assessed every two years.

WHAT'S AHEAD

Changes are anticipated due to changes in the legislation surrounding Building Control and the way in which Central Government proposes to address the Building Control Activity. The extent of the changes can only truly be evaluated once the legislation is enacted.

The Building Control Activity does not always meet the statutory timeframes for the processing of applications for consent and this is an area of focus for improvement. Every consent that exceeds 20 working days is investigated as to the reasons why so improvements can be made.

Activity	Source of Funding	
	User Charges / Fees	General Rate
Operations	✓	✓

FUNDING IMPACT STATEMENT - BUILDING CONTROL

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	446	619	615	652
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	2,495	2,300	2,356	2,416
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	122	110	113	116
Total operating funding	3,063	3,029	3,084	3,184
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	3,001	2,986	3,040	3,139
Finance costs	0	0	0	0
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	3,001	2,986	3,040	3,139
Surplus (deficit) of operational funding	62	43	44	45
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	30	20	21
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	30	20	21
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	80	81	52	54
Increase (decrease) in reserves	(18)	(8)	12	12
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	62	73	64	66
Surplus (deficit) of capital funding	(62)	(43)	(44)	(45)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	62	43	44	45

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
639	682	679	725	722	772	775
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,479	2,547	2,621	2,701	2,787	2,881	2,982
0	0	0	0	0	0	0
119	122	125	129	133	138	143
3,237	3,351	3,425	3,555	3,642	3,791	3,900
3,198	3,310	3,384	3,511	3,597	3,744	3,852
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,198	3,310	3,384	3,511	3,597	3,744	3,852
39	41	41	44	45	47	48
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
22	33	23	23	36	25	26
0	0	0	0	0	0	0
0	0	0	0	0	0	0
22	33	23	23	36	25	26
0	0	0	0	0	0	0
0	0	0	0	0	0	0
56	91	59	61	97	63	65
5	(17)	5	6	(16)	9	9
0	0	0	0	0	0	0
61	74	64	67	81	72	74
(39)	(41)	(41)	(44)	(45)	(47)	(48)
0	0	0	0	0	0	0
40	41	42	43	45	46	48

civil defence & emergency management

WHAT WE DO

Council is part of Shared Services for Civil Defence and Emergency Management which is delivered through Emergency Management Southland (EMS). EMS was established in 2009 as a means to a more coordinated approach by the four councils in Southland to Emergency Management. It has led to such efficiencies as the establishment of a standalone Emergency Operations Centre (EOC) and more focused attention on emergency planning, training of council staff and volunteers as well as Public Education activities.

The priority hazards events for EMS to plan and respond to are earthquakes, flooding, biosecurity incursion and tsunami.

EMS produces an Annual Business Plan outlining its proposed activities and operates under a Heads of Agreement between the four Councils. EMS employs four full time staff as well as managing a large network of volunteers.

WHY WE DO IT

The Southland Civil Defence Emergency Management Group is a Joint Committee made up of the Mayors and Chairperson from the Territorial and Regional Councils. It is responsible for providing adequate resources for EMS to undertake its activities and meet each council's requirements under the Civil Defence Emergency Management Act 2002. The Joint Committee has delegated many of its responsibilities to the Coordinating Executive Group which has executive representation from the Councils and Emergency Services. The Coordinating Executive Group sets the strategic framework and priorities for EMS to work towards.

The Activity mitigates negative impacts on many communities in the event of a large scale emergency. Council promotes the need for individuals and communities to prepare for emergencies and assists them to build their capacity to effectively respond to and recover quickly from emergency events. Council also has in place systems and processes to help co-ordinate and respond to emergency events. This contributes to restoring quality infrastructure, safe roads, safe homes, healthy lifestyles, access to health services, and ensuring a safe, healthy and accessible built environment. Preventative / proactive work also reduces the costs of recovering from emergencies.

WHAT WE CONTRIBUTE TO THE CITY

Council provides a Civil Defence and Emergency Management service to promote the current and future interests of the Community. Economic interests are promoted by Council having response and recovery

plans in place in the event of an emergency affecting the District. Social interests are promoted by the Community being prepared for an emergency.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyles in a healthy environment.	Provide a quick and effective response to potential environmental hazards or nuisance.	The activity provides the necessary resources to coordinate and respond to emergency events and educates the Community on how best to prepare for emergency events.
Strong, innovative leadership.	Actively seek efficiencies through innovation, shared services and streamlining processes.	The activity has led to the four Southland Councils working together to create efficiencies such as the establishment of a standalone Emergency Operations Centre and more focused attention on emergency planning.

NEGATIVE EFFECT - There are no significant negative effects identified for the Civil Defence Emergency Management Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Civil Defence Emergency Management Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyles in a healthy environment.	Provide a quick and effective response to potential environmental hazards or nuisance.	The Activity provides the necessary resources to co-ordinate and respond to emergency events and educates the Community on how best to prepare for emergency events.	Enhancing the Community's capability to respond to and recover from civil defence emergencies	Overall score from the Ministry of Civil Defence Emergency Management assessment of the Southland Civil Defence Emergency Management Group's capability (five yearly assessment)
			Increasing Community awareness, understanding and preparedness and participation in Civil Defence Emergency Management.	Percentage of surveyed households prepared for an emergency including self sufficiency for 3 days.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
New measure.	Overall score from the Ministry of Civil Defence Emergency Management assessment of the Southland Civil Defence Emergency Management Group's capability (five yearly assessment)	75 - 80% in 2016 assessment	75 - 80% in 2016 assessment	75 - 80% in 2016 assessment	80-85% in 2021 assessment
New measure.	Percentage of surveyed households prepared for an emergency including self sufficiency for 3 days.	50% by 2016	60% by 2021	60% by 2021	60% by 2021

WHAT ASSETS WE OWN

The Emergency Operation Centre (EOC) is owned by Environment Southland with Emergency Management Southland paying overhead costs.

PROPOSED WORKS PROJECTS

Environment Southland will fund any new capital purchases.

Activity	Source of Funding	
	User Charges / Fees	General Rate
Operations	✓	✓

FUNDING IMPACT STATEMENT - CIVIL DEFENCE & EMERGENCY MANAGEMENT

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	240	257	263	270
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	165	147	150	154
Total operating funding	405	404	413	424
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	405	404	413	424
Finance costs	0	0	0	0
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	405	404	413	424
Surplus (deficit) of operational funding	0	0	0	0
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	0	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	0	0	0	0
Surplus (deficit) of capital funding	0	0	0	0
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	0

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
277	285	293	302	311	322	333
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
158	163	167	172	178	184	190
435	448	460	474	489	506	523
435	448	460	474	489	506	523
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
435	448	460	474	489	506	523
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

compliance (parking)



WHAT WE DO

The Parking Compliance Activity manages parking enforcement services, to provide equitable parking enforcement for all and administers the Total Mobility Scheme.

The Parking Compliance Activity involves:

- Enforcement of car parking in the District.
- Monitoring and removing vehicles left abandoned on roads within its jurisdiction.
- Promoting good parking behaviour around schools and offering education to those schools willing to participate.
- Registering and monitoring sandwich boards / signs.
- Administration of the Total Mobility Scheme on behalf of the Roading Division.

WHY WE DO IT

The Council has chosen to provide public on/off street parking. Enforcement of these facilities ensures that there is equitable parking for all. The activity promotes a safer community by ensuring compliance of vehicles, for example, vehicles have a current warrant of fitness. Good parking practices are encouraged and enforced, particularly around schools. Enforcement of parking restrictions in retail areas provides access for all modes of travel - private vehicles, taxis and buses.

WHAT WE CONTRIBUTE TO THE COMMUNITY

Council provides the Parking Compliance Activity to promote the current and future needs of the Community.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A diverse and growing economy.	Provide an environment that is business friendly and nurtures strong business.	Promotes good parking practices and enforces parking time limits to ensure regular turnover of vehicles in areas of high parking demand, for example the City Centre.
A City that is a great place to live and visit.	Ensure that all projects, services consider how best they can cater for people with disabilities, the elderly, youth and families.	Promotes good parking practice, particularly around schools.

NEGATIVE EFFECT - There are no significant negative effects identified from the Parking Compliance Activity.

WHAT THE COMMUNITY CAN EXPECT

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A diverse and growing economy.	Provide an environment that is business friendly and nurtures strong business.	Promotes good parking practices and enforces parking time limits to ensure regular turnover of vehicles in areas of high parking demand, for example the City Centre.	Provide and manage equitable parking access for all users.	Parking patrols of Council managed parking spaces.
A City that is a great place to live and visit.	Ensure that all projects, services consider how best they can cater for people with disabilities, the elderly, youth and families.	Promotes good parking practice, particularly around schools.	Ongoing education of drivers about safety around schools.	Educational material is distributed at schools.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
Not achieved 55 hours	Parking patrols of Council managed parking spaces.	Average 80 hours patrolling per week.	Average 80 hours patrolling per week.	Average 80 hours patrolling per week.	Average 80 hours patrolling per week.
Not achieved 5 schools.	Educational material is distributed at schools.	Distributed to 8 schools per year.	Distributed to 8 schools per year.	Distributed to 8 schools per year.	Distributed to 8 schools per year.

WHAT'S AHEAD

Changes in technology, along with changes to parking provisions as a result of the City Centre rejuvenation may result in changes to the way the Parking Compliance Activity operates.

Activity	Source of Funding
	Fees and Charges
Operations	✓

FUNDING IMPACT STATEMENT - COMPLIANCE

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	(119)	(118)	(120)	(123)
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	113	85	87	89
Internal charges and overheads recovered	53	53	54	55
Local authorities fuel tax, fines, infringements fees, and other receipts	632	715	733	751
Total operating funding	679	735	754	772
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	604	668	686	702
Finance costs	0	0	0	0
Internal charges and overheads applied	53	53	54	55
Other operating funding applications	0	0	0	0
Total applications of operational funding	657	721	740	757
Surplus (deficit) of operational funding	22	14	14	15
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	12	11	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	12	11	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	27	52	2	2
Increase (decrease) in reserves	7	(27)	12	13
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	34	25	14	15
Surplus (deficit) of capital funding	(22)	(14)	(14)	(15)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	22	14	14	15

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
(126)	(130)	(133)	(137)	(141)	(146)	(150)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
92	94	97	100	103	106	110
57	58	60	62	64	66	68
771	792	815	840	866	895	927
794	814	839	865	892	921	955
722	741	763	787	812	837	869
0	0	0	0	0	0	0
57	58	60	62	64	66	68
0	0	0	0	0	0	0
779	799	823	849	876	903	937
15	15	16	16	16	18	18
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	13	0	0	0	14	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	13	0	0	0	14	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2	58	2	2	2	65	3
13	(30)	14	14	14	(33)	15
0	0	0	0	0	0	0
15	28	16	16	16	32	18
(15)	(15)	(16)	(16)	(16)	(18)	(18)
0	0	0	0	0	0	0
15	15	16	16	17	17	18

environmental health

WHAT WE DO

The Environmental Health Activity is a subset of public health focusing on environmental conditions and hazards which affect, or have the potential to affect, human health, either by direct or indirect means. This is provided through education, auditing, inspection, enforcement and response to emergency incidents.

The Environmental Health Activity controls food premises, alcohol licencing and resolution of nuisance (odour, noise, litter, pests). As well as enforcement, Environmental Health duties involve interpretation of scientific or technical data and reports, acting as an educator or advisor to Council / general public and environmental monitoring duties.

WHY WE DO IT

The foremost goal of the Environmental Health Activity is to improve, promote and protect public health within the District by the enforcement of public health legislation and bylaws and the promotion of sustainable environmental practices.

The Environmental Health Activity covers a wide range of activities which provides the community with assurance that minimum standards are being met - audit of food premises, controlling the sale and supply of alcohol and resolution of nuisances (odour, noise, litter, pests).

WHAT WE CONTRIBUTE TO THE CITY

Environmental Health Services provide the Community with an assurance that services and facilities meet minimum standards, thus protecting the public health of the district.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyles in a healthy environment.	Provide a quick and effective response to potential environmental hazards or nuisance.	Environmental Health provides 24 hour noise response services.
A diverse and growing economy.	Provide an environment that is business friendly and nurtures strong business.	All food premises operating under a Food Control Plan or National Programme are audited in accordance with statutory requirements.

NEGATIVE EFFECT - There are no significant negative effects identified for the Environmental Health Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Environmental Health Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyles in a healthy environment.	Provide a quick and effective response to potential environmental hazards or nuisance.	Environmental Health provides 24 hour noise response services.	Members of the community are not subjected to inappropriate noise levels.	Excessive noise complaints are investigated and responded to within one hour.
A diverse and growing economy.	Provide an environment that is business friendly and nurtures strong business.	All food premises operating under a Food Control Plan or National Programme are inspected in accordance with statutory requirements.	Food premises are safe and healthy for the public.	All premises operating under Food Control Plans or National Programmes will be audited at least annually.
				All food premises operating under the Food Hygiene Regulations are inspected annually.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
81%	Excessive noise complaints are investigated and responded to within one hour.	95%	95%	95%	95%
New measure	All premises operating under Food Control Plans or National Programmes will be audited at least annually.	85%	90%	95%	100%
New measure	All food premises operating under the Food Hygiene Regulations inspected annually.	100%	100%	100%	100%

WHAT'S AHEAD

The new Food Act was passed into law during 2014 and will come into force by 1 March 2016. This national legislation is about making sure that the food businesses prepare and sell is safe and suitable to eat. Under the Act, Council will continue to be the regulatory authority and will:

- issue the required registration for food businesses;
- perform the necessary food safety verifications.

The Food Act requires that all food businesses register under a template Food Control Plan or a national programme, depending on the type of business. There will be a transition period. A Food Control Plan is a set of policies and procedures that help food businesses ensure that the food they produce is safe.

Activity	Source of Funding	
	User Charges / Fees	General Rate
Operations	✓	✓

FUNDING IMPACT STATEMENT - ENVIRONMENTAL HEALTH

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	907	842	859	900
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	262	303	311	319
Internal charges and overheads recovered	20	88	90	93
Local authorities fuel tax, fines, infringements fees, and other receipts	36	40	46	26
Total operating funding	1,225	1,273	1,306	1,338
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	1,186	1,155	1,185	1,213
Finance costs	0	0	0	0
Internal charges and overheads applied	20	88	90	93
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,206	1,243	1,275	1,306
Surplus (deficit) of operational funding	19	30	31	32
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	18	9	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	18	9	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	21	83	41	0
Increase (decrease) in reserves	(2)	(35)	(1)	32
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	19	48	40	32
Surplus (deficit) of capital funding	(19)	(30)	(31)	(32)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	19	30	31	32

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
923	949	978	1,007	1,039	1,074	1,113
0	0	0	0	0	0	0
0	0	0	0	0	0	0
327	336	346	356	368	380	394
95	98	100	103	107	110	114
27	28	28	29	30	31	32
1,372	1,411	1,452	1,495	1,544	1,595	1,653
1,244	1,280	1,317	1,357	1,401	1,448	1,500
0	0	0	0	0	0	0
95	98	100	103	107	110	114
0	0	0	0	0	0	0
1,339	1,378	1,417	1,460	1,508	1,558	1,614
33	33	35	35	36	37	39
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
6	20	10	0	7	23	12
0	0	0	0	0	0	0
0	0	0	0	0	0	0
6	20	10	0	7	23	12
0	0	0	0	0	0	0
0	0	0	0	0	0	0
27	92	46	0	30	104	52
12	(39)	(1)	35	13	(44)	(1)
0	0	0	0	0	0	0
39	53	45	35	43	60	51
(33)	(33)	(35)	(35)	(36)	(37)	(39)
0	0	0	0	0	0	0
33	33	34	35	37	38	39

resource management

WHAT WE DO

The Resource Management Act 1991 (RMA) requires Councils to undertake certain functions and responsibilities. The District Plan is how Council interprets these in the Invercargill environment. The Activity includes:

- The ongoing development of the District Plan to ensure that it reflects the current environment and changes in legislation.
- The assessment of applications for building consent to ensure compliance with the provisions of the District Plan.
- The processing of applications under the RMA.
- The promotion of sustainable management of the environment by non regulatory means.
- The monitoring of the environment, resource consents and complaints.
- Enforcement of the provisions of the District Plan where necessary to ensure compliance with the provisions of the District Plan.
- Offering quality advice to clients on their options and responsibilities under the RMA.

The Activity also includes:

- Maintaining Council's property identification database and issuing road names and numbers.
- Maintaining Council's rating valuation roll.
- Processing applications under the Sale and Supply of Alcohol Act 2012.

WHY WE DO IT

The goal of the Resource Management Activity is to promote the sustainable management of the natural and physical resources of the district through:

- Development of policies reflecting the Invercargill environment.
 - Implementation of the District Plan and other environmental policies.
 - Promotion of best environmental practice.
 - Supporting the District Licencing Committee in deciding applications under the Sale and Supply of Alcohol Act 2012.
-

WHAT WE CONTRIBUTE TO THE CITY

Council provides the Resource Management Activity to minimise the effects of development

on the environment through the development and enforcement of the District Plan.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A diverse and growing economy	Provide an environment that is business friendly and nurtures strong business.	The Resource Management Activity ensures that a District Plan is in place that contains appropriate standards and guidelines for development and infrastructure.
Healthy lifestyles in a healthy environment	Implement and protect distinct development zones across the District.	The Resource Management Activity establishes environmental standards for activities throughout the District.
A city that is a great place to live and visit	Design spaces, buildings and roads with community safety in mind and encourage others to do the same.	The Resource Management Activity promotes sustainable development.

NEGATIVE EFFECT - No significant negative effects have been identified for the Resource Management Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Resource Management Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyles in a healthy environment.	Implement and protect distinct development zones across the District.	The Resource Management Activity establishes environmental standards for activities throughout the District, and promotes sustainable development.	Development that does not meet the standards in the District Plan is subject to the resource consent process where it can be refused or granted with appropriate conditions.	Resource consent applications are processed in accordance with the Resource Management Act.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
100%	Resource consent applications are processed in accordance with the Resource Management Act.	100%	100%	100%	100%

WHAT'S AHEAD

Demand for Resource Management services partially reflects the economic climate of the day. In times of significant growth the increase in development work being undertaken is reflected in the demand for Resource Management services. The reverse also

applies. Outside of any radical changes to legislation or level of development in the district, it is anticipated that the level of activity within the Resource Management Activity will gradually increase.

Activity	Source of Funding	
	User Charges / Fees	Targeted Rate
Operations	✓	✓

FUNDING IMPACT STATEMENT - RESOURCE MANAGEMENT

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	16	0	0	0
Targeted rates	1,223	1,239	1,167	1,170
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	187	191	205	211
Internal charges and overheads recovered	0	24	25	25
Local authorities fuel tax, fines, infringements fees, and other receipts	30	19	19	19
Total operating funding	1,456	1,473	1,416	1,425
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	1,424	1,442	1,386	1,396
Finance costs	0	0	0	0
Internal charges and overheads applied	0	24	25	25
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,424	1,466	1,411	1,421
Surplus (deficit) of operational funding	32	7	5	4
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	0	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	29	2	2	2
Increase (decrease) in reserves	3	5	3	2
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	32	7	5	4
Surplus (deficit) of capital funding	(32)	(7)	(5)	(4)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	12	7	5	4

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
1,208	1,238	1,274	1,310	1,360	1,401	1,559
0	0	0	0	0	0	0
216	222	228	235	243	251	260
26	27	27	28	29	30	31
20	20	21	22	22	23	24
1,470	1,507	1,550	1,595	1,654	1,705	1,874
1,432	1,472	1,517	1,563	1,613	1,665	1,836
0	0	0	0	0	0	0
26	27	27	28	29	30	31
0	0	0	0	0	0	0
1,458	1,499	1,544	1,591	1,642	1,695	1,867
12	8	6	4	12	10	7
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
38	2	2	2	42	3	3
(26)	6	4	2	(30)	7	4
0	0	0	0	0	0	0
12	8	6	4	12	10	7
(12)	(8)	(6)	(4)	(12)	(10)	(7)
0	0	0	0	0	0	0
11	8	6	4	13	9	7

community services



WHAT WE DO

Community Services encompasses activities which provide services and facilities for the use and enjoyment of the Community. These include:

- Community Development
- Housing Care Service
- Libraries and Archives
- Parks and Reserves
- Passenger Transport
- Pools
- Public Toilets
- Theatre Services

In addition to these activities, Council has developed relationships with, and financially supports, entities which provide specialised community services.

WHY WE DO IT

The Community Services group of activities provides the Community with services and facilities that enable them to be active members of society. It is this group of activities which makes the Invercargill District unique - the wide range and number of parks and reserves, quality pool facilities and libraries, as well as specialised services. The District's commitment to supporting its residents and their needs is reflected in the Community Development, Housing Care Service, Passenger Transport and Public Toilets activities. These activities enable Council to meet the current and future needs of the Community for local public services.

WHAT WE CONTRIBUTE TO THE CITY

The Community Services group of activities contributes significantly to the following Community Outcomes:

Community Outcome	Community Development	Housing Care Service	Libraries and Archives	Parks and Reserves	Passenger Transport	Pools	Public Toilets
A diverse and growing economy.	✓		✓		✓		
Healthy lifestyles in a healthy environment.			✓	✓	✓	✓	
A city that is a great place to live and visit.	✓	✓	✓	✓	✓	✓	✓
Strong, innovative leadership.	✓		✓			✓	

FUNDING IMPACT STATEMENT - COMMUNITY SERVICES GROUP

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	3,909	3,876	4,078	4,172
Targeted rates	12,594	13,005	13,682	13,921
Subsidies and grants for operating purposes	1,233	1,260	1,304	1,361
Fees and charges	4,939	5,373	5,945	6,105
Internal charges and overheads recovered	11,234	11,987	12,604	13,013
Local authorities fuel tax, fines, infringements fees, and other receipts	2,370	2,035	2,135	2,187
Total operating funding	36,282	37,536	39,748	40,759
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	21,538	22,376	22,782	27,296
Finance costs	518	568	660	695
Internal charges and overheads applied	11,234	11,987	12,604	13,013
Other operating funding applications	0	0	0	0
Total applications of operational funding	33,290	34,931	36,046	41,004
Surplus (deficit) of operational funding	2,992	2,605	3,702	(245)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	617	1,612	105	3,425
Gross proceeds from sale of assets	25	50	51	53
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	642	1,662	156	3,478
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	171	0	0	0
- to improve the level of service	908	2,248	248	393
- to replace existing assets	2,838	2,738	3,329	2,788
Increase (decrease) in reserves	(283)	(719)	281	52
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	3,634	4,267	3,858	3,233
Surplus (deficit) of capital funding	(2,992)	(2,605)	(3,702)	245
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	3,295	3,121	3,387	3,262

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
4,593	4,668	4,747	4,836	4,924	5,020	5,124
14,110	14,452	15,107	15,264	15,786	16,510	17,008
1,329	1,346	1,379	1,416	1,454	1,504	1,557
6,275	6,459	6,669	6,872	7,092	7,330	7,588
13,587	14,038	14,734	15,183	15,670	16,206	16,794
2,242	2,302	2,367	2,434	2,509	2,590	2,678
42,136	43,265	45,003	46,005	47,435	49,160	50,749
23,835	24,431	24,932	25,650	26,425	27,265	28,164
992	995	1,029	978	924	867	807
13,587	14,038	14,734	15,183	15,670	16,206	16,794
0	0	0	0	0	0	0
38,414	39,464	40,695	41,811	43,019	44,338	45,765
3,722	3,801	4,308	4,194	4,416	4,822	4,984
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(700)	1,803	(1,205)	(1,287)	(1,377)	(1,409)	(1,009)
54	55	57	66	61	63	65
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(646)	1,858	(1,148)	(1,221)	(1,316)	(1,346)	(944)
75	78	0	0	0	0	0
201	1,778	175	35	22	23	922
2,567	3,639	3,007	2,665	2,600	2,368	4,606
233	164	(22)	273	478	1,085	(1,488)
0	0	0	0	0	0	0
3,076	5,659	3,160	2,973	3,100	3,476	4,040
(3,722)	(3,801)	(4,308)	(4,194)	(4,416)	(4,822)	(4,984)
0	0	0	0	0	0	0
3,458	3,692	3,598	3,832	4,096	3,970	4,244

provision of specialised community services

PROVISION OF SPECIALISED COMMUNITY SERVICES

Council has developed relationships with other entities which provide specialised community services which the Council supports financially to enhance the Community's cultural interests. These services support the "A City that is a great place to live and visit" Community Outcome by promoting Invercargill actively as a great place to live, work, play and visit and providing or promoting a range of events that create vibrancy and build community. These services

also support the "Healthy lifestyles in a healthy environment" Community Outcome by providing or promoting the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities.

Significant entities that provide specialised services and the level of financial support from Council are detailed below:

Entity	Contribution towards the Specialised Service Provided	Level of Financial Support Per Annum 2015/16 (\$)
Service Contracts		
Anderson Park Art Gallery Trust Board	Operation and promotion of the Anderson Park Art Gallery and care of the extensive collection.	176,565
Invercargill Venue and Events Management	Managing operation of the Civic Theatre and Outdoor Stadium.	112,750
Southland Indoor Leisure Centre Charitable Trust	Operation and maintenance of Stadium Southland.	400,000
Southland Museum and Art Gallery Trust Board	Operation of the Southland Museum and Art Gallery.	619,236
Southland Regional Heritage Committee	Preserving the Regional Heritage of Southland.	721,105
Grants		
Bluff Hill Motupohue Environment Trust	Supporting the pest control programme.	10,000
Bluff Maritime Museum Trust Board	Operation of the Bluff Maritime Museum.	20,000
Bluff Pool Trust	Operation of the Bluff Community Pool.	130,000
Child, Youth and Family Friendly Sub-committee	Enhancing the 'Friendly' brand within Invercargill.	10,000
Citizens Advice Bureau	Operation of Citizens Advice Bureau.	24,000
Environment Southland	Contribution towards the completion of the Invercargill - Bluff Walkway/Cycleway.	50,000
Events Fund*	Contribution towards event creation/promotion.	100,000
Facilities Maintenance Fund	Contribution to the ongoing maintenance of Council owned facilities utilised by Community Groups and Sports Clubs.	250,000

Entity	Contribution towards the Specialised Service Provided	Level of Financial Support Per Annum 2015/16 (\$)
Grants continued		
Football for all Weathers	Loan interest and principle repayments.	12,382
Iconic Events Fund*	Contribution towards the holding of iconic events or performances in Invercargill.	100,000
Santa Parade Charitable Trust	Storage of floats for parade.	10,000
Southland Indoor Leisure Centre Charitable Trust	Loan interest for 2015/16 year resulting from the contribution to Stadium Southland rebuild.	106,955
Southland Multicultural Council	Operation of the Southland Multicultural Council.	5,000
Southland Warm Homes Trust	Providing subsidies on Healthy Homes initiatives for citizens.	50,000
Southland Youth One Stop Shop Trust	Contribution towards building rental.	25,000
SPCA	Operation of the Southland SPCA	11,000
Sport Southland	Contribution towards a South City Kiwisport programme and contribution to Sport Southland.	20,000
Winter and Christmas Lights	Maintenance and upgrade of Christmas lights.	20,000

*The purpose of the Events Fund is to provide financial assistance to encourage the holding of significant events or performances in Invercargill. Applicants must meet eligibility criteria and then Council will determine whether a financial contribution will be made. The purpose of the Iconic Events Fund is to provide financial assistance for iconic events or performances in Invercargill that no longer meet the eligibility criteria for the Events Fund, for example, events that have been operating for more than three years. Examples of iconic events are The Buskers' Festival and the Burt Munro Challenge.

Activity	Source of Funding	
	General Rate	Other Sources of Funding
Contributions	✓	✓

FUNDING IMPACT STATEMENT - OTHER GRANTS

Excluding Venture Southland and Southland Regional Heritage Committee

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	2,069	2,119	2,279	2,300
Targeted rates	344	250	256	263
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	149	152
Local authorities fuel tax, fines, infringements fees, and other receipts	0	0	0	0
Total operating funding	2,413	2,369	2,684	2,715
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	2,257	2,241	2,262	6,286
Finance costs	118	115	108	106
Internal charges and overheads applied	0	0	149	152
Other operating funding applications	0	0	0	0
Total applications of operational funding	2,375	2,356	2,519	6,544
Surplus (deficit) of operational funding	38	13	165	(3,829)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(57)	(62)	(66)	3,930
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(57)	(62)	(66)	3,930
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(19)	(49)	99	101
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	(19)	(49)	99	101
Surplus (deficit) of capital funding	(38)	(13)	(165)	3,829
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	9	9	9	9

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
2,697	2,722	2,748	2,772	2,797	2,827	2,857
270	277	285	294	303	313	325
0	0	0	0	0	0	0
0	0	0	0	0	0	0
156	161	169	174	179	185	192
0	0	0	0	0	0	0
3,123	3,160	3,202	3,240	3,279	3,325	3,374
2,311	2,336	2,364	2,394	2,424	2,460	2,498
374	366	353	338	323	307	290
156	161	169	174	179	185	192
0	0	0	0	0	0	0
2,841	2,863	2,886	2,906	2,926	2,952	2,980
282	297	316	334	353	373	394
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(178)	(190)	(203)	(217)	(232)	(248)	(265)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(178)	(190)	(203)	(217)	(232)	(248)	(265)
0	0	0	0	0	0	0
0	29	0	0	0	0	10
0	10	0	0	0	0	0
104	68	113	117	121	125	119
0	0	0	0	0	0	0
104	107	113	117	121	125	129
(282)	(297)	(316)	(334)	(353)	(373)	(394)
0	0	0	0	0	0	0
10	10	10	10	11	11	11

FUNDING IMPACT STATEMENT - SOUTHLAND REGIONAL HERITAGE COMMITTEE

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates	706	721	739	757
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	316	321	326	332
Total operating funding	1,022	1,042	1,065	1,089
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	1,022	1,042	1,065	1,089
Finance costs	0	0	0	0
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,022	1,042	1,065	1,089
Surplus (deficit) of operational funding	0	0	0	0
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	0	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	0	0	0	0
Surplus (deficit) of capital funding	0	0	0	0
FUNDING BALANCE				
Depreciation expense (not included in the above FIS)	0	0	0	0

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
777	799	822	847	874	903	935
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
338	345	352	360	369	378	388
1,115	1,144	1,174	1,207	1,243	1,281	1,323
1,115	1,144	1,174	1,207	1,243	1,281	1,323
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,115	1,144	1,174	1,207	1,243	1,281	1,323
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

community development

WHAT WE DO

The Community Development Activity is responsible for assisting individuals, groups and organisations to identify and develop not-for-profit opportunities and to provide advocacy for community services. This includes the provision of advice and information to assist project development, the administration of funding programmes, the coordination of community based projects and working with youth and other identified sectors.

WHY WE DO IT

Council recognises people as the Community's greatest asset. Communities have had to contend with a decrease in the range and scope of community services at a local level. They have also had to contend with changing demographics and population patterns, changing land-use, changing use of technology and their various impacts on the social fabric and

makeup of communities. Council is committed to helping communities retain and provide quality community services and recreational opportunities. The Community Development Activity takes a proactive role in working with community groups and appropriate agencies to ensure opportunities are developed.

WHAT WE CONTRIBUTE TO THE CITY

Council must consider the current and future needs of communities for good quality public services and the Community Development Activity assists to do this.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A city that is a great place to live and visit.	Provide and promote a range of events that create vibrancy and build community.	The Community Development activity manages and implements the use of the 'friendly' brand.
Strong, innovative leadership.	Invercargill residents across the board are active and engaged citizens.	The Community Development Activity supports the Invercargill Youth Council and its initiatives.
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities.	The Community Development activity administers and promotes funding programmes.

NEGATIVE EFFECT - No significant negative effects have been identified for the Community Development Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Community Development Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A City that is a great place to live and visit.	Provide and promote a range of events that create vibrancy and build community.	The Community Development activity manages and implements the use of the 'friendly' brand.	Council continues to grow the use of the 'friendly' brand.	Number of events, agencies and businesses achieving the use of the 'friendly' brand.
Strong, innovative leadership.	Invercargill residents across the board are active and engaged citizens.	The Community Development Activity supports the Invercargill Youth Council and its initiatives.	Youth Council are enthused to plan and undertake initiatives.	Number of young person's taking part in initiatives.
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities.	The Community Development activity administers and promotes funding programmes	Invercargill Active Communities and Creative Communities Invercargill funding programmes increase participation in sport, physical recreation, arts and cultural activities.	Number of residents participating in programmes funded by the two funding programmes.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
New measure	Number of events, agencies and businesses achieving the use of the 'friendly' brand.	Increasing number.	Increasing number.	Increasing number.	Increasing number.
New measure	Number of young person's taking part in initiatives.	Increasing number.	Increasing number.	Increasing number.	Increasing number.
New measure	Number of residents participating in programmes funded by the two funding programmes.	Increasing number.	Increasing number.	Increasing number.	Increasing number.

WHAT'S AHEAD

It is impossible to predict future demand for the Community Development Activity because it is generally driven by changes beyond Council's control, such as decisions made by Central Government. There has been a reduction in the number of

volunteers over recent years and it is anticipated this will continue. As Invercargill becomes more multi-cultural this may create an additional demand for this activity.

Activity	Source of Funding	
	General Rate	Other Sources of Funding
Operations	✓	✓

FUNDING IMPACT STATEMENT - COMMUNITY DEVELOPMENT

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	246	292	300	335
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	2	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	3	2	2	2
Total operating funding	251	294	302	337
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	241	284	293	300
Finance costs	7	7	6	6
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	248	291	299	306
Surplus (deficit) of operational funding	3	3	3	31
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(3)	(3)	(3)	(3)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(3)	(3)	(3)	(3)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	21
Increase (decrease) in reserves	0	0	0	7
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	0	0	0	28
Surplus (deficit) of capital funding	(3)	(3)	(3)	(31)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	7

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
320	328	335	350	359	369	380
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3	3	3	3	3	3	3
323	331	338	353	362	372	383
308	317	326	336	346	358	370
6	6	6	6	6	5	5
0	0	0	0	0	0	0
0	0	0	0	0	0	0
314	323	332	342	352	363	375
9	8	6	11	10	9	8
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(4)	(4)	(4)	(4)	(5)	(5)	(5)
0	0	0	7	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(4)	(4)	(4)	3	(5)	(5)	(5)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	23	0	0	0
5	4	2	(9)	5	4	3
0	0	0	0	0	0	0
5	4	2	14	5	4	3
(9)	(8)	(6)	(11)	(10)	(9)	(8)
0	0	0	0	0	0	0
5	4	2	7	5	4	3

housing care services

WHAT WE DO

The Housing Care Service provides adequate affordable housing for citizens who meet Council's entry criteria. Council owns 21 complexes providing 215 units in Invercargill and Bluff. The Housing Care Service has always been self funding, with income derived solely from rents, with no draw on rates.

The principal objectives for the Housing Care Services Activity are:

- To provide affordable housing to those with limited financial resources.
- To maintain properties at current standards.

WHY WE DO IT

The Invercargill City Council is involved in providing housing for elderly people with limited financial resources and for whom the general housing market presents problems in terms of affordability and manageability.

WHAT WE CONTRIBUTE TO THE CITY

The Housing Care Service activity provides for the current and future needs of the Community by providing buildings and grounds that are well maintained and tenancies that are well managed.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A City that is a great place to live and visit.	Ensure that all projects/services consider how best they can cater for people with disabilities, the elderly, youth and families.	Housing Care Service provides low cost, quality accommodation to pensioners, the disabled and those on low/fixed incomes.

NEGATIVE EFFECT - No significant negative effects have been identified for the Housing Care Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Housing Care Services Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A City that is a great place to live and visit.	Ensure that all projects/services consider how best they can cater for people with disabilities, the elderly, youth and families.	The provision of low cost, quality accommodation to pensioners, the disabled and those on low/fixed incomes who meet the entry criteria.	Affordable accommodation is provided.	Rental does not exceed 30% of the gross superannuation benefit.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
Current maximum 23.2%.	Rental does not exceed 30% of the gross superannuation benefit.	<30%	<30%	<30%	<30%

WHAT ASSETS WE OWN

Complex	Number of Units	Decade of Construction
Aiden Place, 132 Princes Street	8	1980
Anzac Court, 9 Tone Street, Bluff	5	1990
Cairnsmore Flats, 160 Leet Street	12	1980
Clarendon Court, 60 Stirrat Street	14	1980
Elston Lea Village, 50 Murphy Street	41	1950
Jim Brass Place, 163 Crinan Street	4	1990
Kelly Court, 210 Crinan Street	7	1970
Kinross Flats, 30 Henderson Street, Bluff	6	1980
Korimako Court, 12 Waverley Street	10	1970
Laurell Court, 2 Maltby Street	8	1970
15-21 Miller Street	4	1950
Nevill Place, 26 Selwyn Street	16	1970
Aurora Place, 15-29 Janet Street	8	1950
Niven Place, 104 Earn Street	7	1970
Otarewa Village, 90 Conon Street	22	1990
Pateke Place, 459 Yarrow Street	8	1970
Powell Court, 295 Pomona Street	6	1980
Stirling Flats, Gregory Street, Bluff	6	1980
Strathpine Flats, 246 Ettrick Street	7	1970
Thorndale Flats, 3 Lithgow Street	6	1980
Willow Park, 64 Adamson Crescent	10	1980

WHAT'S AHEAD

As the Housing Care complexes age the maintenance and refurbishing costs increase. Tenants' expectations are also increasing. Council requires this Activity to be self-funding. These expectations are in conflict with one another. Rental income is

currently meeting all administration, maintenance and depreciation costs. However should occupancy trends change, consideration will need to be given to the future levels of service provided.

Activity	Source of Funding
	Fees and Charges
Operations	✓

FUNDING IMPACT STATEMENT - HOUSING CARE SERVICES

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	19	0	0	0
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	995	1,000	1,025	1,050
Internal charges and overheads recovered	760	775	794	814
Local authorities fuel tax, fines, infringements fees, and other receipts	16	0	0	0
Total operating funding	1,790	1,775	1,819	1,864
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	839	659	675	692
Finance costs	20	23	32	41
Internal charges and overheads applied	760	775	794	814
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,619	1,457	1,501	1,547
Surplus (deficit) of operational funding	171	318	318	317
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	52	194	191	188
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	52	194	191	188
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	28	28	19	19
- to replace existing assets	255	458	342	545
Increase (decrease) in reserves	(60)	26	148	(59)
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	223	512	509	505
Surplus (deficit) of capital funding	(171)	(318)	(318)	(317)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	294	292	299	306

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,078	1,108	1,140	1,174	1,212	1,252	1,297
836	859	883	910	939	971	1,005
0	0	0	0	0	0	0
1,914	1,967	2,023	2,084	2,151	2,223	2,302
711	731	753	774	799	825	855
52	49	45	43	42	40	38
836	859	883	910	939	971	1,005
0	0	0	0	0	0	0
1,599	1,639	1,681	1,727	1,780	1,836	1,898
315	328	342	357	371	387	404
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(86)	(72)	(22)	(24)	(26)	(27)	(29)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(86)	(72)	(22)	(24)	(26)	(27)	(29)
0	0	0	0	0	0	0
20	20	21	22	22	23	24
153	338	308	122	82	134	820
56	(102)	(9)	189	241	203	(470)
0	0	0	0	0	0	0
229	256	320	333	345	360	374
(315)	(328)	(342)	(357)	(371)	(387)	(404)
0	0	0	0	0	0	0
314	323	332	342	353	365	378

libraries & archives

WHAT WE DO

Invercargill City Council operates two libraries, a central library in the Central Business District, and a small branch library in Bluff. The central library is open seven days per week and the Bluff library is open six days per week.

Free membership is now extended to all members of the Southlib Consortia (Invercargill and Dunedin Cities, Clutha, Gore, Waitaki, Queenstown Lakes, Southland and Central Otago District Councils).

In an average day, Invercargill City Libraries presently:

- Has 1,550 visits to libraries and 250 visits to the website.
- Lends 1,700 items to customers.
- Answers 300 questions.

- Has 88 people participating in events and information skill programmes.
- Has 25 visits to electronic databases.

WHY WE DO IT

Libraries develop an informed community whose members are literate and inspired. Libraries are provided as a resource for education, recreation, culture, and the well-being of the Community.

Libraries support the learning and recreational needs of residents, while library buildings, collections and events also contribute to building a strong community identity.

WHAT WE CONTRIBUTE TO THE CITY

Council undertakes the Libraries and Archives Activity to promote the current and future needs of the Community. Services are used for recreation, research and business activities. The facilities contain material relating to the district and associated

research facilities. The Libraries and Archives facilities offer the Community an extensive collection of materials for loan and research as well as access to technology.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communication and workforce.	The Library supports lifelong learning, digital literacy and reading across all ages and abilities. This ensures that we have an informed community and workforce.
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe, indoor and outdoor recreational facilities, both natural and man-made.	The Library provides two libraries, the Central Library and the branch library in Bluff. These libraries provide safe public space for the Community to use.
Strong, innovative leadership.	Actively seek efficiencies through innovation, shared services and streamlining processes.	The Libraries and Archives Activity is involved in Shared Services with the Clutha, Gore and Southland District Council's through membership in the Southlib (regional library management software) consortia.

NEGATIVE EFFECT - There are no significant negative effects identified for the Libraries and Archives Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Libraries and Archives Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communications and workforce.	The Libraries and Archives Activity supports lifelong learning, digital literacy and reading across all ages and abilities. This ensures that we have an informed community and workforce.	Library stock is of good quality, quantity and variety.	Number of issues per year. Level of reference enquiries.
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe, indoor and outdoor recreational facilities, both natural and man-made.	The Libraries and Archives Activity provides two libraries, the Central Library and the branch library in Bluff. These libraries provide safe public space for the Community to use.	Services offer a good experience for all users.	Number of visits per year.
Strong, innovative leadership.	Actively seek efficiencies through innovation, shared services and streamlining processes.	The Libraries and Archives Activity is involved in Shared Services with the Clutha, Gore and Southland District Councils through membership in the Southlib (regional library management software) consortia.	Libraries are accessible and available to the wider Community.	Membership as a percentage of total population.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
601,506	Number of issues per year.	665,000	665,000	665,000	665,000
92,374	Level of reference enquiries.	85,000	85,000	85,000	85,000
531,204	Number of visits per year.	530,000	530,000	530,000	530,000
75%	Membership as a percentage of total population.	65-75%	65-75%	65-75%	65-75%

WHAT ASSETS WE OWN

The Invercargill central library was opened in 1989. It is two storied with a central public atrium which gives access through the building from Dee Street to the parking building on Leven Street. There are separate areas for children, adults, reference and technical sections.

The Archives building was purchased by the Invercargill City Council in 2005. It has two storeys with a small mezzanine floor at the street frontage. The building was redeveloped at a cost of \$2.4 million and opened on 18 March 2008. The Dee Street frontage has been developed into a Community Base office for the New Zealand Police. An Exeloo toilet

has also been installed on the street frontage which is open 24 hours per day.

Bluff Library is located in the Bluff Service Centre.

WHAT'S AHEAD

Over the past three years many changes have affected the roles of librarians and other professionals in public libraries. Libraries have a need for new kinds of expertise; especially with the introduction of new technologies and the need for marketing of services. There is a need to retrain staff to keep pace with technological change.

PLANNED WORKS PROJECTS

Project	2015/16 \$000	2016/2017 \$000	2017/2018 \$000
Library External Repaint	100		
Auto Door Renewal		200	
Lift and Escalators		379	
Book Security Refit		137	

Activity	Source of Funding		
	User Charges / Fees	Uniform Charge	Loans / Reserves
Maintenance and Operations	✓	✓	
Renewals	✓	✓	✓
Capital for Improvement	✓	✓	✓

FUNDING IMPACT STATEMENT - LIBRARIES AND ARCHIVES

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	33	0	0	0
Targeted rates	3,702	3,913	3,995	4,167
Subsidies and grants for operating purposes	11	5	5	5
Fees and charges	156	148	151	155
Internal charges and overheads recovered	584	711	733	822
Local authorities fuel tax, fines, infringements fees, and other receipts	45	29	29	30
Total operating funding	4,531	4,806	4,913	5,179
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	3,200	3,287	3,348	3,434
Finance costs	118	171	159	199
Internal charges and overheads applied	584	711	733	822
Other operating funding applications	0	0	0	0
Total applications of operational funding	3,902	4,169	4,240	4,455
Surplus (deficit) of operational funding	629	636	673	724
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	725	(122)	620	(158)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	725	(122)	620	(158)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	370	50	17	50
- to replace existing assets	915	562	1,207	485
Increase (decrease) in reserves	69	(98)	69	31
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	1,354	514	1,293	566
Surplus (deficit) of capital funding	(629)	(636)	(673)	(724)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	1,316	1,162	1,305	1,124

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
4,280	4,398	4,523	4,661	4,810	4,980	5,156
5	5	5	5	5	6	6
159	163	168	173	179	185	191
848	872	897	924	954	994	1,030
31	32	33	34	35	36	37
5,323	5,470	5,626	5,797	5,983	6,201	6,420
3,522	3,620	3,723	3,836	3,959	4,092	4,236
204	199	187	174	159	144	128
848	872	897	924	954	994	1,030
0	0	0	0	0	0	0
4,574	4,691	4,807	4,934	5,072	5,230	5,394
749	779	819	863	911	971	1,026
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(164)	(175)	(187)	(200)	(214)	(228)	(244)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(164)	(175)	(187)	(200)	(214)	(228)	(244)
0	0	0	0	0	0	0
14	52	0	0	0	0	89
498	512	526	542	859	579	1,143
73	40	106	121	(162)	164	(450)
0	0	0	0	0	0	0
585	604	632	663	697	743	782
(749)	(779)	(819)	(863)	(911)	(971)	(1,026)
0	0	0	0	0	0	0
1,261	1,420	1,228	1,383	1,565	1,358	1,537

parks & reserves

including cemeteries & crematorium

WHAT WE DO

The Parks and Reserves Activity manages Council's parks and cemeteries on behalf of the Community, providing assets and services to the wider Invercargill community and visitors. Council provides and maintains public spaces, facilities and amenities for outdoor sports, recreation, beautification projects, and cemeteries for burial and cremation to meet the needs of the Invercargill people.

Invercargill has 161 parks comprising a total land area of 3,337 hectares.

WHAT WE CONTRIBUTE TO THE CITY

Open spaces of the City play an important role in guiding the City to a sustainable future. The City's cultural, social, economical and environmental values are greatly influenced by its open space network. Open space assets are planned, designed, developed and managed in a way to ensure the sustainability of the values of the City. As the places where the community can come together, relax, do physical activities and enjoy, the open spaces of a city are important to its community.

WHY WE DO IT

The purpose of parks and cemetery assets is to provide settings and venues for recreation and leisure activities in the city along with providing for burials and crematorium services. These facilities are fundamental in their contribution to the continued health and well-being of the Community. Trees and open space also enhance the amenity of the city which make it a pleasant place to live and attractive to visitors.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyle in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.	Parks and Reserves provide facilities and opportunities for passive recreation and activities.
	Provide and promote access to open spaces, including green spaces and the coast.	
A City that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit.	Parks and Reserves enhance the aesthetic value of the city.
		Parks and Reserves assist in protecting Invercargill's environment, history and heritage.

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Negative Effect

Environmental

- Herbicide and pesticide spray drift or run off into neighbouring properties or water.
- Petrol and diesel spills or leakages from tanks located on reserves.
- Unmaintained areas can cause plant and animal pest infestation, stormwater runoff problems and erosion.
- Restricted new and present cemetery space.

Social

- Organised users (sports) restrict full public access.
- Safety of park and playground users.
- Reserve users causing nuisance (eg noise, vandalism, dog behaviour, etc).

Cultural

- Causing offence to different cultures and stakeholders through inappropriate design of facilities, developments or actions by staff or contractors.

The Parks and Reserves Activity is managed to ensure that it does not create significant negative effects on the Community.

Response

Council maintains a monitoring system to ensure that the potential for negative effects from parks and cemeteries is kept to a minimum. Council mitigates these potential negative effects by ensuring:

- All buildings and structures owned and managed by Council on reserves comply with the Building Act and related standards. All buildings requiring a warrant of fitness hold a current certificate and are maintained in accordance with the warrant.
- Parks playgrounds, buildings and structures are audited on a scheduled basis and maintenance contracts include regular monitoring of park facilities and vegetation for safety issues.
- Signage and policies to enforce control over nuisances (dogs, smoke free).
- Requiring booking forms to be returned to the Parks Division for organised use of parks.
- Regular review of plans, policies and strategies including public consultation.
- Work with organisations and clubs to provide open spaces for activities.
- Health and Safety legislation is enforced.
- General issues identified and recorded in the parks register for that purpose.
- Cemetery attendants are aware of cultural and social issues, and park developments are planned and designed with this in mind.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Parks and Reserves Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A City that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit.	Parks and reserves enhance the aesthetic value of the City	Queens Park is recognised nationally as a significant municipal garden.	Queens Park is accredited as a "Garden of National Significance".
		Parks and Reserves assist in protecting Invercargill's environment, history and heritage.	Burial records are available to the general public.	Burial records, photos and inscriptions are available on Council's website.
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational and facilities, both natural and man-made.	Parks and reserves provide facilities and opportunities for sport, recreation and leisure activities.	A diverse range of parks and reserves are available and accessible.	Percentage of urban residents within 500 metres of a park or reserve.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
Accreditation retained.	Queens Park is accredited as a "Garden of National Significance".	Accreditation retained	Accreditation retained	Accreditation retained	Accreditation retained
96%	Percentage of urban residents within 500 metres of a park or reserve.	100%	100%	100%	100%
100%	Burial records are available on Council's Website.	100%	100%	100%	100%

WHAT ASSETS WE OWN

Description	Number	Area (ha)	Description
Amenity Parks	17	49.57	Cover a wide range of land types, from developed areas with mown grass, gardens and/or trees through to undeveloped "natural" green areas. They provide a wide range of functions, from open space that adds to the quality of the visual landscape through to areas used actively for picnics, walking and biking.
Environmental Reserves	24	1873.16	Generally areas of land with high natural values that may provide passive recreation.
Linkage Reserves	27	59.17	Cover a wide range of sites, from developed parks with mown grass and trees through to undeveloped green areas. They are usually linear in shape and provide an important role in meeting sustainability objectives through protection and enhancement of biodiversity, often in the urban environment. They include walkway / transport linkages and/or corridors between communities and open spaces.
Neighbourhood Parks	59	18.30	Developed urban parks designed for use by the local residential community. Includes informal recreation, play and amenity space.
Outdoor Adventure Parks	3	994.10	Recreation activities and built facilities, requiring a large scale environment, usually located on the outskirts or urban areas. They vary widely from farm parks, pine forests, native bush and river and coastal areas.
Premier Parks	4	69.99	Recognised as parks of particular significance to the City. These parks will generally be developed and maintained to a high standard with intensive development of facilities to attract and cater for a high level of usage.

Description	Number	Area (ha)	Description
Sports Fields Reserves	20	141.54	Primarily designed and used for active sport and recreation with one geographical area and primarily of a traditional team nature. May also provide for a range of community activities and facilities.
Special Purpose	11	32.87	Provide open space and recreation value. Have specific use and generally limited public access.
Civic Space	4	0.65	Social and community open space and events.
Cultural Heritage	7	58.92	Protection of built cultural and historical environment to provide for commemoration, mourning and remembrance (ie cemeteries/ crematorium).
Undeveloped Parks	8	37.33	Areas of undeveloped land.
Non Council Owned Reserves	5	1.57	3
Total Category Spaces	189	3337.18	3

There are one or more reserves that are made up of one or more categories, hence why the total number is higher than the actual number of 161. This may only be part of the reserve labelled as this particular category.

WHAT'S AHEAD

Changing Trends in the use of Parks

Increases in informal recreation such as walking, cycling and jogging have replaced demand for more formal sports facilities. This has meant that sports fields needs are well catered for with surplus capacity. It has also resulted in Council increasing the use of Environmental Reserves for walking and cycling where sustainable and investigating projects like the Invercargill to Bluff walking / cycling track.

With our ageing population, use of our Premier Parks is expected to remain high and increased demand for strategically placed seating, toilets and parking facilities is anticipated.

Council will continue to review and, if necessary, rationalise the assets that are being provided to the Community. There is a trend for cities to look

towards a more regional approach to the supply of recreational facilities and this is an option for Invercargill City.

Invercargill City has a large and well-distributed parks network. Over time, 81 playgrounds have been established to provide play opportunities for the young residents and families visiting Invercargill. Providing play opportunities is important in creating healthy lifestyles and giving opportunities for children and caregivers to enjoy Invercargill's public spaces.

Some parts of the City have relatively low provision of playgrounds in the local neighbourhood, while other parts of the city have a large number of playgrounds. There are opportunities to provide excellent play areas in a more effective and efficient manner.

Council intends to provide better play equipment in areas of need and rationalise the number of playgrounds where a number of playgrounds are close together. Council adopted its Playground Strategy in 2014. It recommends the construction of 2 new playgrounds and the upgrade of 56 others.

25 playgrounds are intended to be disestablished over the next 20 years. Disestablishment will involve removing the playground equipment from the park. Although the playground equipment will be removed, the park will be maintained as green space for recreation.

PLANNED WORKS PROJECTS

The Parks and Reserves Activity has a comprehensive Asset Management Plan which is the key to ensuring that capital funding and existing assets are used as

efficiently and effectively as possible. Capital works for the next three years having a value exceeding \$70,000 per annum are:

Project	2015/16 \$000	2016/17 \$000	2017/18 \$000
CBD New Play Equipment	300	-	-
Winter Gardens	-	70	80
New Play Equipment	141	140	142
Plant and Equipment	101	101	101
Surrey Park Grandstand	-	250	250
Queens Park Specialist Displays	90	90	90
Anderson Park House	100	-	-

Activity	Source of Funding		
	User Charges / Fees	Targeted Rate	Loans / Reserves
Maintenance and Operations	✓	✓	
Renewals	✓	✓	✓
Capital for Improvement	✓	✓	✓

FUNDING IMPACT STATEMENT - PARKS AND RESERVES

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	69	0	0	0
Targeted rates	5,586	5,575	6,025	6,163
Subsidies and grants for operating purposes	15	10	9	10
Fees and charges	1,002	1,008	1,058	1,085
Internal charges and overheads recovered	7,438	7,630	7,817	8,015
Local authorities fuel tax, fines, infringements fees, and other receipts	1,181	829	904	927
Total operating funding	15,291	15,052	15,813	16,200
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	6,620	6,639	6,814	6,990
Finance costs	45	41	35	31
Internal charges and overheads applied	7,438	7,630	7,817	8,015
Other operating funding applications	0	0	0	0
Total applications of operational funding	14,103	14,310	14,666	15,036
Surplus (deficit) of operational funding	1,188	742	1,147	1,164
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(39)	(74)	(79)	(84)
Gross proceeds from sale of assets	25	50	51	53
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(14)	(24)	(28)	(31)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	171	0	0	0
- to improve the level of service	140	0	0	0
- to replace existing assets	1,213	1,447	1,307	1,483
Increase (decrease) in reserves	(350)	(729)	(188)	(350)
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	1,174	718	1,119	1,133
Surplus (deficit) of capital funding	(1,188)	(742)	(1,147)	(1,164)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	773	735	757	774

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
6,182	6,270	6,588	6,478	6,711	7,121	7,284
10	10	10	11	11	11	12
1,113	1,144	1,177	1,213	1,252	1,294	1,339
8,224	8,450	8,696	8,960	9,246	9,556	9,894
951	977	1,006	1,036	1,069	1,105	1,144
16,480	16,851	17,477	17,698	18,289	19,087	19,673
7,175	7,374	7,590	7,824	8,077	8,347	8,641
28	23	21	19	17	15	13
8,224	8,450	8,696	8,960	9,246	9,556	9,894
0	0	0	0	0	0	0
15,427	15,847	16,307	16,803	17,340	17,918	18,548
1,053	1,004	1,170	895	949	1,169	1,125
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(89)	(46)	(26)	(28)	(30)	(32)	(34)
54	55	57	59	61	63	65
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(35)	9	31	31	31	31	31
75	78	0	0	0	0	0
0	55	0	0	0	0	65
1,301	1,094	1,958	1,567	1,347	1,333	1,446
(358)	(214)	(757)	(641)	(367)	(133)	(355)
0	0	0	0	0	0	0
1,018	1,013	1,201	926	980	1,200	1,156
(1,053)	(1,004)	(1,170)	(895)	(949)	(1,169)	(1,125)
0	0	0	0	0	0	0
798	824	846	875	908	936	974

passenger transport

WHAT WE DO

Invercargill City Council contracts for a bus service within the Invercargill urban area, and provides a discounted travel taxi voucher system (Total Mobility Scheme) for people with disabilities in the Invercargill District. The Gore and Southland District Councils contract Council to administer the Total Mobility Scheme for their Districts.

The activity provides an affordable, integrated, innovative, safe, responsive and sustainable transport system.

WHY WE DO IT

Council undertakes the Passenger Transport Activity on behalf of Environment Southland to ensure that residents in the Invercargill urban area have access to a bus service.

The Total Mobility Scheme provides subsidised transport for people who are unable to use the bus service because of a physical or mental impairment or medical condition.

WHAT WE CONTRIBUTE TO THE CITY

Council undertakes the Passenger Transport Activity to promote the current and future needs of the Community. Having access to a public transport system allows people who do not have a motor vehicle to be able to access the City Centre with ease as well as travel across the City. For those people whose physical or mental impairment means they are unable to catch the bus, the Council operates the Total Mobility Scheme. The provision of wheelchair hoists for taxis is also made to assist those physically unable to use super low floor buses.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communication and workforce.	Passenger Transport ensures that a quality public transport service is available, accessible and affordable for people to travel to work and education centres.
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe, indoor and outdoor recreational facilities, both natural and man-made.	Passenger Transport ensures that a quality public transport service is available, accessible and affordable for people to travel to recreational facilities.
A City that is a great place to live and visit.	Ensure that all projects/services consider how best they can cater for people with disabilities, the elderly, youth and families.	Passenger Transport provides the Total Mobility Service that provides subsidised transport for people who are unable to use the bus service due to physical or mental impairment or condition.

NEGATIVE EFFECT - No significant negative effects have been identified for the Passenger Transport Activity.

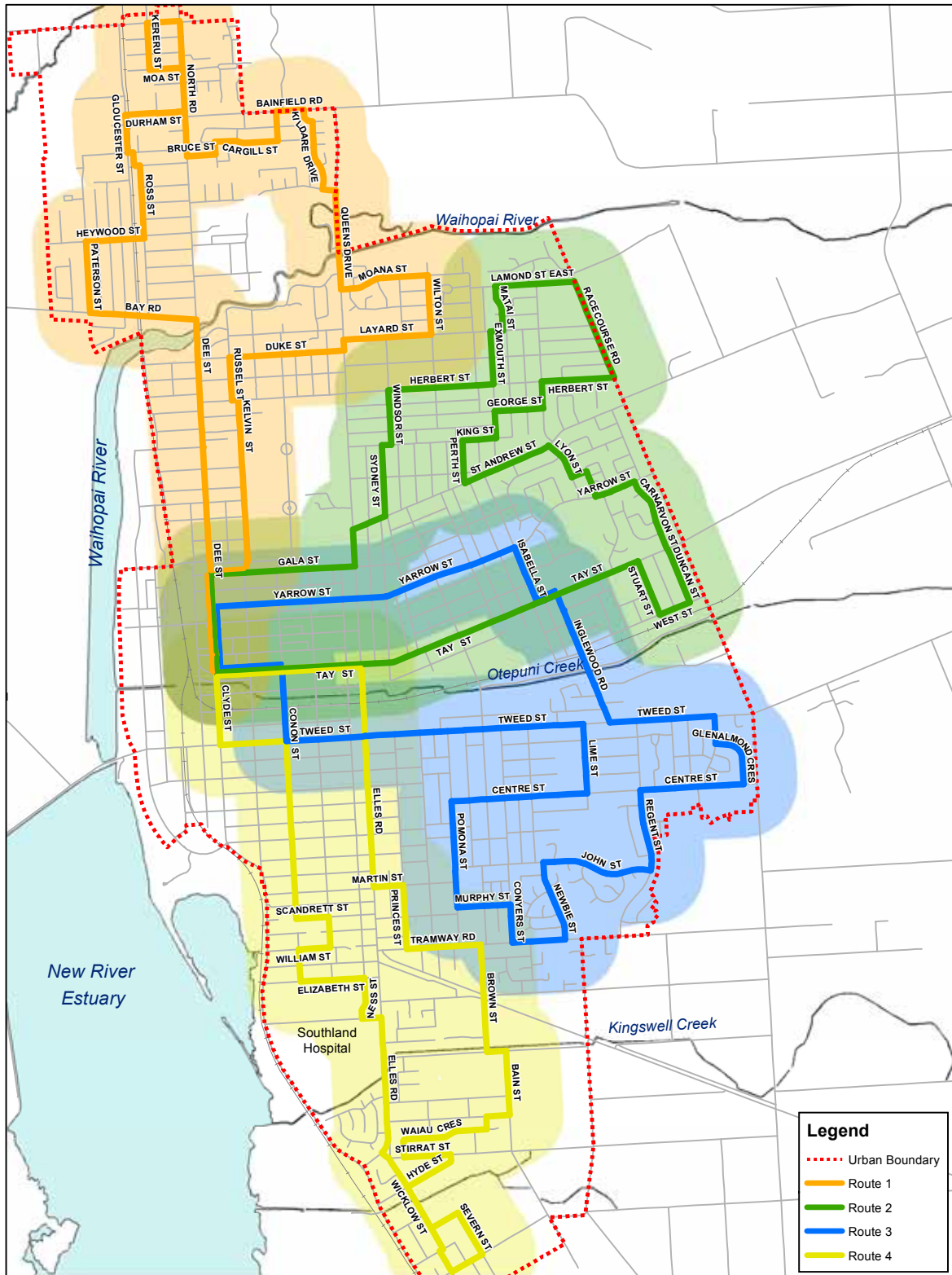
WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Passenger Transport Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A diverse and growing economy.	Ensure that the building blocks for sustainable business are in place, including energy, water, communications and workforce.	Passenger Transport ensures that a quality public transport service is available, accessible and affordable for people to travel to work and education centres.	Bus routes are convenient.	Homes in the Invercargill urban area are within 400 metres of a serviced bus route.
Healthy lifestyle in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe, indoor and outdoor recreational facilities, both natural and man-made.	Passenger Transport ensures that a quality public transport service is available, accessible and affordable for people to travel to recreational facilities.	The bus service is well utilised.	Farebox recovery percentage.
A City that is a great place to live and visit.	Ensure that all projects/ services consider how best they can cater for people with disabilities, the elderly, youth and families.	Passenger Transport provides the Total Mobility Service that provides subsidised transport for people who are unable to use the bus service due to physical or mental impairment or condition.	Passenger Transport services are provided for all members of the Community.	All members of the Community have the opportunity to use public transport.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
90%	Homes in the Invercargill urban area are within 400 metres of a serviced bus route.	90%	90%	90%	90%
34%	Farebox recovery percentage.	35%	36%	37%	38%
Total Mobility Scheme is administered	All members of the Community have the opportunity to use the public transport.	Total Mobility Scheme is administered.	Total Mobility Scheme is administered.	Total Mobility Scheme is administered.	Total Mobility Scheme is administered.

The map below identifies areas within 400 metres of the four circular bus routes within the Invercargill urban area.



Date Printed: 3/5/2012

**Bus Routes
with 400metre Buffer
(May 2012)**

Information shown is the currently assumed knowledge as at date printed. If information is vital, confirm with the Authoritative Owner, E.A.O.E.

WHAT'S AHEAD

The main Bus Smart Central Terminus area outside Reading Cinema on Dee Street does not provide protective shelter from the wind and inclement weather for waiting passengers. A new bus shelter is proposed for the 2017/18 year to provide better protection from the weather and more comfortable seating for waiting passengers.

A review of the peak services timetable will be undertaken in 2015 to provide a more 'worker friendly' solution for bus users and the Community.

A review of the existing school services will be undertaken with an anticipated solution in 2016.

Currently, the contracted bus service does not provide access for every secondary school student to every secondary school in Invercargill.

Invercargill is part of a nationwide Regional Electronic Ticketing Project for Passenger Transport. Over the next two years the electronic ticketing systems will be updated. This will impact on Council's renewal budget with less being spent on shelters and timetables over the 2015-18 period.

Renewal of bus shelters will be ongoing throughout the period of this plan.

Activity	Source of Funding		
	User Charges / Fees	General Rate	Other Funding Sources
Maintenance and Operations	✓	✓	✓

FUNDING IMPACT STATEMENT - PASSENGER TRANSPORT

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15	2015/16	2016/17	2017/18
	\$'000	\$'000	\$'000	\$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	140	186	190	195
Targeted rates	602	572	576	622
Subsidies and grants for operating purposes	1,029	1,079	1,120	1,172
Fees and charges	297	308	315	323
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	47	48	49	50
Total operating funding	2,115	2,193	2,250	2,362
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	1,972	2,169	2,013	2,048
Finance costs	0	0	0	0
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,972	2,169	2,013	2,048
Surplus (deficit) of operational funding	143	24	237	314
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	0	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	212	289
- to replace existing assets	143	24	25	25
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	143	24	237	314
Surplus (deficit) of capital funding	(143)	(24)	(237)	(314)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	0	33	34	35

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
200	205	211	218	225	232	241
594	605	629	654	682	704	729
1,135	1,148	1,176	1,205	1,237	1,279	1,324
332	341	351	362	373	386	399
0	0	0	0	0	0	0
52	53	55	56	58	60	62
2,313	2,352	2,422	2,495	2,575	2,661	2,755
2,120	2,175	2,241	2,308	2,382	2,462	2,549
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,120	2,175	2,241	2,308	2,382	2,462	2,549
193	177	181	187	193	199	206
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
167	150	154	0	0	0	0
26	27	27	187	193	199	206
0	0	0	0	0	0	0
0	0	0	0	0	0	0
193	177	181	187	193	199	206
(193)	(177)	(181)	(187)	(193)	(199)	(206)
0	0	0	0	0	0	0
36	37	38	39	40	42	43

pools

WHAT WE DO

Invercargill City Council provides aquatic facilities at the Southland Aquatic Centre for the health, well-being and enjoyment of the Community, and also so that people can learn to swim and learn water safety. These facilities enable a range of water sports appropriate to the population to be practised and enjoyed, and also attract events to the City.

The Southland Aquatic Centre's trading name is Splash Palace. Opened in 1997, Splash Palace is one of New Zealand's premier aquatic sport and leisure centres with an average of 325,000 admissions recorded annually. The facilities offered at Splash Palace include:

- 50 metre main pool
- Leisure pool
- Swirl pool
- Tots' pool
- Learners' pool
- Steam room
- Waterslide
- Diving facilities
- Meeting rooms
- Café.

WHY WE DO IT

The provision of public swimming pools is seen as being important to the health and well-being of the Community.

Invercargill City Council provides public swimming pools because it is unlikely that any private organisation would be able to provide such facilities for community access.

The situation in Invercargill is unique. Unlike other centres, all Invercargill schools, primary and secondary, use the Southland Aquatic Centre for the purpose of teaching swimming and water safety.

The primary goal of the Pools Activity is to provide quality and affordable aquatic health and fitness, education, sport and leisure services for the Community.

WHAT WE CONTRIBUTE TO THE CITY

Part of the Invercargill Community's culture is enjoying easy access to the sea and rivers for recreation as well as employment. The Pools Activity enables the Community to develop water confidence, swimming skills and partake in water-oriented leisure and water safety activities in a controlled, supervised

environment. The Pools Activity also promotes a healthy lifestyle by offering a range of recreational and health-related activities. It provides facilities for all people, regardless of age or physical abilities, in a safe, clean environment.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.	The Pools Activity provides a safe, fun environment where people can enjoy a diverse range of sport, recreation and leisure opportunities.
A City that is a great place to live and visit.	Ensure that all projects/services consider how best they can cater for people with disabilities, the elderly, youth and families.	The Pools Activity offers a range of learn-to-swim, fitness and other water-based learning activities that cater for all members of the Community.
	Promote Invercargill actively as a great place to live, work, play and visit.	The Pools Activity provides the only 50 metre swimming pool in the Southland Region.
	Promote and provide a range of events that create vibrancy and build Community.	The Pools Activity offers a high quality facility in which tournaments and championships are hosted.
Strong, innovative leadership.	Develop and nurture partnerships with key stakeholders.	The Pools Activity works together with the Invercargill Licensing Trust and the ILT Foundation in providing free Learn to Swim programmes.

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Negative Effect

- Risk of drowning or injury by those using the facility.

Response

- All lifeguards hold a current lifeguard award, a current first aid certificate and are trained in emergency management. All other staff hold a current first aid certificate and are trained in emergency management.
- Splash Palace continuing to be a certified 'Poolsafe' facility. The Poolsafe scheme is supported by ACC and is an independent assessment of public pools to ensure that their operations and facilities are safe.

The Pools Activity is managed to ensure that it does not create significant negative effects on the Community.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide a clean and hygienic facility that has affordable admission charges.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.	The Pools Activity provides a safe, fun environment where people can enjoy a diverse range of sport, recreation and leisure opportunities.	Splash Palace is safe for users.	All water quality standards are within normal limits.
A City that is a great place to live and visit.	Ensure that all projects/ services consider how best they can cater for people with disabilities, the elderly, youth and families.	The Pools Activity offers a range of learn-to-swim, fitness and other water-based learning activities that cater for all members of the Community.	Splash Palace is affordable and well utilised.	Number of visits to Splash Palace per head of Invercargill population.
	Promote Invercargill actively as a great place to live, work, play and visit.	The Pools Activity provides the only 50 metre swimming pool in the Southland Region.		
	Promote and provide a range of events that create vibrancy and build Community.	The Pools Activity offers a high quality facility in which tournaments and championships are hosted.		
Strong, innovative leadership.	Develop and nurture partnerships with key stakeholders.	The Pools Activity works together with the Invercargill Licensing Trust and the ILT Foundation in providing free Learn to Swim programmes.	Splash Palace provides accessible, quality learning opportunities.	Percentage of Swim School customers who rate their experience as good or very good when surveyed.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
99%	All water quality standards are within limits set in NZS 5876:2010.	100%	100%	100%	100%
7.5	Number of visits to Splash Palace per head of Invercargill population.	At least 6	At least 6	At least 6	At least 6
90%	Percentage of Swim School customers who rate their experience as good or very good when surveyed.	80%	80%	80%	80%

WHAT ASSETS WE OWN

Major Asset Category	Address
Southland Aquatic Centre	58 Elles Road

WHAT'S AHEAD

While Splash Palace pool facilities are considered to be adequate in size for the population for the next ten years, there are some time slots that are becoming congested. Changing population trends will necessitate changes to programmes and services and some additional capital expenditure. The following demand management initiatives are planned within the next ten years:

- Addition of extra changing rooms.
- Addition of a fitness centre.
- Continue to monitor the use of water space at peak times ensuring efficient use of the pools by sporting clubs and groups and ensuring adequate space is available for members and casual pool users.

PLANNED WORKS PROJECTS

Project	2015/16 \$000	2016/17 \$000	2017/18 \$000
Proposed Gymnasium addition and offices	2,140		

Activity	Source of Funding		
	User Charges / Fees	General Rate	Other Funding Sources
Maintenance and Operations	✓	✓	
Renewals	✓	✓	✓
Capital for Improvement	✓		✓

FUNDING IMPACT STATEMENT - POOLS

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	25	0	0	0
Targeted rates	1,654	1,974	2,091	1,949
Subsidies and grants for operating purposes	140	126	129	132
Fees and charges	686	789	1,224	1,265
Internal charges and overheads recovered	1,299	1,636	1,799	1,841
Local authorities fuel tax, fines, infringements fees, and other receipts	718	784	803	823
Total operating funding	4,522	5,309	6,046	6,010
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	2,811	3,262	3,495	3,594
Finance costs	70	187	298	291
Internal charges and overheads applied	1,299	1,636	1,799	1,841
Other operating funding applications	0	0	0	0
Total applications of operational funding	4,180	5,085	5,592	5,726
Surplus (deficit) of operational funding	342	224	454	284
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(88)	1,843	(188)	(89)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(88)	1,843	(188)	(89)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	268	2,140	0	0
- to replace existing assets	20	20	264	123
Increase (decrease) in reserves	(34)	(93)	2	72
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	254	2,067	266	195
Surplus (deficit) of capital funding	(342)	(224)	(454)	(284)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	471	482	565	579

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
2,007	2,103	2,260	2,330	2,406	2,489	2,579
136	139	143	148	153	158	163
1,308	1,355	1,417	1,461	1,507	1,558	1,613
1,903	2,004	2,178	2,246	2,320	2,399	2,486
844	868	893	920	949	981	1,016
6,198	6,469	6,891	7,105	7,335	7,585	7,857
3,690	3,799	3,913	4,035	4,165	4,308	4,462
307	332	398	381	362	343	322
1,903	2,004	2,178	2,246	2,320	2,399	2,486
0	0	0	0	0	0	0
5,900	6,135	6,489	6,662	6,847	7,050	7,270
298	334	402	443	488	535	587
0	0	0	0	0	0	0
0	0	0	0	0	0	0
237	972	(243)	(259)	(277)	(295)	(171)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
237	972	(243)	(259)	(277)	(295)	(171)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
458	1,216	52	137	73	50	193
77	90	107	47	138	190	223
0	0	0	0	0	0	0
535	1,306	159	184	211	240	416
(298)	(334)	(402)	(443)	(488)	(535)	(587)
0	0	0	0	0	0	0
594	622	677	698	720	744	770

public toilets

WHAT WE DO

The Public Toilets Activity provides public toilets throughout the Invercargill District, excluding those located within Parks and Reserves. Council's preference is to install and maintain 24 hour automated toilets.

WHY WE DO IT

Council provides public toilets in retail areas and at Stirling Point, Bluff to provide an amenity for the Community.

WHAT WE CONTRIBUTE TO THE CITY

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A City that is a great place to live and visit.	Design spaces, buildings and roads with community safety and interest in mind, and encourage others to do the same.	Provide an amenity to the Community.

NEGATIVE EFFECT - No significant negative effects have been identified for the Public Toilets Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Public Toilets Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A City that is a great place to live and visit.	Design spaces, buildings and roads with community safety and interest in mind, and encourage others to do the same.	Provide an amenity to the Community.	Public toilets are operational and accessible.	Automated toilets are available 24 hours a day.

Baseline 2013/14	Measure	2015/16	2016/17	2017/18	2018-25
98%	Automated toilets are available 24 hours a day.	95%	95%	95%	95%

WHAT WE OWN

Major Asset Category	Address
Wachner Place Restroom	20 Dee Street
Stirling Point (Bluff #1)	33 - 39 Ward Parade
Bluff Service Centre (Bluff #2)	94 - 98 Gore Street
Don Street Exeloo	76 Don Street
Windsor Exeloo	19 Windsor Street
Dee Street South Exeloo	62 Dee Street
Glengarry Exeloo and camper van dump station	87 Glengarry Crescent
South City	254 Elles Road

Activity	Source of Funding	
	General Rate	Loans / Reserves
Operations	✓	
Capital for Improvement	✓	✓

FUNDING IMPACT STATEMENT - PUBLIC TOILETS

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	344	355	362	371
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	0	0	0	0
Total operating funding	344	355	362	371
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	277	286	294	302
Finance costs	27	24	22	21
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	304	310	316	323
Surplus (deficit) of operational funding	40	45	46	48
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	86	(19)	(20)	(21)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	86	(19)	(20)	(21)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	102	0	0	0
- to replace existing assets	107	0	55	57
Increase (decrease) in reserves	(83)	26	(29)	(30)
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	126	26	26	27
Surplus (deficit) of capital funding	(40)	(45)	(46)	(48)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	43	28	29	30

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
380	390	400	411	423	435	448
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
380	390	400	411	423	435	448
309	317	325	336	347	358	371
21	20	19	17	15	13	11
0	0	0	0	0	0	0
0	0	0	0	0	0	0
330	337	344	353	362	371	382
50	53	56	58	61	64	66
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(22)	(24)	(26)	(27)	(29)	(31)	(26)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(22)	(24)	(26)	(27)	(29)	(31)	(26)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
58	120	93	64	0	0	0
(30)	(91)	(63)	(33)	32	33	40
0	0	0	0	0	0	0
28	29	30	31	32	33	40
(50)	(53)	(56)	(58)	(61)	(64)	(66)
0	0	0	0	0	0	0
30	31	32	33	34	35	36

theatre services

WHAT WE DO

The Theatre Services Activity provides a quality theatre and associated facilities for hire and is extensively used by local and regional organisations as well as national and international touring companies. Within the Civic Theatre complex there are function rooms which are available for hire.

WHY WE DO IT

Invercargill Venue and Events Management (a Council Controlled Organisation) operates the Civic Theatre, Scottish Hall and Southland Outdoor Stadium. This includes the hiring of the Civic Theatre to a promoter / organisation with additional charges for specialist services.

Council has consistently stated its commitment to fostering cultural, sporting and recreational activities by ensuring that a range of suitable venues (including a theatre) are available to meet the requirements of the Community.

WHAT WE CONTRIBUTE TO THE CITY

Council undertakes the Theatre Services Activity to promote the social and cultural interests of the Community. The Civic Theatre has a Category 1 classification by the New Zealand Historic Places Trust which means that the building is of national significance. The Theatre provides groups and organisations with a quality performance venue.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
Healthy lifestyles in a healthy environment	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.	Theatre Services provides safe, comfortable, and convenient facilities for indoor activities and performances.

WHAT THE COMMUNITY CAN EXPECT

Invercargill Venue and Events Limited has been established to operate the Civic Theatre, Scottish Hall and Southland Outdoor Stadium. Levels of service to be provided by the Council Controlled Organisation are detailed on page 295.

WHAT'S AHEAD?

Council intends to undertake front of house and auditorium maintenance in 2019/20. This is estimated to cost approximately \$1.7 million.

In 2024/25 Council intends to undertake further auditorium and front of house refurbishment. This will cost approximately \$1.4 million.

WHAT ASSETS WE OWN

The Civic Theatre is located at 88 Tay Street, Invercargill. Following its refurbishment in 2004/05 the Civic Theatre is equipped with state of the art equipment to make it one of the best theatres in New Zealand for live performance. Three hireable function spaces have been incorporated into the front-of-house.

Council provides the Theatre Services Activity via Invercargill Venue and Events Management Limited. Council's costs associated with the maintenance of the Civic Theatre complex are incorporated into the Funding Impact Statement overleaf.

FUNDING IMPACT STATEMENT - THEATRE SERVICES

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	953	924	947	971
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	823	880	948	996
Local authorities fuel tax, fines, infringements fees, and other receipts	8	0	0	0
Total operating funding	1,784	1,804	1,895	1,967
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	396	329	292	274
Finance costs	113	0	0	0
Internal charges and overheads applied	823	880	948	996
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,332	1,209	1,240	1,270
Surplus (deficit) of operational funding	452	595	655	697
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(59)	(145)	(350)	(338)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	(59)	(145)	(350)	(338)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	30	0	35
- to replace existing assets	185	170	20	21
Increase (decrease) in reserves	208	250	285	303
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	393	450	305	359
Surplus (deficit) of capital funding	(452)	(595)	(655)	(697)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	383	372	381	390

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
996	1,023	1,053	1,085	1,120	1,157	1,198
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,049	1,105	1,307	1,347	1,390	1,437	1,500
0	0	0	0	0	0	0
2,045	2,128	2,360	2,432	2,510	2,594	2,698
254	234	70	73	75	78	67
0	0	0	0	0	0	0
1,049	1,105	1,307	1,347	1,390	1,437	1,500
0	0	0	0	0	0	0
1,303	1,339	1,377	1,420	1,465	1,515	1,567
742	789	983	1,012	1,045	1,079	1,131
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(394)	1,342	(494)	(528)	(564)	(543)	(235)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(394)	1,342	(494)	(528)	(564)	(543)	(235)
0	0	0	0	0	0	0
0	1,472	0	13	0	0	734
22	313	23	23	24	25	712
326	346	466	448	457	511	(550)
0	0	0	0	0	0	0
348	2,131	489	484	481	536	896
(742)	(789)	(983)	(1,012)	(1,045)	(1,079)	(1,131)
0	0	0	0	0	0	0
401	412	424	436	450	465	482

corporate services



WHAT WE DO

Corporate Services encompasses those activities which provide democratic process and provide/promote business-to-business relationships. These include:

- Democratic Process
- Destinalional Marketing
- Enterprise
- Investment Property.

The Corporate Services group of activities supports local democracy in the Invercargill District by implementation of the Local Government Act 2002, promotes Invercargill and Southland as a destination, facilitates projects and initiatives to enhance the prosperity of Southland and maximises returns from investment properties.

WHY WE DO IT

The Corporate Services group of activities enables Council to view the District holistically - the communities, the opportunities, limiting factors and issues occurring beyond the District's boundaries. By considering all factors Council can provide good governance underpinned by a clear vision, intelligent strategies, robust plans and informed decision-making. People have the opportunity to

address Council meetings where they can voice their opinions and identify issues which they feel need to be focussed on which means that Council can communicate effectively with the Community, be accessible and respond to community need. By Council identifying and discussing potential opportunities in open meetings, the Community becomes aware of issues and they can get involved in supporting initiatives.

WHAT WE CONTRIBUTE TO THE COMMUNITY

Corporate Services contribute towards the current and future interests of the Community. Social interests are promoted by Council choosing to undertake activities which provide opportunities for the Community to meet for social activities. Economic interests are promoted by having a regional organisation (Venture Southland) being able to focus on identifying opportunities and facilitating projects and initiatives that will enhance the prosperity of Southland and, therefore, Invercargill. Economic interests are also promoted when people are made aware of Southland as a destination for tourism, conferences, events, new residents and businesses. Council purchases land for strategic purposes,

particularly for industrial development, such as at Awarua. Environmental interests are promoted by the Community and visitors valuing our environment. Cultural interests are promoted by the Community being able to take an active role in democracy -

standing for election, voting, lodging submissions and actively engaging in discussion on topical issues.

The Corporate Services group of activities contributes significantly to the following Community Outcomes:

Community Outcome	Democratic Process	Destinational Marketing	Enterprise	Investment Property
A diverse and growing economy.			✓	✓
Healthy lifestyles in a healthy environment.				
A City that is a great place to live and visit.		✓		✓
Strong, innovative leadership.	✓			

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

The Corporate Services group of activities does not create any significant negative effects on the Community. The activities undertaken provide positive effects.

FUNDING IMPACT STATEMENT - CORPORATE SERVICES GROUP

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	4,383	4,359	4,074	4,200
Targeted rates	72	73	74	76
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	431	528	1,203	1,465
Internal charges and overheads recovered	360	375	384	394
Local authorities fuel tax, fines, infringements fees, and other receipts	2,624	2,215	2,263	2,313
Total operating funding	7,870	7,550	7,998	8,448
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	7,257	7,106	7,334	7,533
Finance costs	465	0	118	363
Internal charges and overheads applied	360	375	384	394
Other operating funding applications	0	0	0	0
Total applications of operational funding	8,082	7,481	7,836	8,290
Surplus (deficit) of operational funding	(212)	69	162	158
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	2,395	3,486	(50)
Gross proceeds from sale of assets	0	40	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	2,435	3,486	(50)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	62	0	0	0
- to replace existing assets	50	4,850	3,684	157
Increase (decrease) in reserves	(324)	(2,346)	(36)	(49)
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	(212)	2,504	3,648	108
Surplus (deficit) of capital funding	212	(69)	(162)	(158)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	68	72	74	76

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
4,262	4,366	4,490	4,581	4,656	4,804	4,868
78	80	83	85	88	91	94
0	0	0	0	0	0	0
1,503	1,544	1,589	1,638	1,690	1,747	1,808
404	415	427	441	454	470	486
2,365	2,423	2,484	2,550	2,620	2,695	2,777
8,612	8,828	9,073	9,295	9,508	9,807	10,033
7,682	7,874	8,116	8,334	8,546	8,843	9,064
378	379	379	379	379	379	379
404	415	427	441	454	470	486
0	0	0	0	0	0	0
8,464	8,668	8,922	9,154	9,379	9,692	9,929
148	160	151	141	129	115	104
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(50)	(50)	(50)	(50)	(50)	(50)	(50)
43	0	0	47	0	0	52
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(7)	(50)	(50)	(3)	(50)	(50)	2
0	0	0	0	0	0	0
0	0	0	0	0	0	0
286	177	188	329	213	225	383
(145)	(67)	(87)	(191)	(134)	(160)	(277)
0	0	0	0	0	0	0
141	110	101	138	79	65	106
(148)	(160)	(151)	(141)	(129)	(115)	(104)
0	0	0	0	0	0	0
78	80	82	85	88	91	94

democratic process

WHAT WE DO

The overarching goal of the Democratic Process Activity is to support the implementation of the Local Government Act within the Invercargill District. This includes supporting elected representatives by ensuring they are kept informed of issues and their responsibilities. Opportunities for Community involvement are encouraged through the development of the Long-Term Plan, Annual Plans, Bylaws and Representation Reviews.

Council has established a Sister City relationship with Kumagaya in Japan. Council budgets \$40,000 per year to maintain and build on this relationship.

WHY WE DO IT

The principle objectives of the Democratic Process Activity are:

- Full compliance with all statutes and regulations relating to territorial local government.
 - To take a lead role in Shared Services' activities and to explore ways in which greater economies of scale can be achieved through a joint approach to Council services.
 - To promote Invercargill and Southland as a great place in which to work, live and bring up a family.
 - To speak out, on behalf of the Community, on issues affecting the health and well-being of our citizens.
 - To ensure all citizens are informed about Council activities and their rights to contribute to the decision-making process.
-

WHAT WE CONTRIBUTE TO THE CITY

Democracy is the cornerstone of local government and contributes towards the promotion of the current and future interests of the Community. The Democratic Process Activity supports the elected representatives of the Invercargill City Council by the provision of guidance, information and support services. The support services provided enables the elected representatives to make decisions that promote the interests of the Community.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Democratic Process Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
Strong innovative leadership.	Provide good governance underpinned by a clear vision, intelligent strategies, robust plans and informed decision making.	The Democratic Process Activity supports elected representatives with training and information. This enables representatives to make robust decisions to implement the Local Government Act incorporating the widespread views of the community.	Council's decision making processes meet community expectations for opportunities to participate.	Percentage of residents survey respondents who provide a rating of satisfied or greater with the opportunities Council provides for community involvement in decision making.
Strong innovative leadership.	Communicate effectively with ratepayers, be accessible and respond to community need.	The Democratic Process Activity provides opportunities for the community to share its views with Council. Elections and Representation Reviews also provide the community with opportunities to contribute towards democracy.	The community is well informed about and contribute to Council's plans and progress.	Number of public meetings held during Long Term Plan and / or Annual Plan development. Alternative methods of communicating information are utilised.

NEGATIVE EFFECT - No significant negative effects have been identified for the Democratic Process Activity.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
New measure	Percentage of residents survey respondents who provide a rating of satisfied or greater with the opportunities Council provides for community involvement in decision making.	50%	50%	50%	65%
New measure	Alternative methods of communicating information are utilised.	Consultation documents available on Council's website and use of social media.	Consultation documents available on Council's website and use of social media.	Consultation documents available on Council's website and use of social media.	Consultation documents available on Council's website and use of social media.

WHAT'S AHEAD

The Democratic Process Activity is responsible for undertaking a number of significant functions detailed in the Local Government Act, namely:

- Representation Review before November 2015.
- Local Government Election in October 2016.
- Triennial Agreement before February 2017.
- Local Governance Statement before April 2017.

Council's Code of Conduct is reviewed after each election to ensure that it remains current. The Invercargill Community expects Council to be democratically elected and to undertake its functions under the Local Government Act 2002 positively. Demand for the Democratic Process Activity will change only with a change in legislation. The main challenge for the Democratic Process Activity is legal compliance with the Local Government Act and for the Community to perceive that the issues they raise have been fairly considered by the elected representatives.

Activity	Source of Funding	
	General Rate	Other Sources
Operations	✓	✓

FUNDING IMPACT STATEMENT - DEMOCRATIC PROCESS

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	2,911	2,903	2,950	3,054
Targeted rates	72	73	74	76
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	315	365	374	383
Local authorities fuel tax, fines, infringements fees, and other receipts	45	5	5	5
Total operating funding	3,343	3,346	3,403	3,518
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	2,980	2,978	3,026	3,132
Finance costs	0	0	0	0
Internal charges and overheads applied	315	365	374	383
Other operating funding applications	0	0	0	0
Total applications of operational funding	3,295	3,343	3,400	3,515
Surplus (deficit) of operational funding	48	3	3	3
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	40	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	40	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	50	155	46	47
Increase (decrease) in reserves	(2)	(112)	(43)	(44)
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	48	43	3	3
Surplus (deficit) of capital funding	(48)	(3)	(3)	(3)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	53	48	49	50

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
3,104	3,189	3,314	3,409	3,489	3,642	3,734
78	80	83	85	88	91	94
0	0	0	0	0	0	0
0	0	0	0	0	0	0
393	404	416	429	442	457	473
5	6	6	6	6	6	6
3,580	3,679	3,819	3,929	4,025	4,196	4,307
3,184	3,271	3,400	3,496	3,579	3,736	3,830
0	0	0	0	0	0	0
393	404	416	429	442	457	473
0	0	0	0	0	0	0
3,577	3,675	3,816	3,925	4,021	4,193	4,303
3	4	3	4	4	3	4
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
43	0	0	47	0	0	52
0	0	0	0	0	0	0
0	0	0	0	0	0	0
43	0	0	47	0	0	52
0	0	0	0	0	0	0
0	0	0	0	0	0	0
167	50	51	182	55	56	201
(121)	(46)	(48)	(131)	(51)	(53)	(145)
0	0	0	0	0	0	0
46	4	3	51	4	3	56
(3)	(4)	(3)	(4)	(4)	(3)	(4)
0	0	0	0	0	0	0
52	53	55	56	58	60	62

destinational marketing

WHAT WE DO

The Destinal Marketing Activity promotes Invercargill and Southland as a quality destination for visitors, skilled migrants, investors, students, conferences and events and assists with destination management and visitor industry development. To ensure a Southland-wide coordinated approach, Venture Southland - a joint initiative of the Invercargill City Council, Southland District Council, Gore District Council and Community Trust of Southland - was formed with governance from a Joint Committee of Councils.

WHY WE DO IT

A partnership approach assists with the delivery of promotional activities, strategies and initiatives around product development and destination management for both industry and community benefit. The Destinal Marketing Activity ensures that Invercargill and Southland communities enjoy the social and economic benefits from tourism.

WHAT WE CONTRIBUTE TO THE CITY

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A City that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit.	The Destinal Marketing Activity promotes Invercargill and Southland as a quality destination for visitors, skilled migrants, investors, students, conferences and events and assists destination management and visitor industry development.

NEGATIVE EFFECT - No significant negative effects have been identified for the Destinal Marketing Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Destinal Marketing Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A City that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit.	The Destinal Marketing Activity promotes Invercargill and Southland as a quality destination for visitors, skilled migrants, investors, students, conferences and events and assists destination management and visitor industry development.	Council, through Venture Southland, works with local businesses, promotions associations, and key community stakeholder groups, as well as national and international agencies to support tourism growth and development within Invercargill.	Number of media and famil opportunities facilitated. Visitor nights. Number of tourism businesses using Venture Southland services.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
Achieved	Number of media and famil opportunities facilitated.	8	8	8	8
New measure	Visitor nights.	Increasing number	Increasing number	Increasing number	Increasing number
Achieved	Number of tourism businesses using Venture Southland services.	>25	>25	>25	>25

Activity	Source of Funding
	Uniform Charges - General Rate
Operations	✓

FUNDING IMPACT STATEMENT - DESTINATIONAL MARKETING

Funding sources and proportions are in compliance with the Revenue and Rating Policy. Council provides the Destinalional Marketing and Enterprise activities via Venture Southland. Venture Southland is funded through contributions

from Invercargill City, Southland District and Gore District Councils and the Community Trust of Southland. Destinalional Marketing is incorporated into the Enterprise Activity's Funding Impact Statement located on page 274.

enterprise

WHAT WE DO

The Enterprise Activity identifies and promotes opportunities for diversification, employment and business growth in Invercargill and Southland. To ensure a Southland-wide coordinated approach, Venture Southland - a joint initiative of the Invercargill City Council, Southland District Council, Gore District Council and Community Trust of Southland - was formed with governance from a Joint Committee of Councils.

WHY WE DO IT

The Enterprise Activity sustains and develops a broad based regional economy which provides employment and economic resilience while recognising the need to be responsible stewards of our resources and natural environment. Through Venture Southland, the Enterprise Activity works with regional industry sectors, business and key stakeholder groups to support economic and industry development across the Southland region. It supports a partnership approach to assist with the delivery of economic development opportunities, skills and capacity at both a strategic, industry, and community business level.

WHAT WE CONTRIBUTE TO THE CITY

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A diverse and growing economy.	Attract a diverse range of business and industry to locate in Invercargill, targeting especially business that offer high skilled job opportunities.	The Enterprise Activity proactively identifies and promotes opportunities for diversification, employment and business growth in Invercargill and Southland.

NEGATIVE EFFECT - No significant negative effects have been identified for the Enterprise Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Enterprise Activity.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A diverse and growing economy.	Attract a diverse range of business and industry to locate in Invercargill, targeting especially business that offer high skilled job opportunities.	The Enterprise Activity proactively identifies and promotes opportunities for diversification, employment and business growth in Invercargill and Southland.	Council, through Venture Southland works with regional industry sectors, business and key stakeholder groups to support economic and industry development across the Southland region.	Number of strategic projects facilitated.
				Number of investment opportunities facilitated.
				Business Mentor Programme.
				New Zealand Trade and Enterprise Programme delivered.

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
8	Number of Strategic Projects Facilitated.	6	6	6	6
12	Number of investment opportunities facilitated.	2	2	2	2
New measure	Business Mentor Programme.	50 mentor/ client matches	50 mentor/ client matches	50 mentor/ client matches	50 mentor/ client matches
Achieved	New Zealand Trade and Enterprise Programme Delivered.	Achieve	Achieve	Achieve	Achieve

Activity	Source of Funding
	General Rate
Operations	✓

FUNDING IMPACT STATEMENT - ENTERPRISE

Council provides the Destinal Marketing and Enterprise activities via Venture Southland. Venture Southland is funded through contributions from Invercargill City, Southland District and Gore District

Councils and the Community Trust of Southland. The Destinal Marketing Activity is also incorporated into the Funding Impact Statement below.

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	1,669	1,670	1,770	1,806
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	1,590	1,327	1,323	1,349
Total operating funding	3,259	2,997	3,093	3,155
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	3,259	2,997	3,093	3,155
Finance costs	0	0	0	0
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	3,259	2,997	3,093	3,155
Surplus (deficit) of operational funding	0	0	0	0
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	0	0	0
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	0	0	0	0
Surplus (deficit) of capital funding	0	0	0	0
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	0

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
1,844	1,884	1,928	1,974	2,023	2,076	2,132
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,376	1,406	1,438	1,472	1,508	1,546	1,587
3,220	3,290	3,366	3,446	3,531	3,622	3,719
3,220	3,290	3,366	3,446	3,531	3,622	3,719
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,220	3,290	3,366	3,446	3,531	3,622	3,719
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

investment property

WHAT WE DO

The Investment Property Activity monitors and reviews returns being achieved on individual investment properties. The Investment Property

Activity manages and controls the activities of Investment Property owned by the Invercargill City Council.

Description	Number
Strategic Development Properties, including Kew Bowl	8
Industrial properties, including 141 Bond Street and 20 Spey Street	21
Commercial properties, including 2 Deveron, 10 Deveron, 71 Barrow and 72 Barrow Streets	18
Rural properties	4
Residential properties	7
Awarua industrial properties	6
Properties being prepared for disposal	31

There are four groups of investment properties:

1. Strategic properties which are held for purposes other than immediate return.
2. Endowment properties which have been purchased from endowment funds.
3. Trading properties.
4. Properties being prepared for disposal - usually acquired through rating sale.

WHY WE DO IT

Council shows confidence in the District by investing in the property market with endowment and investment funds.

The Investment Property Activity:

- Provides a continuing source of income to Council.
- Reviews changes to interest rates in the market place and responds to market movements in an appropriate manner whenever possible.
- Ensures that Council's investment property is maintained to an appropriate standard and order to improve the quality of the portfolio.
- Ensures that the performance of the individual investment properties is reviewed and monitored.
- Promotes appropriate development around the Invercargill area for industrial and commercial purposes.

WHAT WE CONTRIBUTE TO THE CITY

The Investment Property Activity maximises the returns of all the Investment properties held and at the same time, through prudent management, grows the property portfolio.

Community Outcome	Council's Role in Achieving	How the Activity Contributes
A diverse and growing economy.	Attract diverse range of business and industry to locate in Invercargill, targeting especially business that offer high skills job opportunities.	Investment Property supports appropriate commercial and economic development in the District environs through the purchase, sale and/or lease of land.
		Investment Property maintains and administers commercial, industrial, residential, rural and retail property that supports economic growth.
A City that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit.	Investment Property provides an additional source of income to Council which helps decrease the costs to ratepayers.

NEGATIVE EFFECT - No significant negative effects have been identified for the Investment Property Activity.

WHAT THE COMMUNITY CAN EXPECT

Council will continue to provide the Investment Property Activity. Future investments are likely to be large properties with established buildings. These properties provide better returns, but can require more staff time due to tenant demands and

maintenance requirements. Investment properties purchased for strategic purposes are held to enable the City to develop in a positive way. The financial return on these investments is a secondary consideration.

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A diverse and growing economy.	Attract diverse range of business and industry to locate in Invercargill, targeting especially business that offer high skills job opportunities.	Investment Property supports appropriate commercial and economic development in the District environs through the purchase, sale and/or lease of land.	A commercial return is received on Endowment and Trading properties. *	Rate of return is at least equal to the current market interest rate.

*Excluding land purchased for strategic purposes and land being prepared for disposal (rating sale).

Baseline 2013/14	Measure	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018-25
Achieved.	Rate of return is at least equal to the current market interest rate.	Achieve	Achieve	Achieve	Achieve

WHAT ASSETS WE OWN

The investment portfolio consists of 95 separate parcels of land.

There are 17 sites containing buildings:

- 1276 Bluff Highway, Awarua
- 141 Bond Street - Bond Contracts Limited
- 136 - 150 Colyer Road, Awarua
- 167 Colyer Road
- 2 Deveron Street - RSA Hall
- 10 Deveron Street - Former RSA Club
- 20 Spey Street - Rockgas
- 4 Tay Street - Pumpkin Patch Car Park
- 6 Esk Street
- 8 Esk Street
- 10 Esk Street
- 12-16 Esk Street
- 18 Esk Street
- 66 Dee Street, Invercargill
- 16 Don Street, Invercargill

The following table shows a list of endowment properties which Council may sell and reinvest the proceeds without further consultation:

Address	Legal Description	Area	Purpose
Commercial Leases			
71 Barrow Street, Bluff	Section 8, Block I, Town of Campbelltown (SL134/129)	0.1012	Not stated
72 Barrow Street, Bluff	Section 8, Block XII, Town of Campbelltown (SLA2/346)	0.0326	Not stated
115 Barrow Street, Bluff	Lot 1, DP 5100 - Lot 2, DP 5349 (SL205/10)	0.1012	Trust as an Endowment for the benefit and improvement of the Borough of Bluff.
4 Tay Street, Invercargill	Lot 2, DP 4801 (SL186/105)	0.0759	Not stated
13 Clyde Street, Invercargill	Lot 2, DP 2659 (part of SL131/258)	0.0888	Endowment - Hall and Municipal Offices
17 Clyde Street, Invercargill	Lot 6, DP 2659 (part of SL131/258)	0.1647	Endowment - Hall and Municipal Offices
21 Clyde Street, Invercargill	Lot 7, DP 2659 (part of SL131/258)	0.0741	Endowment - Hall and Municipal Offices
26 Liddel Street, Invercargill	Lots 1, 3, 4 and 5, DP 2659 (part of SL131/258)	0.2489	Endowment - Hall and Municipal Offices
118-122 Dee St, Invercargill	Section 13, Block LXXII, Town of Invercargill (SL1A/538)	0.1012	Not stated
150 Spey St, Invercargill	Section 17, Block LXXV, Town of Invercargill (SL1A/266)	0.1012	Trust as an Endowment for the improvement and benefit of the City of Invercargill

Address	Legal Description	Area	Purpose
Commercial Leases continued			
14 Yarrow St, Invercargill	Section 19, Block LXIX, Town of Invercargill (SL11B/239)	0.1012	Not stated
29 Yarrow St, Invercargill	Section 7, Block LXX, Town of Invercargill (SL1A/260)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
26 Tyne St, Invercargill	Part Section 21, Block IV, Town of Invercargill (SL1A/1349)	0.0809	In trust as an Endowment for the improvement and benefit of the City of Invercargill
194 Conon St, Invercargill	Section 1, Block XXXVI, Town of Invercargill (SL1A/854)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
99-101 Spey St, Invercargill	Section 5, Block LXXI, Town of Invercargill (SL1A/263)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
Farm and Grazing Leases			
155 Stead Street, Invercargill	Lot 1, DP 424778 (SL 497017)	101.0700	Endowment for Municipal Purposes
11 Old Bluff Highway, Awarua	Pt Blk XV Town of Greenhills (SLA PT 1A/377)	2.0234	Greenhills Quarry Reserve
14 Kekenno Place, Awarua	Lot 8, DP 338583 (SL 158867)	19.2445	Not stated
313 Bay Road, Invercargill	Lot 1, DP 2533 (SL129/291) Sec 158 Blk XV Invercargill Hundred (SL82-108)	23.6445	Endowment for Municipal purposes
Industrial Leases			
94 Preston Street, Invercargill	Part Lot 1, DP 3497 (SL5B/477)	0.0343	Not stated
99 Preston Street, Invercargill	Part Lot 2, DP 6762 (SLB3/35)	0.0340	Not stated
55 Crinan Street, Invercargill	Lots 2-3, Part 1, DP 4621 (SL1A/347)	0.2427	Not stated
90 Mersey Street, Invercargill	Lot 1, DP 14274 (SL11C/10)	0.0960	Not stated
15 Spey Street, Invercargill	Lots 15 and 17, DP 2320 (SL5A/88)	0.1561	Not stated
96 Mersey Street, Invercargill	Lot 2, DP 14274 (SL11C/11)	0.1774	Not stated
102 Mersey Street, Invercargill	Lot 1, DP 4197 (SLB4/940)	0.2428	Endowment for the City of Invercargill
108 Mersey Street, Invercargill	Lot 1, DP 4203(SL10D/418)	0.4047	An Endowment for Municipicle Purposes

Address	Legal Description	Area	Purpose
Industrial Leases continued			
108 Mersey Street, Invercargill	Lot 3, DP 6894 (SLA4/626) Lot 2, DP 6894 (SLA4/626)	0.1012 0.1854	Not stated An Endowment for Municipal Purposes subject to the Municipal Corporations Act 1954
25 Ettrick Street, Invercargill	Lot 8, DP 9661 (SL6A/473)	0.6947	Municipal Purposes
257 Bond Street, Invercargill	Lot 3, DP 15370 (SL12B/215)	0.8094	An Endowment for Municipal Purposes
91 Mersey Street, Invercargill	Lot 1, DP 15176 (SL12A/811)	0.4047	Not stated
152 Mersey Street, Invercargill	Lot 2, DP 387012 (348366)	0.3999	An Endowment for Municipal Purposes
116 Otepunu Avenue, Invercargill	Lot 2, DP 5826 (SLA4/556)	0.0506	Not stated
14 Mersey Street, Invercargill	Part Lot 14, DP 2320, Lot 1, DP 5360 (part of SL10B/799)	0.1937	An Endowment for the benefit of the city of Invercargill
192 Bond Street, Invercargill	Lot 1, DP 7987 (SL10D/424)	0.4047	Municipal
210 Mersey Street, Invercargill	Lot 1, DP 5889 (SL10D/425) Lot 14, DP 5116 (SL4A/622)	0.1657 0.2023	Municipal An Endowment for Municipal Purposes Subject to the Municipal Corporations Act 1954
156 Clyde Street, Invercargill	Lot 2, DP 4557 (SL1A/413)	0.0506	Endowment
154 Clyde Street, Invercargill	Lot 1, DP 4557 (SL1A/412)	0.0498	Endowment
Residential Leases			
88 Foyle Street, Bluff	Sec 8 Blk XIII Town of Campbelltown (SL11C/841)	0.1012	Not stated
91 Conon Street, Invercargill	Lot 2, DP 4248 (SL1A/526)	0.0506	In trust as an Endowment
91 Earn Street, Invercargill	Section 1, Block XXXVI Town of Invercargill (SL1A/854)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
241 Crinan Street, Invercargill	Section 3, Block L, Invercargill (SL1A/403)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
50 Teviot Street, Invercargill	Section 21, Block XXXI, Town of Invercargill (SL1A/524)	0.1012	In trust as an Endowment
257 Ettrick Street, Invercargill	Section 7, Block XLVIII, Invercargill (SL1A/426)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill

Address	Legal Description	Area	Purpose
Residential Leases Continued			
118 Bowmont Street, Invercargill	Section 15, Block XXXIX, Town of Invercargill (SL1A/396)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
Council Buildings - Leased			
141 Bond St, Invercargill	Lot 4 DP 14334 (SL11C/160)	1.6745	In trust as an Endowment for Municipal Purposes
6 Tay St, Invercargill*	Lot 3, DP 14147 (12B/525) <i>(Note that there was an extra piece of land bought and included in the car park which legal description this is.)</i>	0.157	Not stated
20 Spey Street, Invercargill	Lot 1, DP 401866 (SL405925)	0.6855	Not stated
2 Deveron Street, Invercargill	Section 12, Block III, Town of Invercargill (SLA1/275)	0.1012	Municipal buildings for the enjoyment and recreation of the public
10 Deveron Street, Invercargill	Section 11, Block III, Town of Invercargill Section 10, Block III, Town of Invercargill S0171 (SL1A/276 and SLA3/88)	50171 0.2024	Not stated
16 Don Street, Invercargill	Lot 1, DP 1359 (SLA3/1194) Section 3, Block LXXI, Town of Invercargill (SLA3/582) Section 19, Block LXXI, Town of Invercargill (SLB/194)	0.3036	
Council Buildings - Not Leased			
1276 Bluff Highway, Invercargill (including 90 Hamilton Road and 99 Awarua Siding Road)	Section 2, Block 11 and Sections 15 and 45, Block III, Campbelltown Hundred (SL193/618) Pt Sections 16 and 30A, Block III, Campbelltown Hundred (SLB/884) Lot 1, DP 14239, Sections 34 and 30B, Block III, Invercargill Hundred (SL193/616)	336.317	Not stated
136-150 Colyer Road, Awarua	Section 2, Pt Sections 4 and 5, Block 11, Campbelltown Hundred (SLB2/1142) Sections 8-9, Block II, Campbelltown Hundred (SL92/56) Section 22, Block II, Campbelltown Hundred (SLA2/538) Pt Section 1, Block II, Campbelltown Hundred (SL106/97)	213.8394	Not stated
167 Colyer Road, Awarua	Section 1, Block II, Campbelltown Hundred S0298 (SL6A/353)	20.4771	Not stated

Address	Legal Description	Area	Purpose
Council Buildings - Not Leased Continued			
5 Hamilton Road, Awarua	Pt Section 6, Block II, Campbelltown Hundred (SL9C/524)	41.1178	Not stated
6 Esk Street West, Invercargill	Lot 1, DP 5472 (SL204/4)	0.0321	Not stated
8 Esk Street West, Invercargill	Lot 4, DP 3130 and Lot 2, DP 4200 (SL4A/304) - Lot 1, DP 3130 (SL145/134)	0.0935	Not stated
10 Esk Street West, Invercargill	Lot 5, DP 3130 (SL181/163)	0.0306	Not stated
12-16 ESK Street West, Invercargill	Pt Section 12, Block I, Town of Invercargill (SL6B/200)	0.0267	Not stated
18 Esk Street West, Invercargill	Lot 1, DP 10278 and Lot 1, DP 4409 (SL6B/200)	0.0160	Not stated
66 Dee Street, Invercargill	Pt Section 16-17, Block I, Town of Invercargill (SL174/144)	0.0607	Not stated
390 Elles Road (Kew Bowl-Land only)	Lot 2 DP 367605	1.6395	Not stated

*Properties Purchased from Endowment Funds.

WHAT'S AHEAD?

The Investment Property Activity is self-funding. Investment properties are leased at current market rentals. The Investment Property Activity is required to have a positive effect on the rating requirements for Council. The forecast for the next ten years is that \$214,000 (excluding GST) will be available annually from the Activity to offset rates.

Council is investigating development opportunities at 16 Don Street with funding set aside in the 2015/16 and 2016/17 years.

Activity	Source of Funding
	Fees and Charges
Operations	✓

FUNDING IMPACT STATEMENT - INVESTMENT PROPERTY

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	(197)	(214)	(646)	(660)
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	431	528	1,203	1,465
Internal charges and overheads recovered	45	10	10	11
Local authorities fuel tax -fines -infringements fees, and other receipts	989	883	935	959
Total operating funding	1,268	1,207	1,502	1,775
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	1,018	1,132	1,215	1,246
Finance costs	465	0	118	363
Internal charges and overheads applied	45	10	10	11
Other operating funding applications	0	0	0	0
Total applications of operational funding	1,528	1,142	1,343	1,620
Surplus (deficit) of operational funding	(260)	65	159	155
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	2,395	3,486	(50)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	0	2,395	3,486	(50)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	62	0	0	0
- to replace existing assets	0	4,695	3,638	110
Increase (decrease) in reserves	(322)	(2,234)	7	(5)
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	(260)	2,461	3,645	105
Surplus (deficit) of capital funding	260	(65)	(159)	(155)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	15	24	25	26

Note: The Annual Plan 14/15 as published above, does not include an asset purchase of land & building at 16 Don Street for

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
(686)	(707)	(752)	(802)	(856)	(914)	(998)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,503	1,544	1,589	1,638	1,690	1,747	1,808
11	11	11	12	12	13	13
984	1,011	1,040	1,072	1,106	1,143	1,184
1,812	1,859	1,888	1,920	1,952	1,989	2,007
1,278	1,313	1,350	1,392	1,436	1,486	1,515
378	379	379	379	379	379	379
11	11	11	12	12	13	13
0	0	0	0	0	0	0
1,667	1,703	1,740	1,783	1,827	1,877	1,907
145	156	148	137	125	112	100
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(50)	(50)	(50)	(50)	(50)	(50)	(50)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(50)	(50)	(50)	(50)	(50)	(50)	(50)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
119	127	137	147	158	169	182
(24)	(21)	(39)	(60)	(83)	(107)	(132)
0	0	0	0	0	0	0
95	106	98	87	75	62	50
(145)	(156)	(148)	(137)	(125)	(112)	(100)
0	0	0	0	0	0	0
26	27	28	29	29	30	32

\$1,250,000. This adjustment would have increased capital expenditure and decreased reserves.

projects of significant community interest



Council has identified two projects of significant community interest. The City Centre Revitalisation and Urban Rejuvenation projects are outlined in this section.

city centre revitalisation



WHAT IS THIS PROJECT?

The City Centre Revitalisation project contributes to the “A City that is a great place to live and visit” Community Outcome by designing spaces, buildings and roads with community safety and interest in mind, and encouraging others to do the same, by ensuring that the project considers how best it can cater for people with disabilities, the elderly, youth and families and also by supporting community-led revitalisation of the CBD. The City Centre Revitalisation project contributes to the “A diverse and growing economy” Community Outcome by providing an environment that is business friendly and nurtures strong business. The project also contributes to the “Healthy lifestyles in a healthy environment” Community Outcome by implementing and protecting distinct development zones across the District.

A Master Plan was adopted in 2013 and provides a vision for the inner city.

WHAT IS HAPPENING NEXT?

Council has budgeted \$1.4 million towards the design and physical works required for the City Centre Revitalisation project in 2015/16. Council has determined to undertake the City Centre Revitalisation project in stages. Stage one of Esk Street is currently being undertaken. As Council prepares to undertake each stage of the City Centre Revitalisation project we will be seeking public input. This will occur prior to each stage being signed off.

FUNDING IMPACT STATEMENT - CITY CENTRE REVITALISATION

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates	444	136	192	400
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	0	0	0	0
Total operating funding	444	136	192	400
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	105	12	14	12
Finance costs	131	87	122	266
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	236	99	136	278
Surplus (deficit) of operational funding	208	37	56	122
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	1,192	617	2,305	1,102
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	1,192	617	2,305	1,102
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,400	0	0	0
- to replace existing assets	0	1,649	2,361	1,224
Increase (decrease) in reserves	0	(995)	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	1,400	654	2,361	1,224
Surplus (deficit) of capital funding	(208)	(37)	(56)	(122)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	0

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
0	0	0	0	0	0	0
525	537	783	782	782	781	780
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
525	537	783	782	782	781	780
13	14	0	1	1	0	(1)
358	359	538	520	502	482	462
0	0	0	0	0	0	0
0	0	0	0	0	0	0
371	373	538	521	503	482	461
154	164	245	261	279	299	319
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(154)	2,633	(245)	(261)	(279)	(299)	(319)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(154)	2,633	(245)	(261)	(279)	(299)	(319)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	2,797	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	2,797	0	0	0	0	0
(154)	(164)	(245)	(261)	(279)	(299)	(319)
0	0	0	0	0	0	0
0	0	0	0	0	0	0

urban rejuvenation



WHAT IS THIS PROJECT?

The Urban Rejuvenation project has seen Council taking a supporting role in identifying areas of need, bringing together residents who want to make things happen in their Community, assisting with project planning and assisting with proposal development and access to funding.

The Urban Rejuvenation project encourages community-led revitalisation projects in these areas. The projects are chosen by the Community and include:

- New Bluff sign and landscaping at the entrance to Bluff.
- New art hub, community garden and Dog Park in South Invercargill.
- Redeveloped parking area at Glengarry.
- Development of a Concept Plan for the Windsor Shopping Centre.

The Community continues to be responsible for identifying, prioritising, managing and implementing the projects with the support of Council.

The project is well underway with groups from the South City, Glengarry and Bluff areas already well established as well as a business organisation in Windsor.

WHAT IS HAPPENING NEXT?

The Council is committed to increasing opportunities for employment in the Invercargill District and in doing so increasing the population of Invercargill. Council will continue to work with all urban rejuvenation groups in a positive way. Council considers applications for funding from the different groups.

The project contributes to the “A City that is a great place to live and visit” Community Outcome by supporting community-led revitalisation. By communicating effectively with ratepayers, being accessible and responding to community needs, the project also contributes to the “Strong, innovative leadership” Community Outcome.

The Urban Rejuvenation project also contributes to the “A diverse and growing economy” Community Outcome by assisting in providing quality affordable housing and in doing so, ensuring that the building blocks for sustainable business are in place including the workforce.

Council has budgeted \$212,000 for consultants and contestable funding for the Urban Rejuvenation project. Community groups who have identified projects in their communities can apply for this funding.

FUNDING IMPACT STATEMENT - URBAN REJUVENATION

	Annual Plan	Long Term Plan 2013 - 2022		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
SOURCES OF OPERATIONAL FUNDING				
General rates, uniform annual general charges, rates penalties	277	266	271	277
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees, and other receipts	0	0	0	0
Total operating funding	277	266	271	277
APPLICATIONS OF OPERATIONAL FUNDING				
Payments to staff and suppliers	222	212	217	223
Finance costs	25	24	22	20
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
Total applications of operational funding	247	236	239	243
Surplus (deficit) of operational funding	30	30	32	34
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	370	(30)	(32)	(34)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	370	(30)	(32)	(34)
APPLICATION OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	400	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
Total application of capital funding	400	0	0	0
Surplus (deficit) of capital funding	(30)	(30)	(32)	(34)
FUNDING BALANCE	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	0

2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
283	290	297	304	312	321	328
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
283	290	297	304	312	321	328
228	234	241	249	257	265	275
19	18	15	12	9	6	2
0	0	0	0	0	0	0
0	0	0	0	0	0	0
247	252	256	261	266	271	277
36	38	41	43	46	50	51
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(36)	(38)	(41)	(43)	(46)	(50)	(51)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(36)	(38)	(41)	(43)	(46)	(50)	(51)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(36)	(38)	(41)	(43)	(46)	(50)	(51)
0	0	0	0	0	0	0
0	0	0	0	0	0	0

council controlled organisations



Council Controlled Organisations and Council Organisations provide opportunities for councils to provide services and activities. A Council Controlled Organisation is a company or organisation in which a council, or councils, hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A Council Controlled Trading Organisation is similar, but its main focus is making a profit. A Council Organisation is the same as a Council Controlled Organisation, but does not require 50% or more control.

Each Council Controlled Organisation prepares a Statement of Intent which sets out, for the benefit of

its shareholders, its mission and objectives for each financial year.

The following Council Controlled Organisations are included in this section.

- Invercargill City Holdings Limited
- Southland Museum and Art Gallery Trust
- Invercargill Venue and Events Management Limited
- Bluff Maritime Museum Trust

This section also includes an update on the Awarua Industrial Development and Southland Museum and Art Gallery Redevelopment projects.

invercargill city holdings limited

The following table details the extent of ownership and the main services provided by Invercargill City Holdings Limited and its subsidiaries.

Organisation	Ownership	Nature and Scope of Activities
Invercargill City Holdings Limited	100%	Input into the Statements of Intent of subsidiaries. Performance monitoring. Provide reasonable returns to its shareholder (Invercargill City Council).
Subsidiaries of Invercargill City Holdings Limited		
Invercargill City Forests Limited	100%	Operate a successful forestry business undertaking forestry planting, silviculture and harvesting.
Electricity Invercargill Limited	100%	Operate a successful electricity distribution network and metering service in the Invercargill and Bluff areas. Invest in the infrastructure, electrical and energy sectors.
Invercargill Airport Limited	97.19%	Provision of airport services at the Invercargill Airport.
Invercargill City Property Limited	100%	Manage the sales and development of the Awarua Industrial Estate and other properties.

The following rates of return on equity funds are forecast:

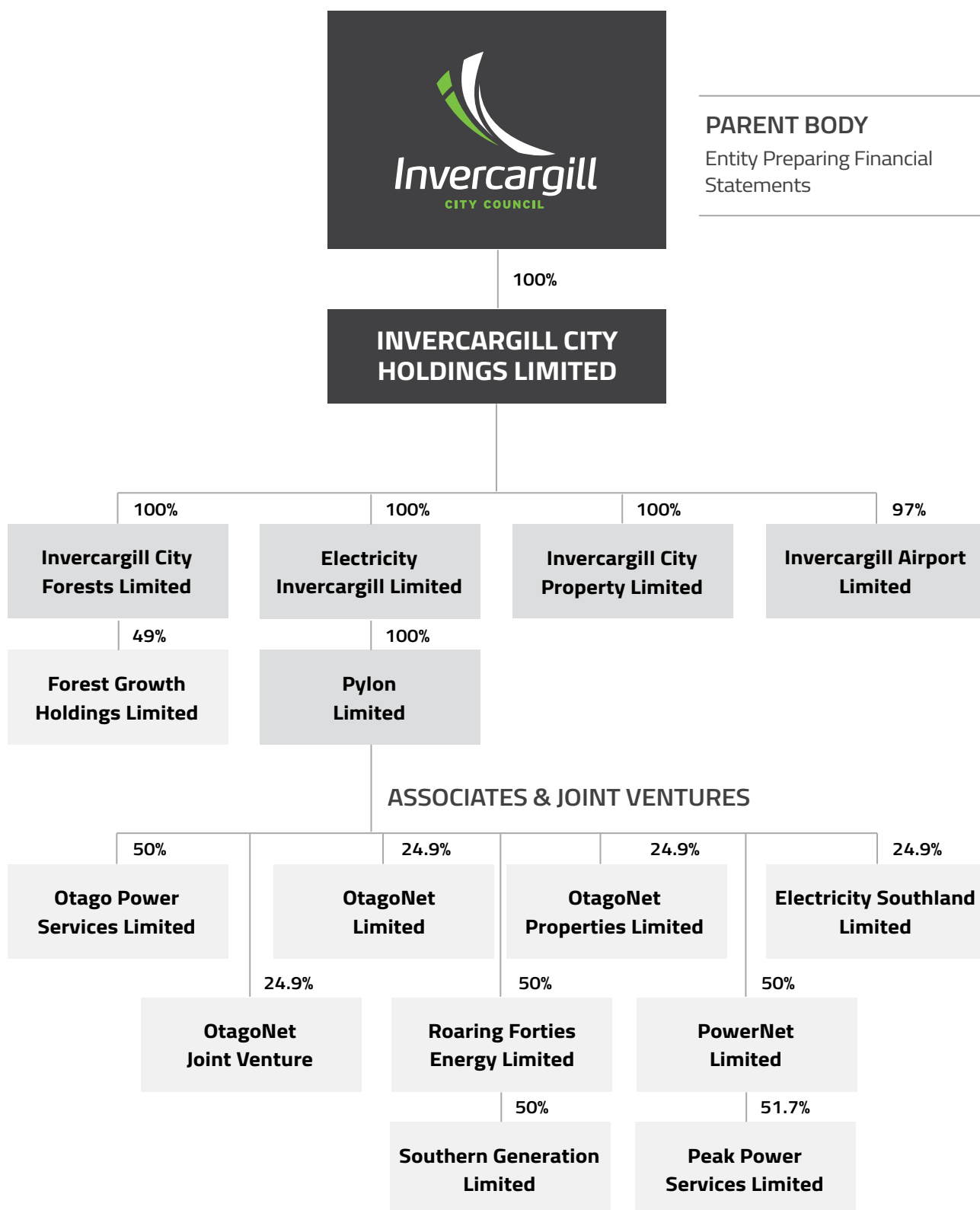
Organisation	% Before Tax 2015/16	% After Tax 2015/16
Invercargill City Holdings Limited	7.71	5.55
	% Before Tax 2016/17	
	8.55	6.15
	% Before Tax 2017/18	
	9.13	6.57
	Baseline 2013/14	
	% Before Tax 2013/14	
	10.28	8.08

Council does not intend to change the ownership or control of Invercargill City Holdings Limited or its subsidiaries.

Certain shares the Council holds in ICHL are "unpaid". This means that the issue price for the shares has not yet been paid. This issue price will become payable by the Council only when 'called' by ICHL, under

procedures set out in the company's constitution. This unpaid shareholding is often described as "uncalled capital", because it allows ICHL to support investments of its subsidiary companies. Council's contingent liability for these uncalled shares is \$100,000,000.

group structure for invercargill city holdings ltd



awarua industrial development



WHAT IS THIS PROJECT?

Industrial activities have expressed to Council that a District becomes more desirable as a place for establishing business if there is land available that is already zoned appropriately. To encourage business to establish in the Invercargill District, Council purchased 611.75 hectares of land at Awarua. Council then undertook a process under the Resource Management Act to re-zone the land from Rural to Industrial. Council intends to service the land with the necessary infrastructure for industrial activities to establish. These costs will be recouped as a part of the purchase price of the land.

The Awarua Industrial Development project contributes to the "A diverse and growing economy" Community Outcome by ensuring that the building blocks for sustainable business are in place, attracting a diverse range of business and industry to locate in Invercargill and providing an environment that

is business friendly and nurtures strong business. The Awarua Industrial Development project also contributes to the "Healthy lifestyles in a healthy environment" Community Outcome by implementing and protecting distinct development zones across the District.

WHAT IS HAPPENING NEXT?

Council has transferred the management of the Awarua Industrial Development project to Invercargill City Property Limited (ICPL). ICPL is a subsidiary of Invercargill City Holdings Limited, a Council Controlled Organisation. During the 2015/16 year, ICPL will undertake marketing of the Awarua Industrial Development, as well as any negotiations for the sale or lease of land within it.

Council will continue to lease the land for dairy grazing until on-sold. This ensures a return on Council's investment prior to the land's sale.

southland museum & art gallery

The Southland Museum and Art Gallery Trust's mission is to preserve and tell the story of Southland - the experience of people and places over time - and inspire Southlanders to explore and understand the world around them.

The Southland Museum and Art Gallery Trust contributes towards the achievement of Invercargill's Community Outcomes.

Community Outcome	Intermediate Outcomes	Measure of Service
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.	Provision of a facility that enables the collections, which focus on Southland, to be stored, maintained and exhibited in conditions that ensure their long term preservation; while providing a quality visitor experience.
A city that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit. Provide and promote a range of events that create vibrancy and build community.	Provision of a facility with exhibitions and events that inspire and inform visitors of Southland's heritage and culture as well as national and international exhibitions.

Objective	Goal	Baseline 2013/14	Target Levels of Performance 2015/16	Target Levels of Performance 2016/17	Target Levels of Performance 2017/18
To recognise the Southland Museum and Art Gallery as a place where our culture and heritage is valued and promoted.	Promotion of the Southland Museum and Art Gallery as a quality venue to visit for residents and visitors.	231,700	Annual visitor numbers exceed 200,000/ annum.	Annual visitor numbers exceed 200,000/ annum.	Annual visitor numbers exceed 200,000/annum.
To provide an inspiring, informed and rich programme of exhibitions, events and learning opportunities.	Development and implementation of an annual visitor experience programme.	15 exhibitions. 9 community access.	A minimum of 12 short-term exhibitions, including 8 in the community access gallery.	A minimum of 12 short-term exhibitions, including 8 in the community access gallery.	A minimum of 12 short-term exhibitions, including 8 in the community access gallery.
Caring for Collections. Collections are managed and preserved in accordance with established standards and cultural requirements.	Collections are maintained in optimal conditions for their long term preservation.	Not measured.	Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/ international guidelines.	Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/ international guidelines.	Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/ international guidelines.

The Trust receives an annual grant from the Southland Regional Heritage Committee and the Invercargill City Council.

southland museum & art gallery redevelopment



WHAT IS THIS PROJECT?

The Southland Museum and Art Gallery is located in Queens Park. The original museum on the site was built in 1942. Various single storey extensions were added between 1960 and 1980. The pyramid was constructed in 1990 over all existing buildings to give an approximate floor area of 4,500m², including the Observatory.

The Southland Museum and Art Gallery Trust Board receives an annual grant from the Southland Regional Heritage Committee and Invercargill City Council. Income is also generated from the Southland Museum and Art Gallery's shop (Momento), donations and entry fees for special touring exhibitions.

The Southland Museum and Art Gallery Trust owns the Museum and Art Gallery building and collections. There are over 100,000 items held in the collections, some of which are important in terms of regional, national and international significance. The existing building requires extensive refurbishment and has insufficient storage and exhibition space to enable the facility to meet the Community's needs.

The Southland Museum and Art Gallery Redevelopment project contributes to the "Healthy lifestyles in a healthy environment" Community Outcome by providing or promoting the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made. It also contributes to the "A City that is a great place to live and visit" Community Outcome by providing and promoting a range of events that create vibrancy and build community.

The Trust has minimal building reserves and will need to attract significant funding contributions from a wide range of sources.

WHAT IS HAPPENING NEXT?

In 2015/16 the Southland Museum and Art Gallery Trust Board will begin applying for grants to help fund the project. It will also begin working on getting detailed design work undertaken for the redevelopment. It is anticipated that the redevelopment will have a three year construction timeframe and that this will be undertaken between 2017 and 2019.

invercargill venue & events management limited

Invercargill Venue and Events Management Limited's purpose is to operate and market the Civic Theatre, Scottish Hall, and Rugby Park and to promote the

venues for events. It is also involved in the promotion of other events in Invercargill.

Community Outcome	Intermediate Outcomes	Measure of Service
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.	Increase in bookings for the Civic Theatre complex.

PERFORMANCE TARGETS

Baseline 2013/14	Measure	Target Levels of Performance 2015/16	Target Levels of Performance 2016/17	Target Levels of Performance 2017/18
New measure.	Increase in bookings for the Civic Theatre complex.	Book at least twelve major shows (nationally or internationally significant) per year.	Book at least twelve major shows (nationally or internationally significant) per year.	Book at least twelve major shows (nationally or internationally significant) per year.
New measure.		Increase bookings of the Theatre by local groups and performers.	Increase bookings of the Theatre by local groups and performers.	Increase bookings of the Theatre by local groups and performers.
New measure.		Increase bookings of the Theatre's meeting spaces.	Increase bookings of the Theatre's meeting spaces.	Increase bookings of the Theatre's meeting spaces.

bluff maritime museum trust

The Bluff Maritime Museum Trust's vision is to make the Bluff Maritime Museum a must-see attraction for residents and visitors.

The Bluff Maritime Museum Trust contributes towards the achievement of Invercargill City's Community Outcomes.

Community Outcome	Intermediate Outcomes	Measure of Service
Healthy lifestyles in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.	Provision of a facility that enables the collections, which focus on the Bluff and Foveaux Strait area, to be stored, maintained and exhibited in conditions that ensure their long term preservation; while providing a quality visitor experience.
A city that is a great place to live and visit.	Promote Invercargill actively as a great place to live, work, play and visit. Provide and promote a range of events that create vibrancy and build community.	Provision of a facility that inspires and informs visitors of the Bluff and Foveaux Strait area's heritage and culture.

Baseline 2013/14	Goal	Target Levels of Performance 2015/16	Target Levels of Performance 2016/17	Target Levels of Performance 2017/18
Achieved.	Maintain strong community relationships over issues relating to the collections.	The museum is open for a minimum of six and a half hours each day during the summer months and five and a half hours Monday to Friday during the winter months.	The museum is open for a minimum of six and a half hours each day during the summer months and five and a half hours Monday to Friday during the winter months.	The museum is open for a minimum of six and a half hours each day during the summer months and five and a half hours Monday to Friday during the winter months.

The Trust receives an annual grant from the Southland Regional Heritage Committee, Environment Southland, the Invercargill City Council, and the Bluff Community Board.

policies



The following policies set out basic principles and associated guidelines that Council will follow to direct and limit actions, in pursuit of its long term goal of sustainable development and providing for the current and future interests of the Community.

significance & engagement policy

PURPOSE

To let the Community know when and how they can expect to be engaged in Council's decision-making processes.

To act as a guide to Council and council staff as to what extent, form and type of engagement is required from the beginning of a decision-making process.

To identify Council's approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters.

GENERAL APPROACH

The decision on a matter's significance rests with Council.

If the issue, proposal, decision, or other matter concerned involves a significant decision in relation to land or a body of water, Council will take into account the view of Māori and their culture and traditions, recognising their cultural values and their relationship to land and water.

When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant; staff will prepare a report against the thresholds and criteria listed below for consideration by and presentation to Council.

Council will evaluate the significance of each proposal or decision it makes on a case-by-case basis. Decisions of low significance, including some decisions made under delegated authority, may not explicitly state the degree of significance.

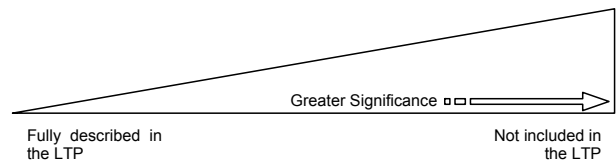
Significance and engagement will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as the proposal develops. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

THRESHOLDS AND CRITERIA

A: Contribution to Community Outcomes or Key Project

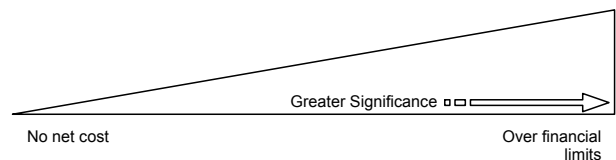
Council will consider the extent to which the decision contributes to its Community Outcomes or any key project. If a matter clearly contributes to several Community Outcomes or a key project and is borderline in regards to the other thresholds and criteria for determining significance, this will mitigate in favour of the decision being treated as "less significant". If, however, a decision does not clearly contribute to Community Outcomes or a key project and is borderline in regards to the other thresholds and criteria for determining significance, Council will adopt a precautionary approach and treat the issue as being "more significant".

B: Consistency with the LTP



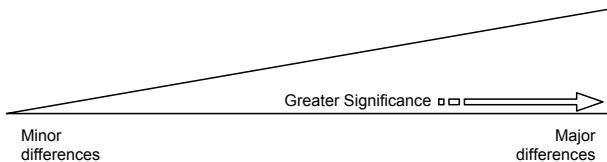
Council will consider the extent to which the decision flows logically and consequentially from a decision already made in the LTP or Annual Plan.

C: Net Cost to Council



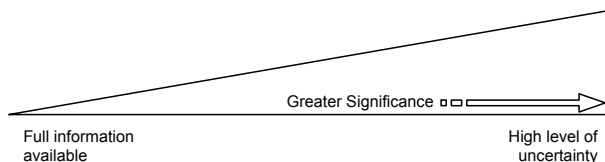
Council will consider the magnitude of the decision in terms of its net cost to Council. Most major spending decisions will be made in the context of the LTP or Annual Plan. As a general guide, any individual decision involving more than \$5 million of unbudgeted capital expenditure or \$500,000 of unbudgeted annual operating costs may be regarded as significant.

D: Variation of Options



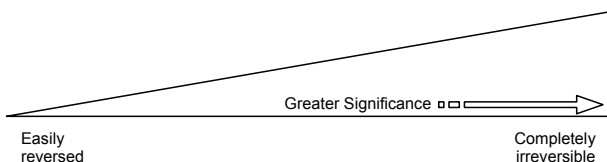
Council will consider the variation in impact of the options identified (including a “do nothing” option) on the community. The greater the variation, the greater the degree of significance.

G: Precautionary Approach



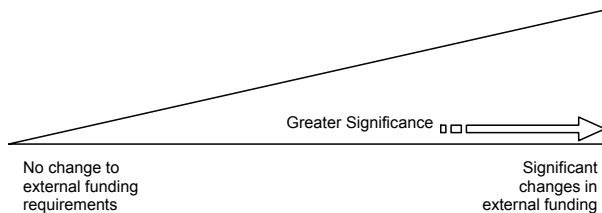
Where there is a level of uncertainty as to the outcomes or significance of a decision, Council will adopt a precautionary approach and treat the issues as being “more significant”.

E: Reversibility



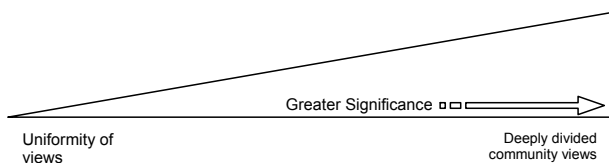
Council will consider the reversibility of the outcomes arising from the decision. In general, the degree of significance will increase as the difficulty of reversing a decision's outcome increases.

H: Impact on Funders



Council will consider the extent to which a decision impacts on general rates, targeted rates, and user fees / charges. A decision requiring an increase of 2% or more to general or targeted rates will be treated as significant. Likewise, a decision requiring an increase in user fees / charges of 10% or more will be considered significant.

F: Level Of Controversy



Council will consider the extent to which the matter under consideration may be controversial within the community. A high level of controversy indicates a greater degree of significance of the matter.

APPROACH TO ENGAGEMENT

Council is committed to engaging with our communities in a way that is effective, meaningful and timely. When making decisions Council will give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter. To ensure that our approach to engagement is targeted at the right level Council will consider:

- the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority;
- the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter;
- if any circumstances exist in which there is good reason for withholding local authority information (in accordance with the Local Government Official Information and Meetings Act 1987); and
- the costs and benefits of any consultation process or procedure.
- that Maori are a stakeholder in any engagement and we will work with Maori to determine the level of engagement required on each issue or matter.

Council requires that an Engagement Plan is prepared for any significant decision. If a decision is not deemed to be significant an Engagement Plan may still be prepared, but is not mandatory. An Engagement Plan will be developed by the Council Department responsible for the decision or matter, in collaboration with Council's Communications Team.

An Engagement Plan will outline the:

- engagement objectives - the feedback that is sought from communities,
- timeframe and completion date,
- communities that are to be engaged with,
- engagement tools and techniques to be used,
- resources, including budget, needed to complete the engagement,
- communication planning needed,
- basis of assessment and feedback to the communities involved,
- team roles and responsibilities.

ENGAGEMENT ASSESSMENT CRITERIA

Community engagement occurs across a spectrum at differing levels, Council has adapted the IAP2 Spectrum of Engagement for our use. Council will determine what level of engagement is appropriate for each decision or matter on a case by case basis using the approach to engagement above. The five levels Council will consider are:

Level	Goal	Council's Promise
Inform	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities or solutions.	At this level, Council's promise is that we will keep the Community informed.
Consult	To obtain public feedback on analysis, alternatives or decisions.	At this level, Council's promise is that we will keep the Community informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision.
Involve	To work directly with the public throughout the process to ensure the public concerns and aspirations are consistently understood and considered.	At this level, Council's promise is that we will work with the Community to ensure that their concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.
Collaborate	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	At this level, Council's promise is that we will look to the Community for direct advice and innovation in formulating solutions and incorporate the Community's advice and recommendation in to the decisions to the maximum extent possible.
Empower	To place final decision-making in the hands of the public.	At this level, Council's promise is that we will implement what the Community decides.

It will not always be appropriate or practicable to conduct processes at the participatory / empower end of the consultation continuum. Many minor issues will not warrant a participatory approach and constraints of time and money will also limit what is possible on some occasions.

There are a range of situations where engagement is necessary or desirable and a wide selection of approaches to choose from for any given situation. Council will assess each situation and determine the appropriate engagement tools. The range of tools that Council will consider using at each level of the spectrum is included in Schedule 2.

MANDATORY CONSULTATION

In certain circumstances, Council is legislatively required to consult using the Special Consultative Procedure prescribed in Section 83 of the Local Government Act. One example of circumstances where the Special Consultative Procedure must be used is when making decisions on transferring the ownership or control of strategic assets, as listed in Schedule 1.

When using the Special Consultative Procedure, Council prepares a proposal and advertises it for public submission. Submissions on the proposal can be received from anybody and the time period for receiving submissions is at least a month. People who have submitted can also request to speak to the Council regarding their submission and this is done through a Hearing Process. After considering all submissions the Council then makes a decision to adopt, amend or reject the proposal.

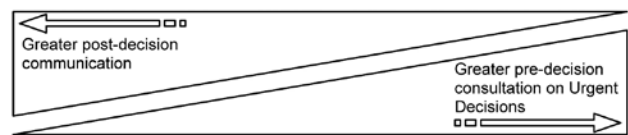
EXCEPTION TO PROCEDURE FOR DETERMINING SIGNIFICANCE AND UNDERTAKING ENGAGEMENT

The Local Government Act provides for Council to consider the practicality of undertaking extensive consultation, considering the range of options, and obtaining the views and preferences of other people. In some circumstances, failure to make an urgent decision would result in an inability to achieve the intended outcomes and a loss of opportunity.

Where an urgent decision must be made, Council will tailor its decision-making process to include as much consultation and evaluation as is practicable within the specified timeframe. If, due to time limitations, a potentially significant decision is made without extensive consultation, Council will communicate the details of the decision to the public at a level appropriate to the nature of the matter.

Where a decision is made or is to be made that is significantly inconsistent with this policy, Council when making the decision will identify the inconsistency and the reason for the inconsistency.

Practicality and Urgency



SCHEDULE 1 STRATEGIC ASSETS

- Civic Theatre Complex
- Electricity Invercargill Limited
- Invercargill Airport Limited
(97.2% Council ownership)
- Invercargill City Holdings Limited
- Invercargill Public Library and Archive - buildings and collections
- Invercargill Waste Transfer Station
- Parks and Reserves
- Public Toilets
- Roding Network and connected infrastructure
- Sewerage Networks and Treatment Plants
- Splash Palace
- Stormwater Networks in Invercargill and Bluff
- Stormwater system in Otatara
- Water Treatment, Storage and Supply Network

Under Section 97 of the Local Government Act, any decision to transfer the ownership or control of a strategic asset to or from Council can only be made if the decision has been explicitly provided for by a statement of proposal in Council's Long-Term Plan. The strategic assets defined above are the asset in total and not any individual element of the asset. Section 97 will only apply to any decision being made on the strategic asset as a whole or a major sub part of the asset. The strategic asset is the asset that is listed as a strategic asset in the above list. For example, Council's strategic asset for Electricity Invercargill Limited (EIL) is the shareholding in the parent company (EIL) and not its shareholdings in its associates or joint ventures (for example, PowerNet, Otago Power Services Limited).

SCHEDULE 2 TYPE OF ENGAGEMENT

Please note: This is not a definitive list. Techniques not listed here may be used in addition to those listed below.

INFORM

- Social media
- Newspapers / public notice / noticeboard
- Websites / internet / facebook
- Radio
- Flyers / posters
- Letter drop
- Public meetings
- City Talk Back
- Telephone Information Service
- Press statements

CONSULT / INVOLVE

- Written submissions
- Oral submissions
- Written surveys
- Telephone surveys
- Face-to-face interview surveys
- Referenda
- Formal public meetings
- Focus groups / working panels / Local action groups / task groups

COLLABORATE / EMPOWER

- Interactive web sites
- Multi Stakeholder Processes such as:
 - Open house events
 - Meetings with existing groups
 - World cafes
- Citizens Juries / Panels / Charette (Group of 12-25 people representative of a community, brought together for three to five day to consider an issue).

Note: Techniques listed as appropriate in one level may be used in any of the other levels where this will best achieve the purpose of the engagement.

INTERNATIONAL ASSOCIATION OF PUBLIC PARTICIPATION (IAP2)

The International Association of Public Participation (IAP2) is an association that works with different groups whom undertake public consultation and engagement. They are involved in the public participation process by supporting clients, colleagues and citizen's decision-making process.

The Invercargill City Council has determined to base its Engagement on the core values established by IAP2 as outlined below:

- Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
- Public participation includes the promise that the public's contribution will influence the decision.
- Public participation promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision makers.
- Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
- Public participation seeks input from participants in designing how they participate.
- Public participation provides participants with the information they need to participate in a meaningful way.
- Public participation communicates to participants how their input affected the decision.

Council has adapted the IAP2 Spectrum of Engagement for its use (included in the main Policy). IAP2's Public Participation Spectrum is designed to assist with the selection of the level of participation that defines the public's role in any community engagement process. The Spectrum shows that differing levels of participation are legitimate depending on the goals, time frames, resource and levels of concern in the decision to be made.

You can find out more about IAP2 by visiting their website - www.iap2.org.

maori capacity

MAORI CONTRIBUTION TO DECISION MAKING

Māori & Invercargill City Council

The Local Government Act provides principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. This is to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

These principles and requirements are outlined as follows:

- Local authority decision-making - where, in the course of the decision-making process, a significant decision relates to land or a body of water, Invercargill City Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.
- Contributions to and involvement in decision-making processes - Invercargill City Council will provide opportunities for Māori to contribute to and be involved in the decision-making processes of the council and will also consider ways to foster the development of Māori capacity. This may include tangata whenua Hearing Commissioner appointments to hearing panels.
- Consultation with Māori - Invercargill City Council has in place processes for consulting with Māori which are in accordance with the principles of consultation as set out in section 82 of the Local Government Act.
- Supporting implementation, use and understanding of Te Tangi a Tauira - The Cry of the People Ngāi Tahu ki Murihiku Resource and Environmental Management Plan 2008.
- Supporting projects initiated by Māori that involve direct management of the district's natural resources.
- Development of Māori capacity to contribute to the decision-making processes of the local authority. These opportunities include:
 - Provision of information to all Māori to underpin processes that assist effective contribution to the decision-making processes of Invercargill City Council;
 - Invercargill City Council, where practicable, will continue to make available resources such as maps and GIS services;
 - Building capacity to enable contribution of all Māori to the decision-making processes of Invercargill City Council. Related to this process is the need for Invercargill City Council to gain a clear understanding of expectations through hui and ongoing relationships with all Māori to agree and commit to practicable steps to building capacity.
 - Ongoing consideration on a case by case basis for the provision of support to assist all Māori with resourcing, opportunities for training and engagement and promotion of matters that are of mutual benefit;

- Ongoing promotion and education of staff and elected representatives to develop skills in Māoritanga, Tikanga Māori and Te Reo Māori and gain an appreciation of the needs and expectations of all Māori in relation to the Local Government Act and the Resource Management Act;
- Effective and efficient consultation to improve existing relationships, processes and protocols related to local government and resource management issues.

Tangata whenua & Invercargill City Council Relationship

While the Local Government Act sets out provisions relating to all Māori, it is recognised that within the Southland and West Otago regions, Ngāi Tahu are the tangata whenua. They have a special status in terms of Invercargill City Council resource management activities, and are not just another interest group. The evolution of the relationship between Invercargill City Council and tangata whenua has reached the point where that relationship is evolving into a productive partnership.

Invercargill City Council is an active participant and signatory to a Charter of Understanding – He Huaraki mā Ngā Uri Whakatupu in place between the four Southland councils, three Otago councils, and the four Southland/Murihiku papatipu rānanga. The Charter sets out the basis and conduct of the councils and rānanga in the context of the Local Government Act 2002 and Resource Management Act 1991.

The Charter provides the basis for an ongoing relationship between relevant local authorities and tangata whenua of Southland and West Otago/Murihiku to assist in developing the capacity of Māori to contribute to the decision-making processes. It further provides principles and opportunities, is a foundation for consultation on a wide range of local government issues including Long-Term and Annual Plans and assists councils through Te Ao Mārama Inc (Iwi liaison entity representing Southland rānanga for resource management and local government issues), to consult with all Māori, those that hold manawhenua and matawaka (other tribal groups) living in Southland and West Otago.

In addition to the Local Government Act obligations set out above under Maori relationships, the Resource Management Act 1991 sets local authorities specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi and the relationship between Māori and their culture and their traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. To give effect to the obligations under the Local Government Act and the related obligations under the Resource Management Act, Invercargill City Council will continue to develop its relationships with all rānanga in Southland through Te Ao Marama and with Te Rānanga o Ngāi Tahu, the iwi authority. This is essential for achieving the sustainable management of the natural resources within the Southland and Otago regions.

development contributions

It is Council's policy not to charge Development Contributions (Local Government Act) or Financial Contributions (Resource Management Act).

revenue & financing policy

INTRODUCTION

The Revenue and Financing Policy states Council's policies on the funding of its operating and capital expenditure and the sources of those funds.

The Local Government Act 2002 requires Council to manage its finances prudently and in a manner which promotes the current and future needs of the community. Council must ensure that each year's projected operating revenues are set at a level sufficient to meet the year's projected operating expenses.

GENERAL PRINCIPLES

In considering the sources of its funding, consideration was given to the following in relation to each activity.

- The Community Outcome to which it primarily contributes.
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- The period in or over which those benefits are expected to occur.
- Identification of issues which would change demand for the activity.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
- The extent to which an individual's or group's action contributes to the need to undertake a service.

After giving consideration to the above the Council then considered "the overall impact of any allocation of liability for revenue needs on the community".

Invercargill City Council's funding policy is to treat both operating and capital expenditure in the same way. That is to say, the extent to which the provision of a service by the Council is a public or private good will largely determine the extent to which rates or fees and charges fund capital expenditure.

For example, the revenue funding policy for Parks and Reserves is 50-70% public good; 30-50% private benefit. Funding the capital expenditure would be proportioned the same way, ie 50-70% by rates and 30-50% by fees and charges.

PERIOD OF BENEFIT

Three periods of benefit have been identified:

1. Short term

- Activities which have an immediate, short term benefit/impact (1-5 years) on a client or organisation.

2. Medium term

- Activities undertaken to implement legislation which, if amended, may alter the activity's areas of responsibility and focus.
- Activities which contribute significantly to the needs of the community.

3. Long term

- Activities which rely on Council's strategic assets listed in the Significance and Engagement Policy.
- Activities which rely on structures/buildings having a lifespan of at least 25 years.

IDENTIFICATION OF WHO BENEFITS FROM THE ACTIVITY

Consideration of who benefits is unique for each activity. Individuals, when they obtain a consent / registration / licence / certification which allows them to undertake an activity, receive a personal benefit. Applicants pay the full costs associated with processing applications, once lodged.

Public benefit is gained from having access to activities provided by Council and the opportunity to be involved in the development of policies which will guide their operation.

The public benefit by having confidence in Council implementing policy and standards fairly and efficiently. Complaints are investigated and resolved.

FUNDING SOURCES

The following sources of funding are used by Council:

General Rate

General rates are used to fund activities where it is not possible to clearly identify customers or users.

The general rate is also used to fund activities where, for reasons of fairness and equity, consideration of the wider community good indicates that this is the most appropriate way to fund an activity. Differentials detailed in the Funding Impact Statement are applied to this rate. Differentials have been applied to the residential rating unit base rate in order to maintain an equitable rating impact.

Targeted Rates

Targeted rates are used where an activity benefits an easily identifiable group of ratepayers and where it is appropriate that only this group be targeted to pay for some or all of a particular service, for example, water supply. Differentials detailed in the Funding Impact Statement are applied to this rate.

Differentials have been applied to the residential rating unit base rate in order to maintain an equitable rating impact.

Fees and Charges

These are direct charges to individuals or organisations who use certain activities such as pools and building consents.

Other Sources of Funding

Other sources of funding received by Council include dividends, interest, proceeds from asset sales and income from external agencies. These are used to support an activity e.g. government assistance such as the New Zealand Transport Agency for the roading activity.

Loans and Reserves

Activities which rely on assets to provide services use reserve funds for capital renewals and improvements as well as loans. Reserves are developed and reserves and loans repaid on the same proportion as the benefits received from the activity.

While borrowing may be used from time to time, usually to give effect to the principles of intergenerational equity, the repayment and servicing of the debt is funded by rates, fees and charges and other sources. In short, the actual borrowing is a mechanism only; the revenue and financing policy applies to its repayment and servicing.

RATING BASIS

Council has elected to use capital value as the basis for apportioning rates charges against the rating units where applicable. All fixed charges are based on rating units.

DEMAND GENERATORS

The Long Term Plan is based on assumptions which identify potential growth/demand generators. Greater detail and explanation is provided in this Long-Term Plan.

COMMUNITY OUTCOMES TO WHICH THE ACTIVITY SIGNIFICANTLY CONTRIBUTES

The Community Outcomes are identified in this policy. Greater detail and explanation is provided in the Community Outcomes section of this Long-Term Plan.

Infrastructural Services Group of Activities				
Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Roading				
A diverse and growing economy	Long	Public: Ability to travel effectively, efficiently and safely through the district.	Target/General rates 50-65%	Change in vehicle ownership and number of vehicle trips. Change in the industrial activity.
Healthy lifestyles in a healthy environment			Fees/Charges 0-15%	
A City that is a great place to live and visit			NZTA funding 30-40%	
Sewerage				
A diverse and growing economy	Long	Consent holders: Council approval to discharge trade waste into Council's sewerage network. Public: Sewage is collected, treated and appropriately disposed of.	Uniform charge 83-93%	Change in strength and quantities of trade waste. Change in number of properties connected to sewerage networks.
Healthy lifestyles in a healthy environment			Fees/Charges 7-17%	
Solid Waste Management				
Healthy lifestyles in a healthy environment	Long	Collection service: Waste is regularly collected and disposed of. Public: Council Transfer Stations accept solid waste for disposal.	Uniform charge 45-55%	Change in legislation Change in number of properties receiving the collection service.
Strong, innovative leadership			Fees/Charges 45-55%	
Stormwater				
Healthy lifestyles in a healthy environment	Long	Public: Stormwater is collected and discharged to prevent flooding.	Uniform charge 90-100% Fees/Charges 0-10%	Change in legislation. Change in level of development.

Infrastructural Services Group of Activities continued

Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Water Supply				
A diverse and growing economy Healthy lifestyles in a healthy environment	Long	Reticulated service: A safe, reliable water supply is provided. Public: Tankered water supply is available for sale.	Uniform charge 80-90% Fees/Charges 10-20%	Change in legislation. Change in demand for water supply.

* Funding proportions may vary within set range on an annual basis.

Development and Regulatory Services Group of Activities

Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Building Consents				
A City that is a great place to live and visit	Medium	Consent holders/ applicants: Council approval to build Certification that building meets minimum standards. Public: Buildings are safe.	General rates 20-30% Fees/Charges 70-80%	Change in legislation. Change in level of development.
Civil Defence Emergency Management				
Healthy lifestyles in a healthy environment Strong, innovative leadership	Medium	Public: Council is prepared to lead in an emergency. Community informed of their responsibilities.	General rates 90-100% Fees/Charges 0-10%	Change in legislation. Change in frequency of emergencies.

Development and Regulatory Services Group of Activities continued				
Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Environmental Health and Compliance				
Environmental Health				
<p>A diverse and growing economy</p> <p>Healthy lifestyles in a healthy environment</p>	Medium	<p>Licence holders/ applicants:</p> <p>Council approval to operate business within standards.</p> <p>Public:</p> <p>Business premises are clean and healthy.</p>	<p>General rates 80-90%</p> <p>Fees/Charges 10-20%</p>	<p>Change in legislation.</p> <p>Change in level of development.</p>
Animal Services				
<p>Health lifestyles in a healthy environment</p> <p>A City that is a great place to live and visit</p>	Short	<p>Dog Owners:</p> <p>Permission to keep dogs.</p> <p>Ensures population of dogs remains well controlled.</p> <p>Impounded animals are well cared for.</p> <p>Public:</p> <p>Stray animals are controlled.</p>	<p>General rates 10-25%</p> <p>Fees/Charges 75-90%</p>	<p>Change in legislation.</p> <p>Change in level of animal ownership and welfare.</p>
Compliance				
<p>A diverse and growing economy</p> <p>A City that is a great place to live and visit</p>	Short	<p>Public:</p> <p>Turnover of parking in Council provided spaces.</p> <p>Poor parking behaviour is discouraged.</p>	<p>Fees/Charges 100%</p>	<p>Change in legislation.</p> <p>Change in vehicle usage and parking behaviour.</p>

Development and Regulatory Services Group of Activities continued				
Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Resource Management and District Licensing				
<i>Resource Management</i>				
A diverse and growing economy Health lifestyles in a healthy environment	Medium	Consent holders / applicants: Council approval to undertake activities subject to conditions. Public: Environment is protected.	Targeted rates 80-90% Fees/Charges 10-20%	Change in legislation. Change in level of development.
<i>Alcohol Licensing</i>				
	Medium	Licence holders / applicants: Council approval for the sale of alcohol.	Fees/Charges 100%	Changes in legislation. Change in level of development.

* Funding proportions may vary within set range on an annual basis.

Community Services Group of Activities				
Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Provision of Specialised Community Services				
A City that is a great place to live and visit	Short	Public: Events and services provided for the well-being of the Community.	General rates 90-100% Other Sources 0-10%	Change in demand for specialised community services.
Community Development				
A City that is a great place to live and visit Strong, innovative leadership	Medium	Public: The provision of advice and information to strengthen community empowerment.	General rates 90-100% Other Sources 0-10%	Change in community demand for service.
Housing Care Service				
A City that is a great place to live and visit	Long	Tenants: The provision of affordable housing to people with limited means.	Fees/Charges 100%	Change in facilities within the units available for rental. Change in rental levels.

Community Services Group of Activities continued				
Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Libraries and Archives				
A diverse and growing economy A City that is a great place to live and visit Strong, innovative leadership	Long	Public: Access to quality and affordable library and archives services.	Uniform charge 90-100% Fees/Charges 0-10%	Change in legislation. Change in services available for clients.
Parks and Reserves				
Healthy lifestyles in a healthy environment A City this is a great place to live and visit	Long	Sports clubs and organisations: Hire of grounds for sporting activities. Public: Safe, inviting and attractive parks and open spaces throughout the district. Burial and cremation services available.	Targeted rates 40-50% Uniform Charge 10-20% Fees/Charges 30-50%	Change in demand for open space. Change in level of development.
Passenger Transport				
A diverse and growing economy Healthy lifestyles in a healthy environment A City that is a great place to live and visit	Short	Public: Access to public bus and Total Mobility services.	Targeted rates 30-40% Fees/Charges 60-70%	Change in vehicle usage and running costs.
Pools				
Healthy lifestyles in a healthy environment A City that is a great place to live and visit Strong, innovative leadership	Long	Sports clubs and organisations: Hire of facilities for sporting activities. Public: Provision of aquatic facilities.	Uniform Charge 10-20% Targeted rates 25-35% Fees/Charges 45-55%	Change in services available to clients.

Community Services Group of Activities continued

Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Public Toilets				
A City that is a great place to live and visit	Medium	Public: Provision of facilities in the main retail areas and Stirling Point, Bluff.	General rates 95-100% Fees/Charges 0-5%	Change in population and visitor numbers.

* Funding proportions may vary within set range on an annual basis.

Corporate Services Group of Activities

Community Outcome	Period of Benefit	Who Benefits?	Funding Sources and proportion*	Demand Generators
Democratic Process				
Strong, innovative leadership	Medium	Public: Local decision making about local issues	General rates 95-100% Other Sources 0-5%	Change in legislation.
Destinational Marketing				
A City that is a great place to live	Medium	Private enterprise: Businesses benefit from increasing visitor numbers to the district.	General rates 95-100% Other Sources 0-5%	Change in level of development and activity.
Enterprise				
A diverse and growing economy	Medium	Private enterprise: Businesses benefit from increased economic activity.	General rates 95-100% Other Sources 0-5%	Change in level of development and activity.
Investment Property				
A diverse and growing economy	Medium	Public: Net income used to offset rates.	Fees/Charges 100%	Changes in property values.
A City that is a great place to live				

* Funding proportions may vary within set range on an annual basis.

rating policy

RATING

This Rating Policy should be read in conjunction with the Revenue and Financing Policy and the funding principles included in this Plan. Figures in this Policy are GST inclusive.

The following rates will be set by Council for the financial year commencing 1 July 2015 and ending 30 June 2016.

The following are the details for each of the rates to be set for each financial year. All rates set by way of a rate in the dollar are based on capital value. All rates are charged on the basis of Rating Unit, except for the Residential Multi Unit category where it is stated in the policy following as charged on the basis of separately used or inhabited part of the rating unit (SUIP).

SUIP is defined as any part of a rating unit separately occupied by the owner or any other person who has the right to occupy that part by virtue of a tenancy, lease, licence or other agreement.

Differentials Applied In Setting General And Targeted Rates

In order to maintain an equitable rating impact and preserve the relationship which exists between residential, rural, commercial, utilities and large industrial rating units, differentials have been applied to the residential rating unit base rate, as follows:

Differentials applied in setting Rates		%
Residential	Base Rate	100.00
Residential - Multi Units		
• For the first unit	Base Rate	100.00
• For each additional unit	Base Rate	- 25.00
Commercial	Base Rate	100.00
Industrial	Base Rate	100.00
Rural-Farming	Base Rate	- 30.00

GENERAL RATE

The general rate is to fund the activities of Environmental Health, Building Control, Emergency Services, Grants, Total Mobility, Civic Theatre, Democratic Process, Destination Marketing, Enterprise and 15% of both street lighting and

footpaths. It is based on the capital value of that rating unit. This is the base rate.

Differentials will be applied to the general rate as outlined above. No uniform annual general charge is applied.

	2014/15 \$	2015/16 \$
General Base Rate	0.00117001	0.00112760

UNIFORM ANNUAL CHARGE AND TARGETED RATE

A uniform annual charge on all ratepayers will be levied for both the Parks and Reserves Activity and the Pools Activity. The remaining revenue required from rates will be gathered from a targeted rate on residential and lifestyle properties only.

- **Parks and Reserves Rate** is to fund provision of Parks and Reserves in the District.
- **Pools Rate** is to fund provision of Aquatic Facilities in the District.

	2014/15 \$	2015/16 \$
Parks and Reserves Uniform Annual Charge	57.40	57.50
Parks and Reserves Base Rate	0.00096947	0.0009547
Pools Uniform Annual Charge	28.70	28.75
Pools Base Rate	0.00024505	0.00031713

TARGETED RATES

Targeted Rates Payable on All Rating Units

The following rates are payable on all rateable land by applying a rate in the dollar based on the capital value of the rating unit and are subject to the differentials as outlined.

- **Resource Management Rate** is to fund the function of Resource Management.
- **Roading Rate** is to fund the provision of Roothing Services.
- **Cemeteries Rate** is to fund the operation of Council's Cemeteries.

	2014/15 \$	2015/16 \$
Resource Management Base Rate	0.00021924	0.00022036
Roothing Base Rate	0.00082628	0.00091470
Cemeteries Base Rate	0.00003845	0.00004282

The following rates are set on all rating units by applying a fixed charge with differentials applied as outlined. Residential - Multi Units are charged on the basis of SUIP.

- **Libraries Rate** is to fund provision of Library Services in the District.

- **Regional Heritage Rate** is to fund Council's contribution to the operation of Southland museums and heritage.
- **Regional Facilities Rate** is to fund Council's contribution to the operation of Southland regional facilities.

	2014/15 \$	2015/16 \$
Libraries Base Rate	172.71	182.44
Regional Heritage Base Rate	32.91	33.62
Regional Facilities Base Rate	-	-

The following rate applies to those rating units which have a land use as shown in the Rating Information Database of commercial only. This differential has the objective of applying a nil rate to all other categories of land use.

The rate is detailed below:

- **Business Development Rate** is to fund all costs associated with the redevelopment of commercial areas.

	2014/15 \$	2015/16 \$
Business Development Base Rate	0.00083423	0.00066026

The following rate applies to those rating units which have a land use as shown in the Rating Information Database of commercial or industrial only. This differential has the objective of applying a nil rate to all other categories of land use.

The rate is detailed below:

- **Economic Development Rate** is to fund economic, sporting and cultural development initiatives.
- **City Centre Rejuvenation Rate** (Map H).

	2014/15 \$	2015/16 \$
Economic Development Base Rate	0.00029571	0.00019747
City Centre Rejuvenation Base Rate	0.00020750	-

Targeted Rates Payable by Groups of Ratepayers

Payable by Ratepayers Within a Specified Location. The following rates are payable on all rateable land within a specified location. A general description of the area is given in each case. Maps defining the areas are attached as Maps A - G and I.

1. Rateable Land Within the Invercargill City and Bluff Urban Areas (Map A). These targeted rates will be set for each rating unit by applying a rate in the dollar

based on the capital value of the rating unit. Differentials will be applied to these targeted rates as outlined earlier. 85% of the rates for footpaths and street lighting will be targeted and 15% general rate.

- **Footpaths Rate** to fund provision of footpaths in the Invercargill City and Bluff areas.
- **Street Lighting Rate** to fund provision of street lighting in Invercargill City and Bluff.

	2014/15 \$	2015/16 \$
Footpaths Base Rate	0.00036207	0.00038518
Street Lighting Base Rate	0.00008549	0.00011856

2. Rateable Land within the Invercargill City Area Only (Map B). This targeted rate will be set for each rating unit by applying a rate in the dollar based on the capital value of the rating unit. Differentials will be applied to these targeted rates as outlined.

- **Transport Rate** to fund the cost of subsidised passenger transport in the Invercargill City area.

	2014/15 \$	2015/16 \$
Transport Base Rate	0.00013990	0.00013903

3. Rateable Land Within the Makarewa Drainage Area (Map C). The Makarewa targeted drainage rate will be set for each rating unit on a fixed charge per rating unit basis.

- **Drainage - Makarewa Rate** to fund costs in the Makarewa Drainage area.

	2014/15 \$	2015/16 \$
Drainage Makarewa Base Rate	81.92	83.58

4. Rateable Land Within the Myross Bush Drainage Area (Map D). The Myross Bush targeted drainage rate will be set for each rating unit on a fixed charge per rating unit basis.

- **Drainage - Myross Bush Rate** to fund costs in the Myross Bush Drainage area.

	2014/15 \$	2015/16 \$
Drainage Myross Bush Base Rate	78.06	79.81

5. Rateable Land Within the Specified Locations for Community Centres (Map E). These targeted rates will be set for each rating unit on a fixed charge per rating unit basis to fund the cost of operating a Community Centre in each location.

- **Community Centre - Makarewa Rate**
- **Community Centre - Myross Bush Rate**
- **Community Centre - Awarua Rate**
- **Community Centre - Otatara Rate**
- **Town Hall - Bluff Rate**

	2014/15 \$	2015/16 \$
Community Centre - Makarewa Rate	12.00	0
Community Centre - Myross Bush Rate	30.00	30.00
Community Centre - Awarua Rate	30.00	30.00
Community Centre- Otatara Rate	15.00	15.00
Town Hall - Bluff Rate	8.35	15.00

6. Rateable Land Within the Bluff Ward (Map F). This targeted rate will be set for all rateable land by applying a rate in the dollar based on the capital value of the rating unit. Differentials will be applied to this rate as outlined.

- **Community Board - Bluff Rate** to fund costs within the Bluff Community Board.

	2014/15 \$	2015/16 \$
Bluff Community Board Base Rate	0.00034522	0.00036414

7. Land Within the Redmayne Road Drainage District (Map G).

Drainage Rate - Redmayne Road to fund drainage operational costs.

	2014/15 \$	2015/16 \$
Drainage Redmayne Road Board Base Rate	100.22	80.15

8. Land Within the Inverurie Rating Area (Map I).

Inverurie Maintenance Rate. Requested by developer of Inverurie Subdivision.

	2014/15 \$	2015/16 \$
Inverurie Maintenance Rate	-	-

Targeted Rates Payable Where a Service is Provided or Available for Provision by Council

The following rates are payable on all rateable land where the service is provided or available to be provided. In the provision of water, sewerage and refuse disposal services these rates also apply to those non-rateable rating units as specified in Section 9 and Parts 1 and 2 of Schedule 1, Local Government (Rating) Act 2002. There are two categories for each rate - Residential and Non-Residential.

Non-residential means rateable land included in the Rating Information Database as rating units being used for Commercial, Industrial or Other purposes. Rest Homes, Hospitals, Schools, Kindergartens and Playcentres, Halls, Services and Sports facilities are included in the Non-residential category. Residential-Multi Units are charged on the basis of SUIP.

	2014/15 \$	2015/16 \$
Water Base Rate	304.37	317.80
Sewerage Base Rate	204.69	209.92
Drainage Base Rate	107.28	130.09

The following differentials will be applied to these targeted rates:

- **Water** - those rating units designated residential will meet 84% of the total water rate. Nonresidential rating units will meet 16%.
- **Sewerage** - those rating units designated residential will meet 75% of the total sewerage rate. Non-residential rating units will meet 25%.
- **Drainage** - those rating units designated residential will meet 75% of the total drainage rate. Non-residential rating units will meet 25%.
- **All rateable land designated residential** will be set a fixed charge for each of the water, sewerage and drainage rates.
- **Vacant rating units** which are able to be connected to a water, sewerage or drainage system but have not been connected will be charged half the amount of the above charge.
- **All rateable land designated as non-residential** will be set a fixed charge for each of the water, sewerage and drainage rates based on a range of capital values as follows:

			%
Less than \$50,000	= Base Fixed Charge		-20
From \$50,001 - \$100,000	= Base Fixed Charge		100
\$100,001 - \$200,000	= Base Fixed Charge		+20
\$200,001 - \$400,000	= Base Fixed Charge		+40
\$400,001 - \$1,000,000	= Base Fixed Charge		+100
\$1,000,001 - \$3,000,000	= Base Fixed Charge		+200
\$3,000,001 - \$5,000,000	= Base Fixed Charge		+300
\$5,000,001 +	= Base Fixed Charge		+400

Refuse Collection Rate is to fund the provision of refuse removal and kerbside recycling services in the serviced area. This targeted rate will be set by applying a fixed charge for each rate on all rateable land within the serviced area which receives or is able to receive the service. Residential - Multi Units are charged on the basis of SUIP.

The General Waste Management Rate is 17% of the total solid waste service cost and is the education and administration service provided to all ratepayers. This rate is borne by all ratepayers. Differentials will be applied to these targeted rates as outlined on page 193. Each additional wheelie bin provided for refuse or recycling costs \$150 per annum.

	2014/15 \$	2015/16 \$
Refuse Collection Base Rate	168.73	171.79
Additional Wheelie Bin	150.00	150.00
General Waste Management Rate	32.39	31.19

ADDITIONAL RATING POLICIES

In addition to the Policy and method of collecting rates as outlined above the following additional policies will also be applied.

Rating of Utilities

Utilities as specified in the Rating Information Database will be charged only the following rates:

- General Rate
- Resource Management Rate
- Roading Rate
- Parks and Reserves Rate
- Cemeteries Rate
- Libraries Rate
- Pools Rate
- Regional Heritage Rate

All utilities are rated as industrial properties at their full capital value.

Rating of Non-Rateable Land

Rating units which are deemed to be non-rateable under the Local Government (Rating) Act 2002 will be rateable for water, sewerage and refuse collection where these services are provided (Section 9 of that Act). These rating units will be assessed in the same manner as other ratepayers and according to their residential or non-residential status. Churches, community groups, residential homes and pensioner housing will be classified as residential for this purpose. All other non-rateable rating units will be classified as non-residential.

Water Charge

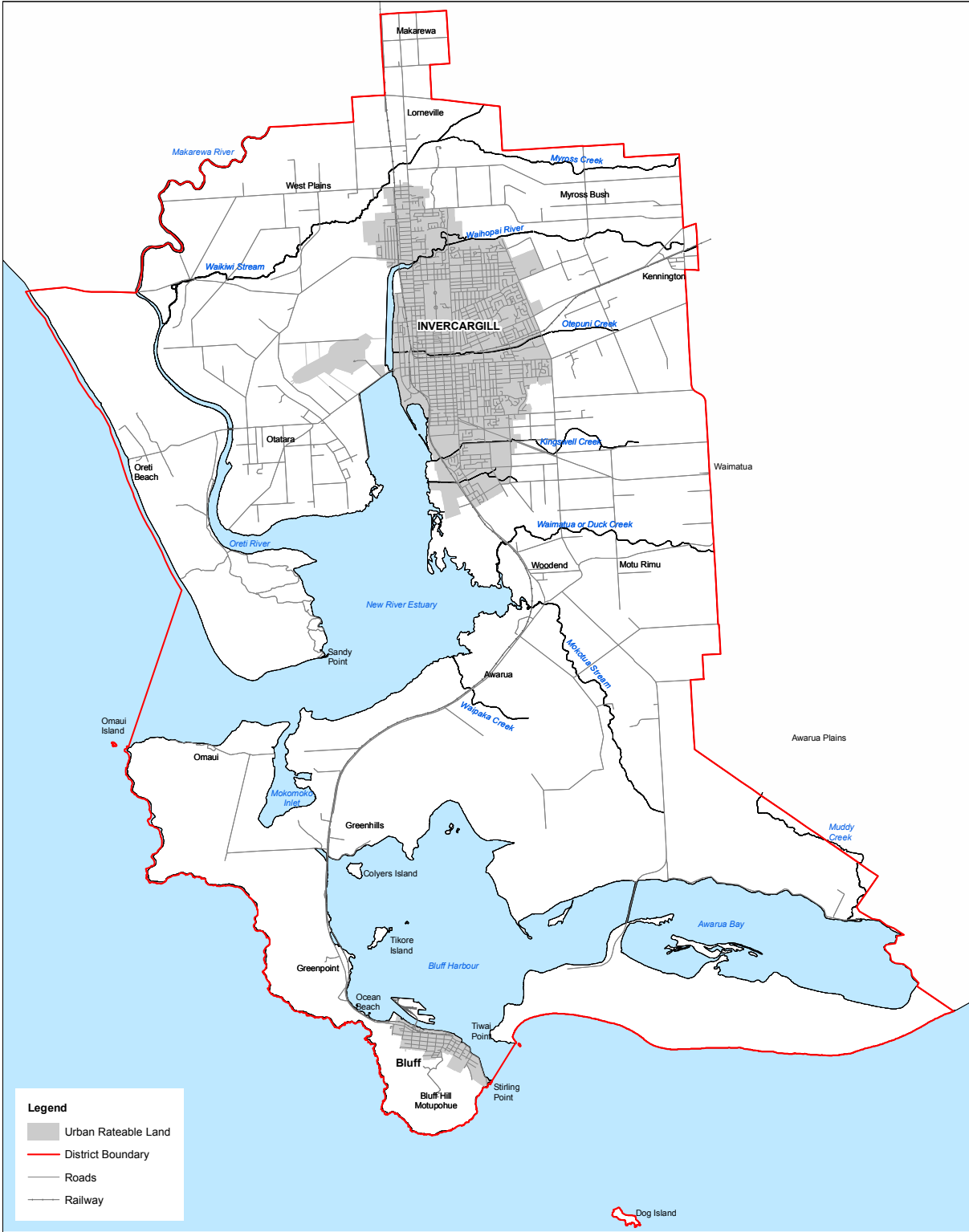
Water user charges based on metered consumption may also be made for water consumed by rating units, other than private residential rating units. This targeted rate will be charged by invoice, on a three monthly basis.

Industrial

The maximum value on which an industrial property is rated is \$21,000,000.

TOTAL RATES TO BE COLLECTED

Total increase in rates	2014/15 \$ GST inclusive	2015/16 \$ GST inclusive
General Rate	7,503,391	7,289,497
Resource Management	1,405,997	1,424,528
Roading	5,299,015	5,913,198
Parks and Reserves	6,176,220	6,133,980
Cemeteries	246,582	276,795
Libraries	4,257,286	4,500,027
Pools	1,902,512	2,269,695
Regional Heritage	811,124	829,271
Footpaths	1,728,164	1,845,483
Street Lighting	405,794	565,136
Transport	657,435	657,435
Sewerage	5,648,692	5,794,519
Drainage	2,918,323	3,539,844
Drainage - Makarewa	13,025	13,373
Drainage - Myross Bush	9,680	9,897
Drainage - Redmayne Road	3,307	2,645
Refuse Collection	3,600,070	3,664,189
General Waste Management	778,930	750,497
Water	7,116,072	7,430,109
Economic Development	345,000	230,000
Business Development	1,055,875	854,847
Vibrant	92,000	
Community Centres		
• Awarua	3,480	3,541
• Makarewa	2,076	
• Myross Bush	15,600	15,780
• Otatara	19,020	19,171
Bluff Town Hall	10,772	19,350
Bluff Community Board	81,414	83,488
Net Rates	52,106,856	54,136,295



Legend

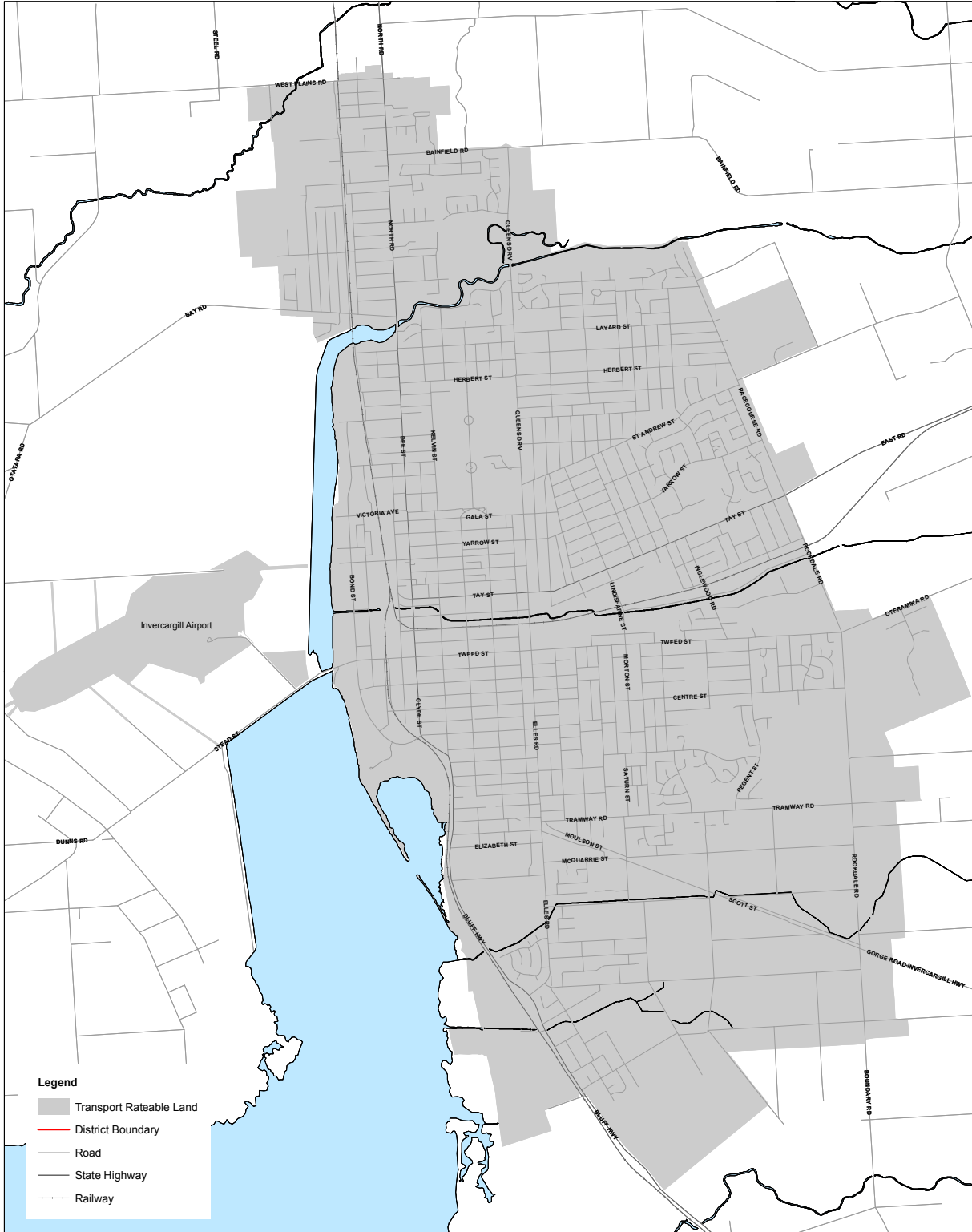
- Urban Rateable Land
- District Boundary
- Roads
- Railway



Map A
Urban Rateable Land - Invercargill and Bluff
 Current as at: 1/3/2009

N

Information shown is the currently assumed knowledge as at Date Printed. If information is vital, confirm with the Authoritative Owner, E & O E.



- Legend**
- Transport Rateable Land
 - District Boundary
 - Road
 - State Highway
 - Railway

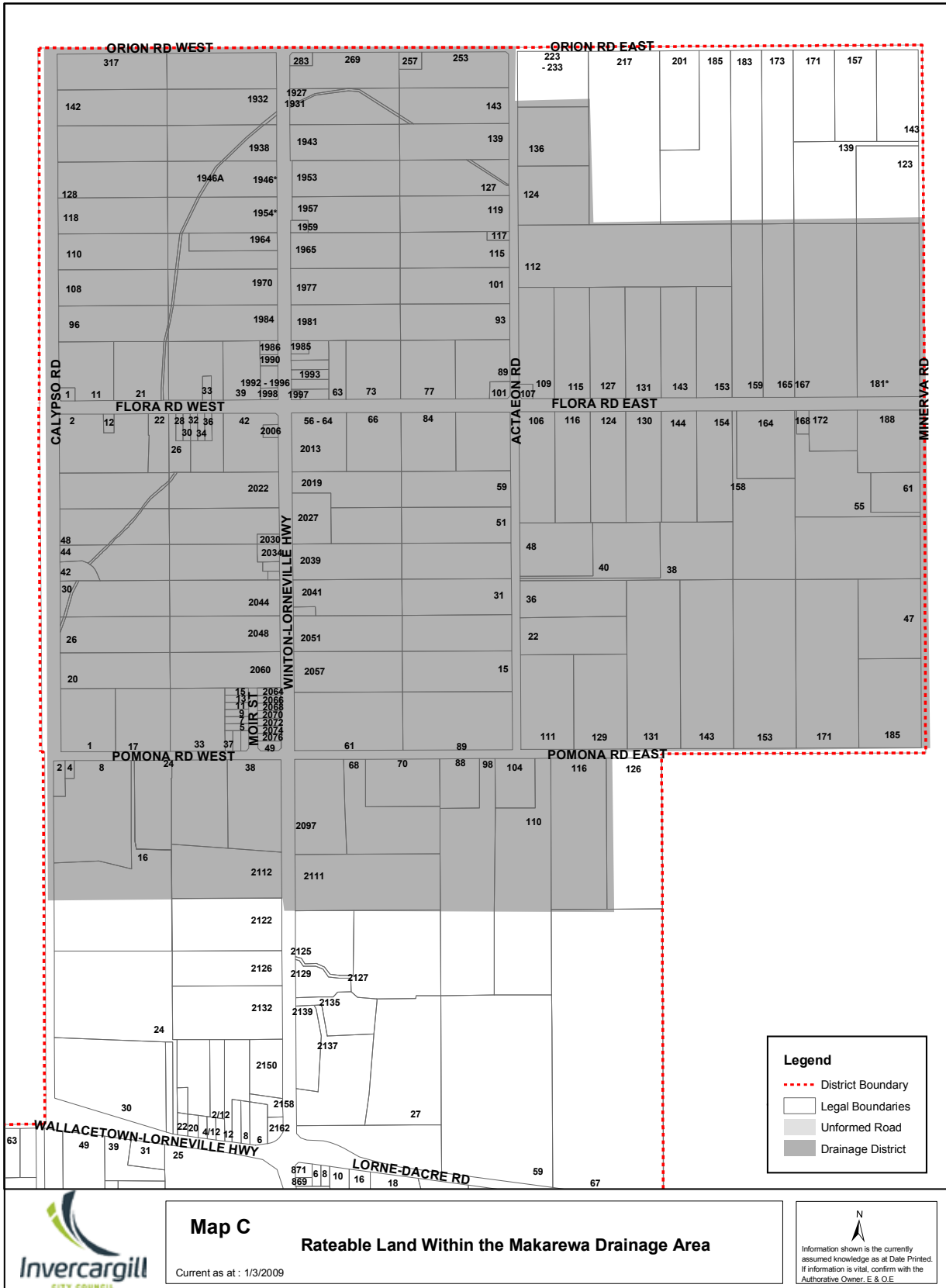


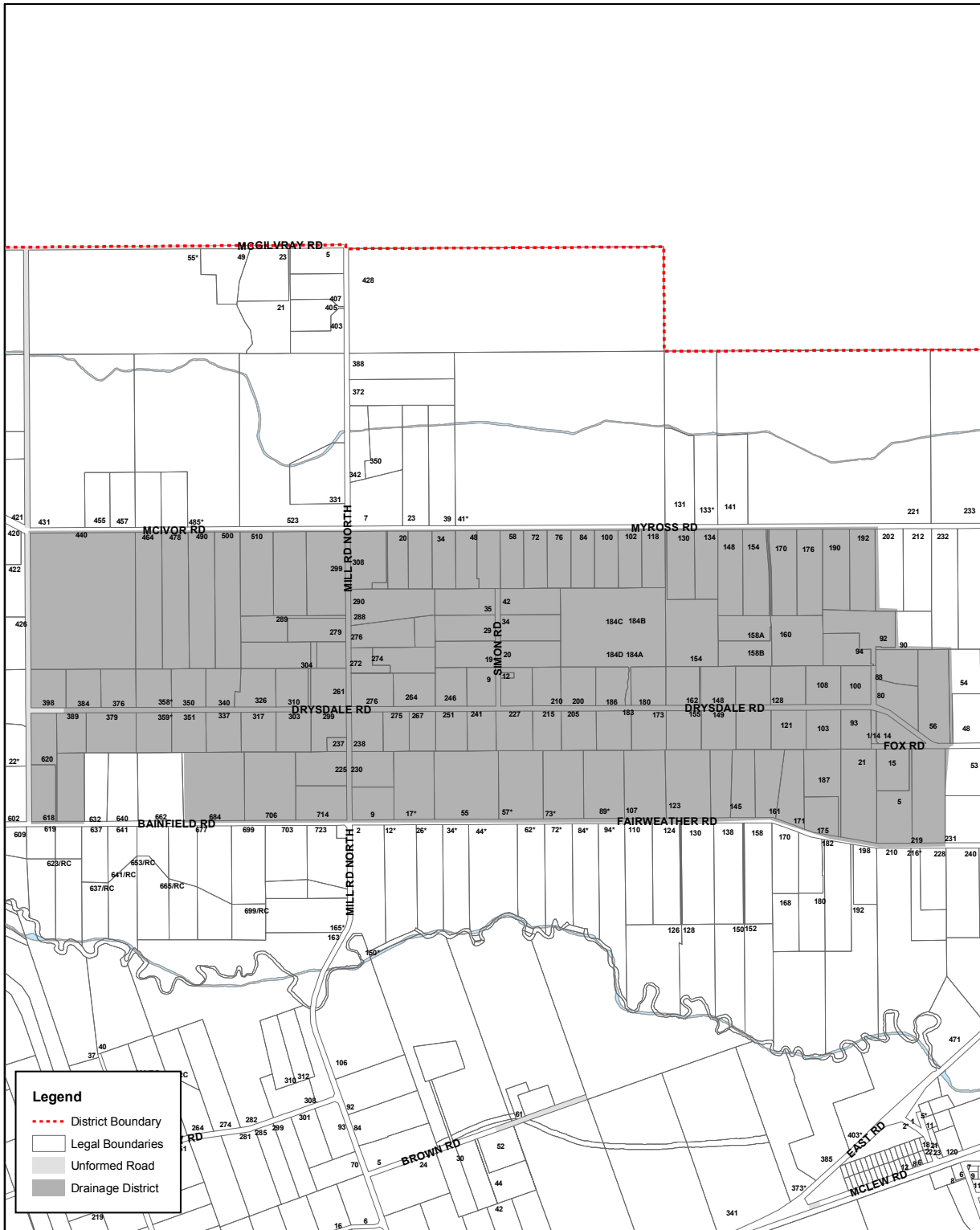
Map B

Transport Rateable Land

Current as at : 1/3/2009

N
Information shown is the currently assumed knowledge as at Date Printed. If information is vital, confirm with the Authoritative Owner. E & O E





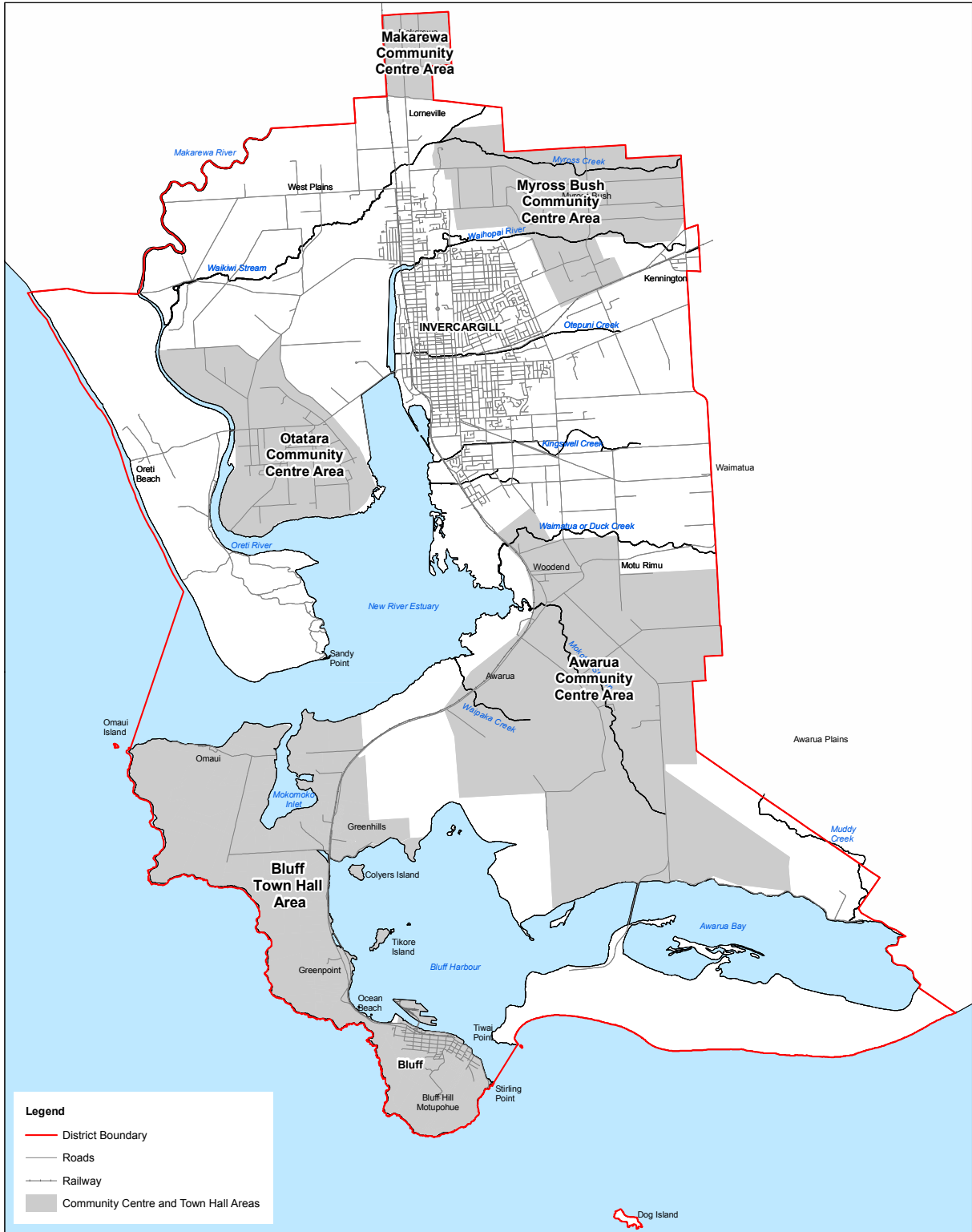
Legend

- District Boundary
- Legal Boundaries
- Unformed Road
- Drainage District



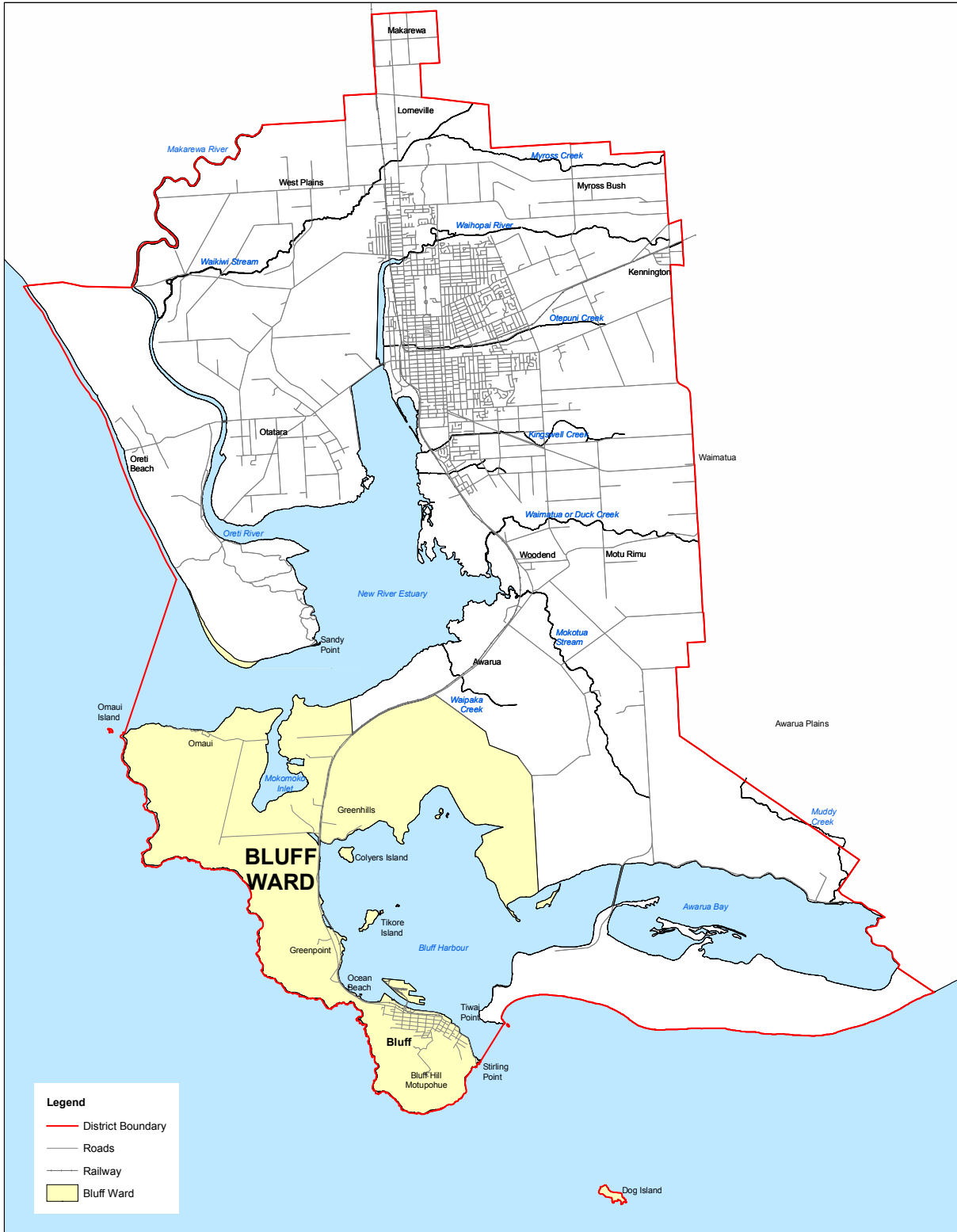
Map D
Rateable Land Within the Myross Bush Drainage Area
Current as at : 1/3/2009

N
Information shown is the currently assumed knowledge as at Date Printed. If information is vital, confirm with the Authoritative Owner, E & O.E



Map E
Rateable Land Within the Specified Locations For Community Centres and Bluff Town Hall
 Current as at: 1/3/2011

N
 Information shown is the currently assumed knowledge as at Date Printed. If information is vital, confirm with the Authoritative Owner. E & O.E.



Legend

- District Boundary
- Roads
- Railway
- Bluff Ward



Map F
INVERCARGILL CITY DISTRICT
Date Printed : 24/2/2009

N
Information shown is the currently assumed knowledge as at Date Printed. If information is vital, confirm with the Authoritative Owner. E & O.E



Legend

- Waterway
- Legal Boundaries
- Drainage District
- Unformed Road

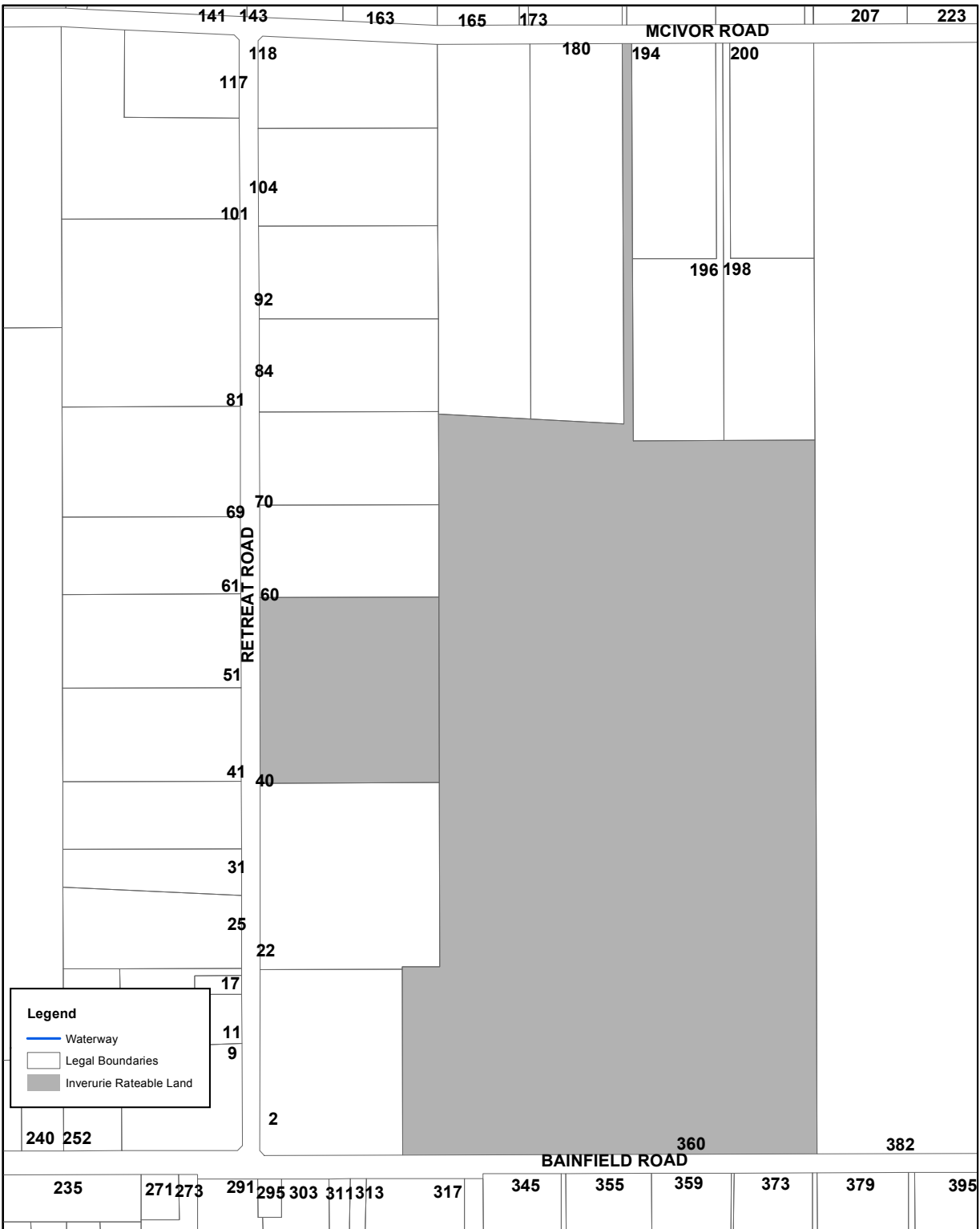


Map G
Rateable Land Within the Redmayne Road Drainage Area
 Current as at : 1/3/2009

N

Information shown is the currently assumed knowledge as at Date Printed. If information is vital, confirm with the Authoritative Owner. E & O.E





Legend

- Waterway
- Legal Boundaries
- Inverurie Rateable Land



Map I
Inverurie Rateable Land
 Current as at : 24/2/2012

N
 Information shown is the currently assumed knowledge as at Date Printed. If information is vital, confirm with the Authoritative Owner. E & O.E

fees & charges



Fees and charges for Council activities, Council Controlled Organisations and Council Organisations are set under sections 12, 103 and 150 of the Local Government Acts 2002 and 1974. Fees and charges

are effective from 1 July 2015.

All fees and charges are inclusive of GST unless otherwise stated.

Corporate Fees	2014/15 \$	2015/16 \$
Directors	150.00	150.00
Professionals	115.00	115.00
Technical	100.00	100.00
Administration support	70.00	70.00
Photocopying		
• A4	0.20	0.20
• A3	0.40	0.40
• A0 & A1	5.00	5.00
Travel per km	0.75	0.75

alcohol licensing

Alcohol Licensing Fees

Set by Sale and Supply of Alcohol (Fees) Regulations 2013

\$

\$

Premises Licence (on-licence, off-licence and club licence)

Category (Risk Rating)	Annual Fee	Application Fee
Very low (0 - 2)	161.00	368.00
Low (3 - 5)	391.00	609.50
Medium (6 - 15)	632.50	816.50
High (16 - 25)	1,035.00	1,023.50
Very High (26+)	1,437.50	1,207.50

Special Licence

Licence class	Events	Annual Fee
Class 1	1 large event: More than 3 medium events: more than 12 small events	575.00
Class 2	3 to 12 small events: 1 to 3 medium events	207.00
Class 3	1 or 2 small events	63.25

Other Alcohol licences

	Fees
Manager's certificate (application/ renewal)	316.25
Temporary authority	296.70
Temporary licence	296.70
Permanent Club Charters	632.50
Extract from register	57.50
Appeals under the Sale and Supply of Alcohol Act 2012 (against the decision of a licensing committee)	517.50

animal services

Dog Control Fees	2014/15 \$	2015/16 \$
Responsible Ownership Fee - Not Desexed	65.00	75.00
Responsible Ownership Fee - Desexed		65.00
Application for Responsible Ownership (Category A)	60.00	65.00
Standard Fee - Not Desexed	90.00	100.00
Standard Fee - Desexed		90.00
Working Dog	30.00	35.00
Microchip Implanting	40.00	45.00
Menacing dogs	90.00	150.00
Probationary owner	50% surcharge on all dog control fees	150.00
Dangerous dogs	50% surcharge on all dog control fees	150.00
Additional late fee after 1 August	25% of registration	25% of registration
Dog Hearing Lodgement Fee	750.00	750.00
Multiple Dog fee (5 dogs or more)	300.00	310.00
Application Fee (Keeping of three or more dogs and other)	60.00	65.00
Surrender Fee		30.00
Dog Control Infringements		
Set by Dog Control Act 1996 (per offence)		
Wilful obstruction of a Dog Control Officer or Ranger	750.00	750.00
Failure or refusal to supply information or wilfully providing false particulars	750.00	750.00
Failure to supply information or wilfully providing false particulars about dog	750.00	750.00
Failure to comply with any bylaw	300.00	300.00
Failure to undertake dog education programme of dog obedience	300.00	300.00
Failure to comply with obligations of a probationary owner	750.00	750.00
Failure to comply with the effects of disqualification	750.00	750.00
Failure to comply with effects of classification of dog as "dangerous dog"	300.00	300.00
Failure to comply with effects of classification of dog as "menacing dog"	300.00	300.00
Fraudulent sale or transfer of dangerous dog	500.00	500.00
Failure to advise person of muzzle and leashing requirements	100.00	100.00
Failure to implant microchip transponder in dog	300.00	300.00

Dog Control Infringements continued	2014/15	2015/16
Set by Dog Control Act 1996 (per offence)	\$	\$
False statement relating to dog registration	750.00	750.00
Falsely notifying of death of dog	300.00	300.00
Failure to register dog	300.00	300.00
Fraudulent procurement to procure replacement tag	500.00	500.00
Failure to advise change of dog ownership	100.00	100.00
Failure to advise change of address	100.00	100.00
Removal or swapping of registration tags	500.00	500.00
Failure to keep dog controlled or confined	200.00	200.00
Failure to keep dog under control	200.00	200.00
Failure to provide proper care and attention, food, water, shelter	300.00	300.00
Failure to carry leash in public	100.00	100.00
Failure to comply with barking dog abatement notice	200.00	200.00
Allowing a dangerous dog to be at large unmuzzled	300.00	300.00
Releasing dog from custody	750.00	750.00
Dog Impoundment Fees		
First Impounding	95.00	100.00
Second Impounding	135.00	140.00
Third and Subsequent Impounding	175.00	180.00
Additional cumulative fee after third impounding	40.00	45.00
Sustenance - per day	15.00	20.00
Note - Where a dog is impounded and is awaiting the outcome of a Court Hearing or similar, monthly invoices will be issued to the owner.	30.00	35.00
After Hours Release	30.00	35.00
After Hours Impounding	50.00	55.00
Stock Impounding Charges		
Horses, Asses, Mules, Cattle and Deer		
First impounding (first animal)		
• Poundage - each	75.00	80.00
Sustenance - per day	10.00	10.00
Second or Subsequent impounding (first animal)		
• Poundage - each	85.00	90.00
Sustenance - per day	10.00	10.00

Stock Impounding Charges	2014/15 \$	2015/16 \$
Additional animal impounding		
• Poundage - each	10.00	10.00
• Sustenance - per day	10.00	10.00
• Sheep, goats or pigs		
• Impounding (first animal) - each	30.00	30.00
• Impounding additional animals - each	3.00	3.00
• Sustenance (each animal) - per day	3.00	3.00
Droving, leading or conveying charges	115.00 per hour or part thereof	120.00 per hour of part thereof
Other Fees		
• Cat traps		
• Bond	50.00	55.00
• Overdue charge - per week	10.00	10.00
• Bark Collars		
• Small (Dogtro)	Bond - 50.00	Bond - 50.00
	Per week - 20.00	Per week - 25.00
• Large (Bark Limiter)	Bond - 70.00	Bond - 70.00
	Per week - 30.00	Per week - 25.00

building control

Building Consent Application	2014/15 \$	2015/16 \$
<p>All rates are subject to a minimum \$110 and a maximum \$20,000 fee, except any construction project with an estimated construction value greater than \$4,000,000 that will be charged a flat rate of 0.8% the construction value.</p> <p>Fees are based on the floor area affected, for example if a wall is removed the areas of the rooms on both sides of the demolished wall are used to calculate the fee.</p>		
(a) Residential		
New Dwellings Single / Semi-Detached / Additions (Includes plumbing and drainage)	20.00 / m ²	20.00/m ²
Residential interior alterations	12.00 / m ²	15.50/m ²
Building placed on site/foundation only	12.00 / m ²	12.00/m ²
Multi-Residential (includes plumbing and drainage)	22.50 / m ²	22.50/m ²
Conservatories / Verandahs	15.50 / m ²	400.00 flat rate
Re-roof / re-clad	400.00 flat rate	400.00 flat rate
Amendment	110.00 flat rate plus time costs and/or additional inspections	110.00 flat rate plus time costs and/or additional inspections
(a) Fast Track Foundation Amendment	200.00 flat rate	200.00 flat rate
(b) Waiver / Modification Amendment	200.00 flat rate	200.00 flat rate
Solid fuel heater:		
• Freestanding	210.00 flat rate	210.00 flat rate
• Diesel Freestanding	310.00 flat rate	310.00 flat rate
• Inbuilt / Wetbacks	310.00 flat rate	310.00 flat rate
• Boilers - oil and diesel fired	410.00 flat rate	410.00 flat rate
Bathroom alteration including wet area shower	350.00 flat rate	400.00 flat rate
Plumbing - Solar Heating	-	400.00 flat rate
Fences/timber deck	300.00 flat rate	300.00 flat rate
Swimming pools	215.00 flat rate	215.00 flat rate
Swimming pool registration (three yearly)	200.00 flat rate	200.00 flat rate
Swimming pool exemption request		200.00 flat rate
Accessory Buildings (unlined)	15.00 / m ² capped at 1,000.00	15.00 / m ² capped at 1,000.00
Accessory Buildings (unlined)	17.00 / m ² capped at 1,000.00	17.00 / m ² capped at 1,000.00

Building Consent Application Deposit continued	2014/15 \$	2015/16 \$
Accessory Buildings Extension	15.00 / m ² (minimum fee \$300)	15.00 / m ² (minimum fee 300.00)
(b) Commercial		
New Commercial / Additions (General)	22.50 / m ²	22.50 / m ²
Earthquake Strengthening Fee	1,000.00 deposit plus time costs and/or inspections	1,000.00 deposit plus time costs and/or inspections
Foundation / Slab / Bridge Only		400.00
New Office / Additions	20.00 / m ²	20.00 / m ²
Shell only (internal unfinished)	15.50 / m ²	15.50 / m ²
Commercial interior alterations	12.00 / m ²	17.00 / m ²
Minor Work	7.00 m ²	7.00 / m ²
Re-roof / reclad	600.00 flat rate	600.00 flat rate
Amendments	150.00 flat rate plus time costs and/or additional inspections	150.00 flat rate plus time costs and/or additional inspections
(a) Fast Track Foundation Amendment	200.00 flat rate	200.00 flat rate
(b) Waiver / Modification Amendment	200.00 flat rate	200.00 flat rate
(c) Industrial		
New Industrial / Additions	9.00 / m ²	15.00 / m ²
Industrial interior alterations	7.50 / m ²	12.00 / m ²
Farm Buildings (unlined) (bonafide farm use)	8.00 / m ² capped at 1,000.00	8.00 / m ² capped at 1,000.00
Amendment	150.00 flat rate plus time costs and/or additional inspections	150.00 flat rate plus time costs and/or additional inspections
(a) Fast Track Foundation Amendment	200.00 flat rate	200.00 flat rate
(b) Waiver / Modification Amendment	200.00 flat rate	200.00 flat rate
(d) Plumbing		
Interior Plumbing and Drainage	350.00 flat fee	500.00 flat rate
Site Servicing / Ext. Drainage / Road Openers (min. \$300.00)	15.00 / lin. m	15.00 / lin. m
Hot water cylinder replacement (same location)	150.00 flat rate	150.00 flat rate
Connection to North Road extension	5,377.00 flat rate	5,377.00 flat rate
On-site Waste Water Processing - (initial review) Additional costs will be charged at an hourly rate for subsequent review	700.00 flat rate	700.00 flat rate

(e) Mechanical	2014/15 \$	2015/16 \$
HVAC (affected area) (min. of \$300.00)	1.50/m ²	1.50/m ²
Sprinkler System (affected area) (min. of \$300.00)	0.75/m ²	0.75/m ²
Fire Alarm, Auto-Doors, Other Specified System	300.00 flat rate	300.00 flat rate
(f) Demolition		
Residential	350.00 flat rate	350.00 flat rate
Commercial / Industrial	500.00 flat rate	500.00 flat rate
Certificate of Acceptance		
Certificate of Acceptance Building <i>(Plus DBH, BRANZ and Accreditation levies if applicable)</i>	Consent fee x 2	Consent fee x 2
Officer charge out rates		
Processing - additional time <i>Third review of application will charged additional processing fee</i>	95.00 per hour	100.00 per hour
Inspection - additional <i>Third inspection per stage will be charged additional fee</i>	100.00 flat rate	100.00 flat rate
Project Information Memorandum		
PIM - residential	225.00 flat rate	225.00 flat rate
PIM - commercial / industrial	325.00 flat rate	325.00 flat rate
Land Information Memorandum		
Residential / Rural:		
• 5 working days	250.00 flat rate	250.00 flat rate
• 10 working days	200.00 flat rate	200.00 flat rate
Commercial/Industrial:		
• 5 working days	350.00 flat rate	350.00 flat rate
• 10 working days	250.00 flat rate	250.00 flat rate
Annual Building Warrant of Fitness		
New Compliance Schedule	200.00 flat rate	200.00 flat rate
Building Warrant of Fitness Renewal	150.00 flat rate	150.00 flat rate
Building Warrant of Fitness audit inspection (including file note)	200.00 flat rate	200.00 flat rate
Amendment to Compliance Schedule	200.00 flat rate	200.00 flat rate

Administrative	2014/15 \$	2015/16 \$
Building statistics report (per month)	30.00	30.00
Property File Retrieval	5.00	5.00
Copying charges:		
• Per A4 or A3 page (Plus Administrative Charge)	0.20 per page	0.20 per page
• Per A1 or A0 page (Plus Administrative Charge)	5.00 per page	5.00 per page
• Scanning of property files	68.00 per hour	70.00 per hour
• Administrative Charge	68.00 per hour	70.00 per hour
Miscellaneous		
Signs/Retaining Walls	200.00 flat rate	300.00 flat rate
Playground Equipment (\$300.00 min.)	5.00 / m2	5.00 / m2
Tents / Marquees	200.00 flat rate	300.00 flat rate
Amusement device:		
• First device	11.50 flat rate	11.50 flat rate
• Each additional device (same company)	2.60 flat rate	2.60 flat rate
Certificate of Public Use:	300.00	300.00 flat rate
Notice to Fix / Dangerous / Insanitary / EQ Prone	500.00 flat rate	500.00 flat rate
Minor variation acceptance	110.00 flat rate	110.00 flat rate
Alternate Solution Assessment	200.00 flat rate	200.00 flat rate
Schedule 1 paperwork acceptance	110.00 flat rate	110.00 flat rate
Schedule 1k dishwasher	25.00 flat rate	25.00 flat rate
Schedule 1 Exemption 2	-	400.00 flat rate
Peer Review/Consultant	Cost plus 10%	Cost plus 10%
Permit inspection (Consent Prior to 1993)	200.00 flat rate	200.00 flat rate
House relocation suitability report (plus report costs)	300.00 flat rate	300.00 flat rate
Dangerous / Insanitary / Earthquake Prone Consultation Fee (First half hour free of charge then hourly rate applies).	110.00 hourly rate	110.00 hourly rate
Earthquake Prone building assessment	Cost plus 10%	Cost plus 10%

Legal Processes	2014/15 \$	2015/16 \$
Drain in Common fee <i>(Applicant to engage surveyor to draw up plan and provide to Council for lodging with Land Information New Zealand.)</i>	550.00 plus any solicitors costs	550.00 plus any solicitors costs
Section 75 of the Building Act	312.00 flat rate	312.00 flat rate
Section 73 of the Building Act	312.00 plus any solicitors costs	312.00 plus any solicitors costs
Section 37 of the Building Act	110.00 flat rate	110.00 flat rate
Government Levies (May be varied by Government legislation)		
BRANZ Levy	1.00 per 1,000.00	1.00 per 1,000.00
DBH Levy	2.01 per 1,000.00 of GST inclusive work for all applications of 20,000 or more	2.01 per 1,000.00 of GST inclusive work for all applications of 20,000 or more
Accreditation Levy	1.00 per 1,000.00 of GST inclusive work	1.00 per 1,000.00 of GST inclusive work

**The following Infringement Fees are set by the Building Act 2004.
Please note - the fine increases if Court proceedings are undertaken.**

General Building Offences		
s40 - Failing to comply with the requirement that building work must be carried out in accordance with a building consent.	750.00	1000.00
Bs40 - Failing to comply with the requirement that building work must be carried out in accordance with a building consent.	500.00	500.00
s101 - Failing to comply with requirement to obtain a compliance schedule	250.00	250.00
s108(5)(a) - Failing to display a building warrant of fitness required to be displayed.	250.00	250.00
S108(5)(aa) Failing to supply territorial authority with a building warrant of fitness		250.00
s108(5)(b) - Displaying a false or misleading building warrant of fitness.	1,000.00	1,000.00
s108(5)(c) - Displaying a building warrant of fitness other than in accordance with section 108.	1,000.00	1,000.00

Legal Processes	2014/15 \$	2015/16 \$
s116B(1)(a) - Using, or knowingly permitting the use of, a building for a use for which it is not safe or not sanitary.	1,500.00	1,500.00
s116B(1)(b) - Using, or knowingly permitting the use of, a building that has inadequate means of escape from fire.	2,000.00	2,000.00
s124 - Failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous, earthquake-prone, or insanitary building.	1,000.00	1,000.00
s128 - Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice.	2,000.00	2,000.00
S128A (2) Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice.		2,000.00
s168 - Failing to comply with a notice to fix.	1,000.00	1,000.00
s362D(4) Failing to provide prescribed disclosure information		500.00
s362F(4) Failing to have a written contract as prescribed		500.00
S362T(4) Failing to provide prescribed information or documentation to specified persons		500.00
s363 - Using, or permitting use of building having no consent or code compliance certificate or certificate for public use for premises for public use	1,500.00	1,500.00
s367 - Wilfully obstructing, hindering, or resisting a person executing powers conferred under the Act or its regulations.	500.00	500.00
s368 - Wilfully removing or defacing a notice published under the Act or inciting another person to do so.	500.00	500.00
Restricted Building Work	2014/15 \$	2015/16 \$
s85(1) - Person who is not licensed building practitioner carrying out restricted building work without supervision of licensed building practitioner with appropriate licence.	750.00	750.00
s85(2)(a) - Licensed building practitioner carrying out restricted building work without appropriate licence.	500.00	500.00
s85(2)(b) - Licensed building practitioner supervising restricted building work without appropriate licence.	500.00	500.00
s314(1) - Person holding himself or herself out as being licensed to do or supervise building work or building inspection work while not being so licensed.	500.00	500.00

Dam Safety Offences	2014/15 \$	2015/16 \$
s134C - Dam owner failing to classify dam.	500.00	500.00
s138 - Dam owner failing to comply with a direction from a regional authority to have a classification re-audited and submitted.	250.00	250.00
s140 - Dam owner failing to prepare, or arrange the preparation of, a dam safety assurance programme and submit it for audit.	500.00	500.00
s145 - Dam owner failing to comply with a direction from a regional authority to have a dam safety assurance programme re-audited and submitted.	250.00	250.00
s150(4)(a) - Dam owner knowingly failing to display a dam compliance certificate required to be displayed.	250.00	250.00
s150(4)(b) - Dam owner displaying a false or misleading dam compliance certificate.	1,000.00	1,000.00
s150(4)(c) - Dam owner displaying a dam compliance certificate other than in accordance with section 150.	1,000.00	1,000.00
s154 - Dam owner failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous dam.	2,000.00	2,000.00

compliance

Parking Compliance Fees	2014/15 \$	2015/16 \$
Pursuant to: <ul style="list-style-type: none"> ▪ Land Transport Act 1998 ▪ Invercargill City Council Bylaw 2008/4 - Roading, Parking and Traffic ▪ Transport (towage fees) Notice 2004 		
Any parking offence involving parking on a road in breach of a Local Authority Bylaw, in excess of a period fixed by a meter or otherwise, where the excess time is:		
• Not more than 30 minutes	12.00	12.00
• More than 30 minutes but not more than one hour	15.00	15.00
• More than one hour but not more than two hours	21.00	21.00
• More than two hours but not more than four hours	30.00	30.00
• More than four hours but not more than six hours	42.00	42.00
• More than six hours	57.00	57.00
Parked within six metres of an intersection	60.00	60.00
Parked near corner, bend, rise or intersection	40.00	40.00
Parked on or near a pedestrian crossing	60.00	60.00
Parked in a prohibited area	40.00	40.00
Parked on broken yellow line	60.00	60.00
Parked in area reserved for hire or reward vehicles	40.00	40.00
Parked within six metres of an indicated bus stop	40.00	40.00
Parked obstructing a vehicle entrance	40.00	40.00
Parked within 500mm of a fire hydrant	40.00	40.00
Double parked	60.00	60.00
Incorrect kerb parking	40.00	40.00
Parked on a footpath	40.00	40.00
Parked a trailer on a road over seven days	40.00	40.00

Parking Compliance Fees continued	2014/15 \$	2015/16 \$
Inconsiderate parking	60.00	60.00
Parked in a (non GSV) loading zone - over the time limit	40.00	40.00
Incorrect angle parking	40.00	40.00
Parked facing wrong way	40.00	40.00
Parked on a level crossing	150.00	150.00
Parked near a level crossing	150.00	150.00
Operated vehicle with a damaged tyre	150.00	150.00
Operated vehicle with a smooth tyre	150.00	150.00
Parked in area reserved for disabled persons	150.00	150.00
Failed to park entirely in marked parking area	40.00	40.00
Failed to display valid Pay and Display coupon	40.00	40.00
Parked at an expired meter	12.00	12.00
Parked displaying an expired Pay and Display coupon	Between 12.00 - 57.00 as above	Between 12.00 - 57.00 as above
Operated an unlicensed vehicle	200.00	200.00
Obscured or indistinguishable registration label	200.00	200.00
Obscured or indistinguishable registration plate	200.00	200.00
Used a vehicle with exemption from continuous licensing	200.00	200.00
Failed to display registration plates	200.00	200.00
Displayed other than appropriate label	200.00	200.00
Used unauthorised registration plate (not on registry)	200.00	200.00
Failed to display current Warrant of Fitness	200.00	200.00
No Certificate of Fitness - commercial vehicle	600.00	600.00
Meter bags		
• per day	25.00	15.00
• per week		65.00
Towage Fee	53.67	52.50

destinational marketing

Destinational Marketing	2014/15 \$	2015/16 \$
Invercargill Visitor Information Brochure display fees		
• Southland regional operators (per annum)	115.00	115.00
• Out of region operators (per annum)	172.50	172.50
• Light box display (per month)	30.50	30.50
Trade Manual listing (per annum)	See below	See below
• Half page	160.00	160.00
• Full page	260.00	260.00

environmental health

Corporate Fees	2014/15 \$	2015/16 \$
Category A: Food premises new to the Food Safety Programme and Includes Verification (Audits) 1st year	510.00	525.00
Category A: Annual Audit (Verification) after 2nd year	115.00	120.00
Category B: Food Premises: Restaurants, Takeaways, Supermarkets / Dairies with on site Food Preparation	430.00	445.00
Category C: Food Premises: Dairy, Service Stations, Grocery Shops / other businesses selling pre-packaged food items only	245.00	250.00
Change of ownership	41.00	40.00
Late Fee charges	70.00	70.00
Other Health Licences		
Camping Ground Licence	430.00	445.00
Hairdressers, Funeral Directors, Offensive Trades	245.00	250.00
Change of ownership for the business activity	41.00	40.00
Late Fee charges	70.00	70.00
Markets		
Markets	595.00	610.00
Events- Mobile Shops or Stall Licences (Non Profit / Charity)	No charge	No charge
Events- Mobile Shops or Stall Licences (Food)		
1-10 Stalls	115.00	120.00
11-20 Stalls	255.00	265.00
21-40 Stalls	355.00	365.00
Mobile Shops	157.00	165.00
Hawkers (Food)	157.00	165.00
Hawkers (Non Food)	66.00	70.00
Noise Control Fees		
Note: Infringements set by statute		
Monitoring Under Resource Management (Infringement Offences) Regulations 1999.		
Contravention of Excessive Noise Direction under Section 327	500.00	500.00
Contravention of an abatement notice for an unreasonable noise under Section 322(1)C	750.00	750.00
Other Charges / Fees		
Release of seized equipment	60.00 plus actual and reasonable costs	65.00 plus actual and reasonable costs

Hazardous Substances Work	2014/15 \$	2015/16 \$
Inspection, survey or monitoring by HSNO Officer - per hour or part thereof. <i>- if outside normal working hours fees as per Other Charges above applies.</i>	115.00	115.00
Clean up, sampling, testing, seizure or removal of material / disposal or transfer to holding site/other agency	Actual and reasonable costs	Actual and reasonable costs
Gambling Venue Consent Fees		
Venue consent application	487.00	500.00
Hearings lodgement fee payable on lodgement of application (for hearings that last up to two hours)	1,015.00	1,500.00
Monitoring of venue premises (per hour)	115.00	115.00
Bylaw Fees and Fines		
Note: The cost recovery of bylaw monitoring and/ or enforcement and related processes is based on time, administration and costs for work undertaken.		
Untidy Sections and Abandoned Vehicles	Actual and reasonable costs	Actual and reasonable costs
Clean up related to litter and illegal dumping infringements		
Other Charges – Processing Applications / Variations / Extra Audits or Inspections Outside of Normal Business Hours		
Normal Working Hours (Per hour or part thereof)		115.00
Outside Normal Working Hours (Per hour or part thereof)		155.00
Statutory Holidays (Per hour or part thereof)		200.00

housing care

Housing Care GST Not Applicable	2014/15 \$	2015/16 \$
Studio units (per week)	Up to 93.00	Up to 97.00
One bedroom units (per week)	Up to 108.00	Up to 111.00
One bedroom units with carport (per week)	Up to 109.00	Up to 112.00
Two bedroom special needs unit (per week)	Up to 165.00	Up to 165.00

investment property

Investment Property	2014/15 \$	2015/16 \$
Lease Charges	Market rate	Market rate

libraries & archives

Lending Services	2014/15 \$	2015/16 \$
Book Bag	2.00	2.00
Book Covering	5.00	5.00
Book mending/book repair (minimum)	6.00	6.00
Digital image (minimum)		5.00
DVD (including Bluray) - new releases	2.50	1.00
Electronic Games (PS / Xbox / Wii)	2.50	2.50
Fax (minimum) plus fee/minute/location	2.50	2.50
Hot Pick Books/Magazines/DVDs	2.50	2.50
Interloans (minimum)	5.00	5.00
Interloans (urgent)	25.00	25.00
Internet (30 minutes) - Note Council continues to provide the "pay" option for internet usage, but also has free internet available in Information Services.	2.00	2.00
Meeting Room Hire		
• Half day	70.00	70.00
• Full day	122.00	125.00
Overdues non-chargeable items (per day)	0.20	0.20
Overdues chargeable items (per day)	0.50	0.50
• Printing (per copy)		
• A4 Black and white	0.20	0.20
• A3 Black and white		0.40
• A4 Colour	0.50	0.50
• A3 Colour		1.00
Replacement library card		2.00
Research - contract from within New Zealand (minimum)	10.00	10.00
Research - contract from outside New Zealand (minimum)	20.00	20.00
Scanning - email	2.50	2.50
Reserves	0.60	0.50
USB stick (8GB)		10.00

parks & reserves

General Casual Use Park Charge (Plus any special requirement charges)	2014/15 \$	2015/16 \$
Any area of any park or reserve for a wedding, picnic or non-commercial event	25.00	25.00
Special Locations (Plus any special requirements)		
Queens Park Band Rotunda (includes power)	50.00	50.00
Queens Park Winter Gardens (between 5.00 to 7.00 pm summer only)	85.00	85.00
Anderson Park Pavilion/Kitchen (includes power)	50.00	60.00
Anderson Park Pavilion/Kitchen and BBQ (includes power)	80.00	90.00
Anderson Park Second Picnic Area	35.00	40.00
Otepunu Gardens Band Rotunda (includes power)	50.00	50.00
Otatara Scenic Reserve (ex Guide Camp Area)	35.00	40.00
Special Requirements		
Queens Park		
• Power - where available	25.00	25.00
• Gates - to have gates opened for official vehicles (1 hour maximum)	85.00	100.00
Anderson Park		
• Marquee site - includes use of pavilion and kitchen	From 390.00	From 400.00
• Access after dusk	180.00	180.00
Gala Street Reserve		
• Power - Fountain	25.00	25.00
• Power - Circus Area	Own arrangements required	Own arrangements required
Wachner Place		
• Commercial site including power (per day charge)	From 235.00	From 235.00
• Others on application including power (per day charge)	50.00	50.00
Other reserves and activities (including concerts or similar) As determined by the Parks Manager based on size, duration, location and nature of event		From 115.00
Power - where available	25.00	25.00
Access to reserves through gates and barriers (key fee)	85.00	85.00
Fairs and carnivals	From 260.00	From 280.00
Circuses (non performing and performing days) per day	From 260.00	From 280.00
As determined by the Parks Manager based on size, duration, location and nature of event	Plus power if available	Plus power if available

Special Requirements - Continued	2014/15 \$	2015/16 \$
Bonds		
Marquee site	From 530.00	From 530.00
Commercial activities (including fairs and carnivals)	From 530.00	From 530.00
Circuses	From 1,125.00	From 1,125.00
Where not defined above, bond to be determined by Parks Manager		
Car Park Maintenance		
Surrey Park sports clubs with shared car parks	Per funding policy	Per funding policy
Sports Clubs Occupying Council Reserves (buildings charged as extra)		
Bowling Green	385.00	393.00
Croquet Greens	355.00	362.00
Dog Obedience Club	295.00	300.00
Model Engineers	555.00	566.00
Surrey Park Grandstand and Athletics Track		
School sports (50% paid to Athletics Southland)		
• Year 7 and over	515.00	525.00
• Years 1 to 6 (inclusive)	415.00	425.00
Athletics - use of sports area, per season (enclosure)	880.00	897.00
Sportsfield and Park Facility Charges		
Summer Sports		
Touch Rugby	235.00	240.00
5-a-side Soccer	235.00	240.00
Cricket (per wicket)		
Prepared wicket	Price on application	Price on application
• Per season		
Artificial wicket		
• Per season	400.00	408.00
• Per day	60.00	61.50
Unprepared wicket (evenings only)		
• Per season	135.00	138.00
• Per evening	40.00	41.00

Special Requirements - Continued		2014/15	2015/16	
		\$	\$	
• Per day		60.00	61.50	
Softball				
Enclosure				
• Per year		880.00	897.00	
Grass diamond				
• Per season		400.00	408.00	
• Per game		40.00	41.00	
• Per day		60.00	61.50	
Practice area				
• Per season		300.00	306.00	
Tennis - court per season		150.00	153.00	
Marching (reservations of practice area) per season, per team		80.00	82.00	
Winter Sports - Note: Effective April 1		2014	2015	2016
		\$	\$	\$
Field rent (per field)				
▪ Rugby, soccer, rugby league and hockey				
• Per season		720.00	725.00	740.00
• Single game		65.00	65.00	66.50
• Per day		85.00	85.00	87.00
• Practice field		480.00	495.00	505.00
▪ Netball Court rental (per court)				
• Per season		145.00	150.00	153.00
▪ Hockey - artificial turf (Enclosure)				
		875.00	880.00	897.00
Sandy Point Domain				
Clubs occupying Sandy Point Domain				
▪ Club buildings		380.00	385.00	395.00
▪ Grounds				
• annual charge to be assessed on the area of land occupied per hectare or part thereof, minimum charge 1 ha.		155.00	160.00	175.00
• Where a building is also on the site, the charge shall be the land area plus the building rate.				
▪ Crib sites		700.00	715.00	730.00
• Sandy Point Domain - per annum				

Winter Sports - Continued	2014 \$	2015 \$	2016 \$
Buildings other than Sandy Point			
Buildings other than Sandy Point	Current market value	Current market value	Current market value
Fencing Contribution			
For reserves boundary fences			
▪ Half cost of materials, up to a yearly set fee per lineal metre	40.00	40.00	40.00
Miscellaneous Charges			
Applications Requiring Management Plan Change	2014/15 \$	2015/16 \$	
Initial application fee		57.50	
Associated costs of application including but not limited to advertising, Minister of Conservation fee, survey fees, legal fees etc.		Recovery of actual cost incurred by Council	
Firewood			
Permit - issued for up to 4 weeks	10.00	15.00	
Hire of Plants from Mclvor Road Nursery			
(Charges do not include delivery)			
Planter Bag Sizes 2, 3 or 5		2.88 (each)	
Planter Bag Sizes 8, 12 or 28		4.00 (each)	
Planter Bag Size 40		5.75 (each)	
Tubs		11.50 (each)	
Parks Operations			
Non Council work	Tender / quote	Tender / quote	

Parks and Services - Cemeteries and Crematorium	2014/15 \$	2015/16 \$
Cemeteries – Burial Fees		
Monday to Saturday, excluding Sundays and public holidays, including pre-purchase of right of burial. Hours 8am to 5pm weekdays (summer months); 8am to 4pm weekdays (winter months); 8am to 1pm Saturdays.		
Person over five years of age	755.00	800.00
Child five years of age or under (children’s burial area)	435.00	480.00
Stillborn and child up to one year	290.00	300.00
Breaking concrete	Actual time taken	Actual time taken
Second burials - and subsequent burial/s	755.00 Plus 200.00	1,000.00
Maintenance Fee - on each burial (not applicable to stillborn and up to five years old; and Ex-Servicemen in the Servicemen’s section)	545.00	550.00
• Handfill	55.00	75.00
Burial of ashes in cemetery		
• Burial of ashes	120.00	120.00
Maintenance fee on each burial of ashes	220.00	220.00
Recording fee for scattered ashes	38.00	40.00
Ex-Servicemen’s burial in Servicemen’s area of cemetery		
For burials		
• Monday to Saturday	610.00	800.00
• Ash burial fee	120.00	120.00
Out of hours fee for burials Saturday 1pm to 4pm		
Out of hours fee, subject to special approval, in addition to normal fees	315.00	320.00
Purchase of Allotments		
(Including pre-purchase of allotment for right of burial)		
• Single one burials	710.00	725.00
• Children’s plot, 1.8m x 0.75m	360.00	370.00
• Standard width plot (2 capacity), 2.75m x 1.2m	830.00	845.00
• Double width plot (4 capacity), 2.75m x 2.4m	1,660.00	1,690.00
• Family plots - fee to be determined by size of plot requested (based on multiples of two-capacity plots)	Fee to be determined	Fee to be determined
• Plot for burial of ashes, 60cm x 60cm	265.00	265.00

Parks and Reserves - Cemeteries and Crematorium continued	2014/15 \$	2015/16 \$
Other fees		
Memorial beam (including lost Seamen)		
• Permit fee	38.00	40.00
• Beam	38.00	40.00
Free ground plaques	38.00	40.00
• Beam	38.00	40.00
• Maintenance fee	220.00	220.00
• Memorial Grove (including permit, planting, tree and recording fees)		200.00
Miscellaneous		
Permit fee for the erection of memorials		
• Prior to erection	38.00	40.00
• Non-notified	70.00	70.00
Genealogical search fee		
• Inspection of records/cards	1.00	1.00
• Print-out per page/copy per card	1.00	1.00
• Search (correspondence including email - minimum)	11.00	11.00
Disinterment and Reinterment		
• Disinterment fee, adult over five years old	2,150.00	2,200.00
• Disinterment fee, child under five years old	950.00	1,000.00
• Reinterment fee (same plot)	520.00	520.00
• Disinterment of ashes	110.00	120.00
• Reinterment of ashes	120.00	120.00
For cremations (including pre-purchase)		
Cremations (excluding use of chapel) Monday to Friday, 8.30am to 5pm, Saturday morning 8.30am to 1pm		
• Persons over 10 years of age	675.00	720.00
• Child 1 to 10 years of age	370.00	400.00
• Stillborn and child up to one year old	190.00	220.00

Parks and Reserves - Cemeteries and Crematorium continued		2014/15	2015/16
		\$	\$
For cremations (including pre-purchase) continued			
Additional Fees			
• Saturday afternoons, 1pm to 4pm (subject to special approval and in addition to normal fees)		315.00	320.00
• Use of chapel for funeral service; committal prior to cremation; or memorial service where no cremation is involved		190.00	250.00
• Storage of ashes more than 14 days after cremation, per calendar month or part thereof		38.00	40.00
Crematorium		2014/15	2015/16
		\$	\$
Purchase of allotments			
Memorial Gardens			
• Kerb plot		130.00	140.00
• Garden of Memorial		130.00	140.00
• Garden of Rest		360.00	370.00
• Children's Garden		130.00	140.00
• Avenue of Tranquillity		360.00	370.00
Miscellaneous			
Burial of ashes		120.00	120.00
Maintenance			
• Fee on each burial of ashes (not applicable to stillborn and up to five years)		220.00	220.00
• Fee recording scattered ashes		38.00	40.00
Disinterment and Reinterment			
• Disinterment of ashes		110.00	120.00
• Reinterment of ashes		120.00	120.00

passenger transport

Passenger Transport Fees	From 1 February 2015 \$	From 1 February 2016 \$
Under five years old		
• Peak	Free	Free
• Off-Peak	Free	Free
• Cross City	Free	Free
Child (5-15 years old)		
• Peak	1.90	2.10
• Off-Peak	1.40	1.60
• Cross City	2.40	2.60
Adult		
• Peak	2.80	3.00
• Off-Peak	1.40	1.60
• Cross City	3.40	3.60
Senior Citizen		
• Peak	1.90	2.10
• Off-Peak	1.40	1.60
• Cross City	2.40	2.60
Super Gold Card		
• Peak	1.90	2.10
• Off-Peak	Free	Free
• Cross City	2.40	2.60

NOTES:

1. The cross-city fare lets you take two trips within the hour.
2. Bus Smart card users receive a 10% discount on all fares.

pools

Splash Palace Fees	2014/15 \$	2015/16 \$
Adult	5.50	6.00
Senior (60 years or over)	4.00	4.50
Student (Full time tertiary)	4.50	4.50
Child	3.50	4.00
Lane Space (peak time) (20/25m lane space per hour plus entry)	18.50	20.00
Lane Space (off peak) (20/25m lane space booking fee plus entry)	5.00	8.00

resource management

Land Use and Subdivision Applications	2014/15 \$	2015/16 \$
Fixed initial deposit for Non-Notified applications (Land Use Resource Consents, Outline Plan requests, Change or Cancellation of Resource Consent Conditions, Objection to Resource Consents and Requests for Extensions of Time Limits).	500.00	525.00
Fixed initial deposit for Non-Notified Applications (Land Use Resource Consents for Demolition - Rule 4.30 only).	300.00	315.00
Fixed initial deposit for Non-Notified Subdivision Consents.	870.00	915.00
Fixed initial deposit Non-Notified Applications which are decided by the Hearings Panel. A Hearing Fee will also be charged.	1,790.00	1,880.00
Fixed initial deposit for Applications where notice is served under Section 95(b) of the Resource Management Act 1991 (Resource Consents, Change or Cancellation of Conditions, Extensions of Time Limits). Where the application is decided by the Hearings Panel a Hearing Fee will also be charged.	2,090.00	2,195.00
Fixed initial deposit for Notified Applications. Where the application is decided by the Hearings Panel a Hearing Fee will also be charged.	3,340.00	3,510.00
Where any of the above fixed initial deposits are insufficient to cover the costs associated with the processing of an application the following fee charges will apply.	Actual fee for external professionals, postage and packaging. Staff 115.00 per hour	Actual fee for external professionals, postage and packaging. Staff 115.00 per hour
Combined Land Use and Subdivision Applications		
Fixed initial deposit for Non-Notified Combined Applications.	1,115.00	1,170.00
Fixed initial deposit for Non-Notified Applications Non-Notified Combined Applications which are decided by the Hearings Panel. A Hearing Fee will also be charged.	2,145.00	2,250.00
Fixed initial deposit for Combined Applications where notice is served under Section 95(b) of the Resource Management Act 1991. Where the application is decided by the Hearings Panel a Hearing Fee will also be charged.	2,415.00	2,535.00
Fixed initial deposit for Notified Applications for combined Applications. Where the application is decided by the Hearings Panel a Hearing Fee will also be charged.	3,650.00	3,835.00
Monitoring		
Monitoring of Resource Consents (per hour)	115.00	115.00
Lodging of Objections		
Objections lodged under section 357 and 357A. Where a Hearing is required a Hearing Fee will also be charged.	650.00	690.00

Peer Review of Applications returned under section 88 of the RMA	2014/15 \$	2015/16 \$
Applicant requests a review of Council's decision to return the application under section 88 of the RMA.	Actual fee where Council's decision to return the application is upheld	Actual fee where Council's decision to return the application is upheld
Independent person to chair pre-application meeting		
Applicant requests an independent person chairs the pre-application meeting.	Actual fee	Actual fee
Designations/Heritage Orders and Plan Changes		
Fixed initial deposit for Notice of requirement for Designations (Section 168) and Heritage Order applications. Where a Hearing is required a Hearing Fee will also be charged.	5,075.00	5,330.00
Fixed initial deposit for the Alteration or Removal of a Designation or Heritage Order.	670.00	705.00
Request for a Plan Change (for minor requests for a Plan Change the costs could be significantly lower than this fee, in which case an appropriate fee would be negotiated). Where a Hearing is required a Hearing Fee will also be charged.	11,550.00	12,130.00
Hearing Fees		
Fixed Initial Deposit (To be paid prior to the Hearing)	1,500.00 for Hearings lasting up to 2 hours.	1,500.00 for Hearings lasting up to 2 hours.
Hearing Fee per hour after the first 2 hours	600.00	600.00
Hearings Commissioner	Where a commissioner hears and decides / recommends on an application the Commissioner's fee will be charged.	Where a commissioner hears and decides / recommends on an application the Commissioner's fee will be charged.
External Professionals (where required)	Actual fee	Actual fee
Documents and Certificates		
Certificates under Sections 10 and 139 of the Resource Management Act 1991 and other Certificates, eg Liquor Licence and Motor Vehicle Dealer's Licences.	350.00	370.00
Council Signing Under Seal of Legal Documents	140.00 and any associated legal fees	300.00 and any associated legal fees
Council Signatories for Legal Documents	120.00 and any associated legal fees	250.00 and any associated legal fees

Documents and Certificates continued	2014/15 \$	2015/16 \$
Council Signing of Survey Certification		
• Section 223	110.00	115.00
• Section 224(c) / Section 224(f)	150.00	160.00
• Section 221	150.00	160.00
• Combined 223 and 224(c) / 224(f)	150.00	160.00
• Section 226 application including Certification	360.00	380.00
Applications by Council Business Units, Council Controlled Organisations and Council Organisations		
All applications	Actual costs for processing, hearing and decision-making, including the cost of Hearings Commissioners and External Professionals when required.	Actual costs for processing, hearing and decision-making, including the cost of Hearings Commissioners and External Professionals when required.
Engineering Plans		
Lodgement of Engineering Plans and Specifications of Subdivision Including Checking and Inspection as Required Under the Council's Code of Land Development Referred to in the District Plan.	1.5% of the estimated cost of the Engineering Works or \$1,000.00, whichever is the greater. (Estimated cost to be acceptable to Council.)	1.5% of the estimated cost of the Engineering Works or \$1,000.00, whichever is the greater. (Estimated cost to be acceptable to Council.)
Re-Inspection Fees - Additional inspections other than those required by the Code of Practice of Code of Land Development (per hour).	115.00	115.00
Infringement fees – Resource Management (Infringement Offences) Regulations 1999		
Section 338(1)(a) - Contravention of Section 9 (restrictions on use of land)	300.00	300.00
Section 338(1)(c) - Contravention of an abatement notice (other than a notice under 322(1)(c))	750.00	750.00
Section 338(2)(a) - Contravention of Section 22 (failure to provide certain information to an enforcement officer)	300.00	300.00
Section 338(2)(c) - Contravention of an excessive noise direction under Section 327.	500.00	500.00
Section 338(2)(d) Contravention of an abatement notice for unreasonable noise under Section 322(1)(c).	750.00	750.00

Other Legislation		
Section 327A Revocation of Building Line Restriction.	455.00	480.00
Section 348 Right of Way Approval.	455.00	480.00
District Plan		
Invercargill City District Plan		
Within Southland	194.00	194.00
Remainder of New Zealand (including postage and packaging)	210.00	210.00
Rapid Signs and Aerial Photos		
RAPID Number Sign Charges		
• Single Flat Sign	41.00	41.00
• Range Sign	51.00	51.00
• Row Signs (each)	10.00	10.00
• Installation	50.00	50.00
Supply of Aerial Photos (City map product output for commercial use)		
• Electronic Output	21.00	21.00
• Paper copy - A4	10.00	10.00
• Paper copy - A3	15.00	15.00
Customised projects	Fee plus time (110.00 per hour)	Fee plus time (110.00 per hour)
Requests for Remittance of Fees and Charges		
Requests for Remittance of Fees and Charges under Section 36(5) of the Resource Management Act 1991.	Written requests to the Director of Environmental and Planning Services, Invercargill City Council	Written requests to the Director of Environmental and Planning Services, Invercargill City Council

roading

Roading Fees	2014/15 \$	2015/16 \$
Licence to occupy road - "Café licence" (No Alcohol Permitted) - Annual Charge		
• Up to 15 square metres	125.00	125.00
• Per additional square metre	12.50	12.50
• Special designated area of footpath for Liquor Licence or similar (Annual Charge)	1,042.00	1,042.00
• Metered parking space removal (Annual Charge or pro rata for longer periods)	2,000.00	2,000.00
Restricted use of footpath, e.g. scaffolding permit (monthly fee - also requires CAR permit)	5.00 per calendar day (minimum 80.00)	5.00 per calendar day (minimum 80.00)
Overweight permit	Set by legislation	Set by legislation
Vehicle crossing application per crossing	Technical charge based on processing time	Technical charge based on processing time (minimum 60.00)
Corridor Access Request (previously road opening permit)	Technical charge based on processing time	Technical charge based on processing time (minimum 50.00)
Approval for a Roadside Grazing permit or Dust Suppressant application permit or Demolition or removal of property or Placing of Shipping Container or Frontage or Approval for use of any Road Space.	Technical charge based on processing time	Technical charge based on processing time (minimum 45.00)
Parking		
Esk Street Number 1 off street car park (per hour)	1.20	1.20
Esk Street Number 2 off street car park (per hour)	1.00	1.00
Don Street off street car park	1.20	1.20
Tay Central off street car park		
• For first hour	1.20	1.20
• For each hour thereafter	1.20	1.20
Park Zone car park building		
• Casual parking (per hour)	1.10	1.10
• Business hours card (per month)	50.00	52.50
• 24 hour card (per month)	60.00	63.00
• Reserved card (per month)	90.00	94.50
On street parking meters (per hour)	1.50	.90 to 1.20
Coach parking (per hour)	2.50	2.50

sewerage

Trade Waste Bylaw Fees	2014/15 \$	2015/16 \$
Reinspection Fee	Actual costs charged by accredited laboratory	Actual costs charged by accredited laboratory
Volume Charge (C_v)	36.07c/m ³	38.6c/m ³
Biochemical Oxygen Demand Charge / Organic Loading (C_b)	36.4c/Kg BOD	38.5c/Kg BOD
Suspended Solids Charge (C_s)	31.0c/Kg SS	35.0c/Kg SS
Tankered Waste (Clifton)		
Plant influent (main sewer)	9.50/m ³	9.50/m ³
Sludge lagoon	9.50/m ³	No longer offered
Digester	19.00/m ³	19.00/m ³
Other	9.50/m ³	9.50/m ³

solid waste

Invercargill Transfer Station	2014/15 \$	2015/16 \$
Cash minimum	5.00	5.00
Account minimum	10.00	10.00
General waste per tonne	155.00	162.00
Mixed waste > 80% green waste per tonne	115.00	130.00
Mixed waste < 80% green waste per tonne	155.00	162.00
Green waste only per tonne	68.00	68.85
Cleanfill only per tonne	75.00	81.80
Hazardous waste per tonne	75.00	81.80
Car tyres, each (weight charges also apply)	6.00	6.00
Truck tyres, each (weight charges also apply)	11.00	11.00
Bluff Transfer Station		
Rubbish		
• Car	9.50	10.00
• Station wagon	15.50	16.00
• Ute/large van	25.50	26.00
• Trailer - single axle	40.50	41.00
• Trailer - tandem axle	68.50	69.00
• Tyres - car, each (no bulk loads)	6.00	6.00
• Tyres - truck, each (no bulk loads)	11.00	11.00
Greenwaste		
• Car	5.00	5.50
• Station wagon	7.00	6.50
• Ute/large van	12.00	12.20
• Trailer - single axle	18.00	18.50
• Trailer - tandem axle	30.00	30.50

water supply

Sale of water	2014/15 \$	2015/16 \$
Class A: Excess usage by Easement Grantors (by agreement) m ³	0.0254	0.0254
Class C: Extraordinary Consumers of Reticulation (non-residential rating units) Annual Consumption m ³ :		
• 0 to 249	0	0
• 250 to 100,000	0.60	0.62
• 100,001 to 200,000	0.54	0.55
• 200,001 to 300,000	0.47	0.48
• 300,001 and above	0.39	0.40
Class D: Southland District Council consumers off Branxholme pipelines m ³	1.25	1.30
Class G: Bulk water ex waterworks to tankers etc (minimum \$16.00) m ³	1.80	2.00
Class H: Supplied per metered standpipe ex hydrants (minimum \$16.00) m ³	1.80	2.00
• Plus standpipe hire per day	39.00	40.00
Class I: Builders unmetered supply paid with permit fees		
• Dwelling	39.00	40.00
• Commercial buildings	71.00	80.00
Water connection charges		
Ordinary connections (Invercargill area)		
• 20mm service each	1,750.00	1,750.00
• 25mm service each	2,350.00	2,350.00
Ordinary connections (Bluff area)	Quote	Quote
Extraordinary connections	Quote	Quote
Renewals (20mm diameter)	1,310.00	1,310.00
Disconnection fee		
• Up to and including 50mm each	700.00	700.00
• 25mm service each	Quote	Quote
Reconnection fee (up to 50mm diameter)	1,000.00	1,000.00
Service connection flow test each	300.00	300.00
Backflow preventer fee		
• Registration and installation	120.00	125.00
• Annual inspection	65.00	70.00
Fire protection water connection annual licence	65.00	70.00

miscellaneous

Bank Fees and Charges	2014/15 \$	2015/16 \$
Credit card and electronic transfer charges	Actual charge	Actual charge
Laboratory Services		
Testing services	Technical hourly rate plus materials	Technical hourly rate plus materials
Litter		
Litter fine	400.00	400.00
Official Information Requests and Compliance Investigations		
▪ Directors (per hour)	150.00	150.00
▪ Professionals (per hour)	115.00	115.00
▪ Technical (per hour)	100.00	100.00
▪ Administration support (per hour)	70.00	70.00
▪ Photocopying		
• A4 page	0.20	0.20
• A3 page	0.40	0.40
▪ Travel per km	0.75	0.75
Rates Postponement Policy Fees		
Administration fee	50.00	50.00
Interest rate	8%	8%
Request for establishing a new Rating Area		
Request for establishing a new Rating Area	7,187.50	7,187.50
Services Provided to other Local Authorities		
Charge for services provided to other Local Authorities (per hour)	New charge	150.00

ALTERATION OF FEES

Fees and charges may be refunded, remitted or waived by the Chief Executive Officer, Director of Environmental and Planning Services, Director of Finance and Corporate Services or Director of Works and Services. The fees and charges listed were

correct at the time of going to print. The Council reserves the right to alter fees and charges during the year. Any changes will be publicly notified for submissions. All fees and charges are GST inclusive unless otherwise stated.

invercargill airport ltd

Invercargill Airport Fees	2014/15 \$	2015/16 \$
Car parking charges		
• Up to 1 hour	Free - 5.00	Free - 5.00
• Up to 24 hours	From 5.50 - 16.00	From 5.50 - 18.00
• Up to 2 days	From 16.50 - 23.00	From 18.50 - 28.00
• Up to 3 days	From 23.50 - 29.00	From 28.50 - 38.00
• Up to 4 days	29.50 - 34.00	From 38.50 - 48.00
• First week (7 day) maximum	New charge	58.00
• After the first week, per 12 hour period or part thereof	New charge	6.00
• After the first week, weekly maximum	New charge	42.00
• Lost ticket fee	100.00	100.00
• Unlimited card use (12 months)	576.00	980.00
Leases	Market rate	Market rate
Fuel sales	Market rate	Market rate
Meeting rooms, per hour (minimum three hours)		
• Meeting Room	25.00	25.00
• Departure lounge	35.00	35.00
Official Information Requests (per hour)		
▪ Directors	150.00	150.00
▪ Professionals	115.00	115.00
▪ Technical	100.00	100.00
▪ Administration support	70.00	70.00
▪ Photocopying		
• A4 page	0.20	0.20
• A3 page	0.40	0.40
▪ Travel per km	0.77	0.75

ALTERATION OF FEES

Fees and charges may be refunded, remitted or waived by the Manager, Invercargill Airport Limited. The fees and charges listed were correct at the time of going to print. The Council reserves the right to

alter fees and charges during the year. Any changes will be publicly notified for submissions. All fees and charges are GST inclusive unless otherwise stated.

invercargill venue & events management ltd

Civic Theatre Complex	2014/15 \$	2015/16 \$
Civic Theatre (seating capacity 1,015)		
• Hire charge per performance	Price by negotiation	Price by negotiation
• Second performance	Price by negotiation	Price by negotiation
• Matinee or rehearsals with an audience	1,800.00	1,800.00
• Dark days pack in/out rehearsals	1,080.00	1,080.00
• Security deposit per performance	540.00	540.00
<i>Specialist services are also available at an additional charge</i>		
Function Rooms		
• Weddings - basic hire for a day	Price by negotiation	Price by negotiation
Drawing Room		
• Day booking	215.00	215.00
• Half day booking (maximum four hours)	110.00	110.00
• Day/night	330.00	330.00
Victoria Room - whole room		
• Day booking	345.00	345.00
• Half day booking (maximum four hours)	175.00	175.00
• Day/night	520.00	520.00
Victoria Room - Venue 1 or Venue 2		
• Day booking	215.00	215.00
• Half day booking (maximum four hours)	110.00	110.00
• Day/night	330.00	330.00
Scottish Hall		
Venue Hire	Price by negotiation	Price by negotiation

ALTERATION OF FEES

Fees and charges may be refunded, remitted or waived by the Manager, Invercargill Venue and Events Management Limited. The fees and charges listed were correct at the time of going to print. The Council

reserves the right to alter fees and charges during the year. Any changes will be publicly notified for submissions. All fees and charges are GST inclusive unless otherwise stated.

southland museum & art gallery

Community Rate	9.00am to 5.00pm	After Hours
AV Theatre	Free	Free
Tuatara School Group / Lectures	Free	N/A
Concerts / Performances	Free	N/A
Piano	Free	Free
Not for Profit Rate	9.00am to 5.00pm	After Hours
AV Theatre	30.00 per hour	60.00 per hour
Concerts / Performances	30.00 per hour	60.00 per hour
Piano	Free	Free
Commercial Rate	9.00am to 5.00pm	After Hours
Audio visual theatre/gallery	50.00 per hour	100.00 per hour
9.00 am to 5.00 pm Monday to Friday	\$50.00	\$50.00
Outside above hours	10.00 per head	N/A
Outside above hours	5.00 per head (minimum 25.00)	N/A
Outside above hours	50.00 per hour	100.00 per hour
Outside above hours	Piano Tuning Fee	Piano Tuning Fee
Community Gallery		
Gallery hire - four weeks	260.00	260.00
Exhibition sales		
Commission	1/3 (33%) of the GST exclusive sale price, plus GST	1/3 (33%) of the GST exclusive sale price, plus GST
Digital Services		
Photo emailed / printed (personal use)	25.00	25.00
Photo emailed / printed to be published	25.00 + 50.00 (acknowledgement fee)	25.00 + 50.00 (acknowledgement fee)
Request for photo of collection item	55.00	55.00
Photo to be used on front cover	To be negotiated	To be negotiated
Filming by prior arrangement per hour	250.00	250.00
Southland Museums and Historical Societies	Cost only	Cost only

Research	2014/15 \$	2015/16 \$
Research fee (pro rata)	180.00 per hour	180.00 per hour
Photocopying		
A4 Black and white	0.20	0.20
A4 Colour	0.50	0.50
Official Information Requests (per hour)		
Directors	150.00	150.00
Professionals	115.00	115.00
Technical	110.00	110.00
Administration support	70.00	70.00
Photocopying		
• A4 page	0.20	0.20
• A3 page	0.40	0.40
Travel per km	0.75	0.75

ALTERATION OF FEES

Fees and charges may be refunded, remitted or waived by the Manager, Southland Museum and Art Gallery. The fees and charges listed were correct at the time of going to print. The Council reserves the

right to alter fees and charges during the year. Any changes will be publicly notified for submissions. All fees and charges are GST inclusive unless otherwise stated.

financial management



The Council must under the Local Government Act, manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently, and in a manner that sustainably promotes the current and future interests of the Community.

This section includes:

- Prospective Statement of Financial Position
- Prospective Statement of Comprehensive Income
- Prospective Statement of Changes in Equity
- Prospective Statement of Cashflows
- Reconciliations from Funding Impact Statements to Statement of Comprehensive Income
- Schedule of Reserve Funds
- Prospective Statement of Accounting Policies.

Prospective Financial Statements

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	Annual Plan	Annual Plan	Long Term Plan 2015 - 2025	
	2014/15 (\$,000)	(Restated)* 2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)
ASSETS				
Cash and cash equivalents	1,435	6,466	6,416	6,364
Trade and other receivables	11,792	10,010	10,010	10,256
Inventories	648	670	670	686
Other financial assets - current	(764)	0	0	0
Current assets	13,111	17,146	17,096	17,306
Property, plant and equipment assets	694,253	657,133	672,361	723,087
Intangible Assets	273	307	307	307
Forestry assets	1,370	2,005	2,135	2,135
Investment property	26,088	27,574	28,184	28,880
Other financial assets - Investments in CCO's	36,546	36,069	36,069	36,069
Other financial assets - Other	15,392	4,567	1,417	2,785
Non-current assets	773,922	727,655	740,473	793,263
TOTAL ASSETS	787,033	744,801	757,569	810,569
LIABILITIES				
Trade and other payables	10,539	9,501	9,501	9,693
Provisions - Current portion	112	50	51	84
Employee benefit liabilities - current portion	2,649	2,028	2,028	2,078
Borrowings - Current Portion	2,842	2,866	3,303	3,498
Derivative Financial Instruments - Current	0	7	7	7
Current liabilities	16,142	14,452	14,890	15,360
Employee benefit liabilities - Non current portion	860	812	812	832
Borrowings - non current portion	58,005	30,187	44,606	50,101
Provisions - non current portion	906	925	874	790
Derivative Financial Instruments - Non-current	0	374	374	374
Non-current liabilities	59,771	32,298	46,666	52,097
TOTAL LIABILITIES	75,913	46,750	61,556	67,457
EQUITY				
Retained earnings	404,799	406,757	408,869	405,369
Restricted reserves	17,082	19,166	15,016	15,397
Hedging Reserve	(764)	(143)	(143)	(143)
Asset revaluation reserves	290,003	272,271	272,271	322,489
TOTAL EQUITY	711,120	698,051	696,013	743,112
TOTAL LIABILITIES AND EQUITY	787,033	744,801	757,569	810,569

* Annual Plan (Restated) 2014/15 represents the Annual Plan 2014/15 including adjustments for actuals from Annual report 2013/14

2017/18 (\$,000)	2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
6,280	6,194	6,106	6,014	5,920	5,823	5,723	5,620
10,515	10,789	11,085	11,407	11,754	12,129	12,537	12,978
704	722	742	764	787	812	839	869
0	0	0	0	0	0	0	0
17,499	17,705	17,933	18,185	18,461	18,764	19,099	19,467
719,998	716,476	792,801	795,387	795,380	871,036	868,760	868,155
307	307	307	307	307	307	307	307
2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135
29,603	30,353	31,161	32,039	32,989	34,018	35,150	36,385
36,069	36,069	36,069	36,069	36,069	36,069	36,069	36,069
4,129	4,587	4,905	5,256	5,742	6,504	7,799	6,818
792,241	789,927	867,378	871,193	872,622	950,069	950,220	949,869
809,740	807,632	885,311	889,378	891,083	968,833	969,319	969,336
9,896	10,111	10,345	10,595	10,867	11,161	11,479	11,825
86	89	91	94	97	100	104	107
2,131	2,186	2,246	2,311	2,381	2,457	2,539	2,630
3,796	3,719	3,744	4,925	3,990	3,987	3,756	3,633
7	7	7	7	7	7	7	7
15,916	16,112	16,433	17,932	17,342	17,712	17,885	18,202
853	875	899	925	953	983	1,017	1,053
52,881	50,320	52,983	53,028	52,976	53,054	49,243	46,053
704	615	524	430	333	233	129	22
374	374	374	374	374	374	374	374
54,812	52,184	54,780	54,757	54,636	54,644	50,763	47,502
70,728	68,296	71,213	72,689	71,978	72,356	68,648	65,704
400,898	400,724	400,520	402,714	404,596	405,745	408,588	412,471
15,768	16,266	16,626	17,023	17,557	18,371	19,722	18,800
(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)
322,489	322,489	397,095	397,095	397,095	472,504	472,504	472,504
739,012	739,336	814,098	816,689	819,105	896,477	900,671	903,632
809,740	807,632	885,311	889,378	891,083	968,833	969,319	969,336

and large transactions which have occurred during the 2014/15 financial year, which are not included in Annual Plan 2014/15.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE

	Annual Plan	Annual Plan	Long Term Plan 2015 - 2025	
	2014/15 (\$,000)	(Restated)* 2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)
REVENUE				
Rates revenue excluding targeted water supply rates	39,122	39,122	40,614	41,439
Targeted water supply rates revenue	6,188	6,188	6,461	6,732
Other Revenue	34,014	34,014	34,640	36,358
Gain on Sale of Assets	0	0	0	0
Investment Property Revaluations - Gain/(Loss)	786	786	610	696
Finance Revenue	401	401	215	71
	80,511	80,511	82,540	85,296
EXPENDITURE				
Employee benefit expenses	21,344	21,344	22,674	23,336
Depreciation and amortisation	19,675	19,675	22,228	24,018
Other expenses	37,083	37,083	37,495	38,071
Finance expenses	2,773	2,773	2,181	2,990
	80,874	80,874	84,578	88,415
Operating surplus/(deficit)	(363)	(363)	(2,038)	(3,119)
OTHER COMPREHENSIVE REVENUE				
Property Plant and Equipment Revaluations - Gain/(loss)	0	0	0	50,218
Less Taxation Expense	0	0	0	0
Total Comprehensive Revenue and Expenditure after Taxation	(363)	(363)	(2,038)	47,099

* Annual Plan (Restated) 2014/15 represents the Annual Plan 2014/15 including adjustments for actuals from Annual report 2013/14

2017/18 (\$,000)	2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
42,869	44,912	46,438	48,906	48,851	49,595	50,655	52,226
7,898	8,548	8,999	8,503	10,940	12,503	13,606	13,698
37,342	38,402	39,824	40,812	42,234	44,035	45,036	46,515
0	0	0	0	0	0	0	0
723	750	807	878	950	1,029	1,132	1,234
120	180	206	226	249	281	333	421
88,952	92,792	96,274	99,325	103,224	107,443	110,762	114,094
23,986	24,568	25,310	25,993	26,791	27,654	28,589	29,678
22,864	24,509	26,400	25,359	27,436	29,776	28,548	30,873
42,791	39,542	40,593	41,452	42,603	44,017	45,338	46,712
3,411	3,849	3,815	3,930	3,978	4,033	4,093	3,870
93,052	92,468	96,118	96,734	100,808	105,480	106,568	111,133
(4,100)	324	156	2,591	2,416	1,963	4,194	2,961
0	0	74,606	0	0	75,409	0	0
0	0	0	0	0	0	0	0
(4,100)	324	74,762	2,591	2,416	77,372	4,194	2,961

and large transactions which have occurred during the 2014/15 financial year, which are not included in Annual Plan 2014/15.

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	Annual Plan	Annual Plan	Long Term Plan 2015 - 2025	
	2014/15 (\$,000)	(Restated)* 2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)
Equity Balance at 1 July	711,483	698,414	698,051	696,013
Total Comprehensive Revenue and Expenditure after Taxation	(363)	(363)	(2,038)	47,099
Total Recognised Revenues and Expenses for year	(363)	(363)	(2,038)	47,099
Equity Balance at 30 June	711,120	698,051	696,013	743,112
COMPONENTS OF EQUITY				
Retained earnings at 1 July	402,326	402,983	406,757	408,869
Net surplus/(Deficit) for the Year	(363)	(363)	(2,038)	47,099
Transfers (to)/from Restricted Reserves	2,836	4,137	4,150	(381)
Transfers (to)/from Revaluation Reserves	0	0	0	(50,218)
Retained earnings at 30 June	404,799	406,757	408,869	405,369
Restricted reserves at 1 July	19,918	23,303	19,166	15,016
Transfers (to)/from reserves	(2,836)	(4,137)	(4,150)	381
Restricted reserves at 30 June	17,082	19,166	15,016	15,397
Hedging reserves at 1 July	(764)	(143)	(143)	(143)
Transfers to/(from) reserves	0	0	0	0
Hedging reserves at 30 June	(764)	(143)	(143)	(143)
Revaluation reserves at 1 July	290,003	272,271	272,271	272,271
Transfers to/(from) reserves	0	0	0	50,218
Revaluation reserves at 30 June	290,003	272,271	272,271	322,489

* Annual Plan (Restated) 2014/15 represents the Annual Plan 2014/15 including adjustments for actuals from Annual report 2013/14

2017/18 (\$,000)	2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
743,112	739,012	739,336	814,098	816,689	819,105	896,477	900,672
(4,100)	324	74,762	2,591	2,416	77,372	4,194	2,961
(4,100)	324	74,762	2,591	2,416	77,372	4,194	2,961
739,012	739,336	814,098	816,689	819,105	896,477	900,671	903,632
405,369	400,898	400,724	400,520	402,714	404,596	405,745	408,588
(4,100)	324	74,762	2,591	2,416	77,372	4,194	2,961
(371)	(498)	(360)	(397)	(534)	(814)	(1,351)	922
0	0	(74,606)	0	0	(75,409)	0	0
400,898	400,724	400,520	402,714	404,596	405,745	408,588	412,471
15,397	15,768	16,266	16,626	17,023	17,557	18,371	19,722
371	498	360	397	534	814	1,351	(922)
15,768	16,266	16,626	17,023	17,557	18,371	19,722	18,800
(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)
0	0	0	0	0	0	0	0
(143)	(143)	(143)	(143)	(143)	(143)	(143)	(143)
322,489	322,489	322,489	397,095	397,095	397,095	472,504	472,504
0	0	74,606	0	0	75,409	0	0
322,489	322,489	397,095	397,095	397,095	472,504	472,504	472,504

and large transactions which have occurred during the 2014/15 financial year, which are not included in Annual Plan 2014/15.

PROSPECTIVE STATEMENT OF CASHFLOWS

	Annual Plan	Annual Plan	Long Term Plan 2015 - 2025	
	2014/15 (\$,000)	(Restated)* 2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from				
Rates Revenue	45,310	45,310	47,075	48,171
Investment Revenue	401	401	215	71
Dividend Revenue	4,200	4,200	4,700	4,900
Other Operating Revenue	29,814	29,814	28,145	29,658
	79,725	79,725	80,135	82,800
Cash was applied to				
Operating Expenditure	58,426	58,426	58,424	59,659
Interest Expenditure	2,773	2,773	2,181	2,990
	61,199	61,199	60,605	62,649
Net cash Inflow/(Outflow) from Operating Activities	18,526	18,526	19,530	20,151
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from				
Redemption of Investments	5,794	5,794	8,040	3,498
Sale of Fixed Assets	152	152	202	144
	5,946	5,946	8,242	3,642
Cash was applied to				
Purchase of Fixed Assets	24,995	25,000	37,789	24,670
Investments Made	2,958	1,911	4,890	4,866
	27,953	26,911	42,679	29,536
Net cash Inflow/(Outflow) from Investing Activities	(22,007)	(20,965)	(34,437)	(25,894)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from				
Loans raised	6,323	6,323	17,783	9,055
	6,323	6,323	17,783	9,055
Cash was applied to				
Loan Principal Repaid	2,842	2,987	2,926	3,364
	2,842	2,987	2,926	3,364
Net cash Inflow/(Outflow) from Financing Activities	3,481	3,336	14,857	5,691
Net (decrease) increase in cash and cash equivalents	0	897	(50)	(52)
Cash and cash equivalents at the beginning of the year	1,435	5,569	6,466	6,416
Cash and cash equivalents at the end of the year	1,435	6,466	6,416	6,364

* Annual Plan (Restated) 2014/15 represents the Annual Plan 2014/15 including adjustments for actuals from Annual report 2013/14

2017/18 (\$,000)	2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
50,767	53,460	55,437	57,409	59,791	62,098	64,261	65,924
120	180	206	226	249	281	333	421
5,100	5,300	5,500	5,700	5,900	6,100	6,300	6,500
30,408	31,229	32,410	33,154	34,329	35,880	36,630	37,850
86,395	90,169	93,553	96,489	100,269	104,359	107,524	110,695
65,027	62,325	64,077	65,579	67,483	69,714	71,920	74,330
3,411	3,849	3,815	3,930	3,978	4,033	4,093	3,870
68,438	66,174	67,892	69,509	71,461	73,747	76,013	78,200
17,957	23,995	25,661	26,980	28,808	30,612	31,511	32,495
3,697	3,780	4,108	4,416	4,435	4,368	4,159	7,109
145	170	200	177	177	177	232	210
3,842	3,950	4,308	4,593	4,612	4,545	4,391	7,319
19,920	21,156	28,320	28,123	27,606	30,199	26,505	30,477
5,040	4,238	4,425	4,767	4,921	5,130	5,455	6,128
24,960	25,394	32,745	32,890	32,527	35,329	31,960	36,605
(21,118)	(21,444)	(28,437)	(28,297)	(27,915)	(30,784)	(27,569)	(29,286)
6,637	1,221	6,469	5,031	4,000	4,127	7	507
6,637	1,221	6,469	5,031	4,000	4,127	7	507
3,560	3,858	3,781	3,806	4,987	4,052	4,049	3,819
3,560	3,858	3,781	3,806	4,987	4,052	4,049	3,819
3,077	(2,637)	2,688	1,225	(987)	75	(4,042)	(3,312)
(84)	(86)	(88)	(92)	(94)	(97)	(100)	(103)
6,364	6,280	6,194	6,106	6,014	5,920	5,823	5,723
6,280	6,194	6,106	6,014	5,920	5,823	5,723	5,620

and large transactions which have occurred during the 2014/15 financial year, which are not included in Annual Plan 2014/15.

Financial Statement Reconciliations

RATES REVENUE RECONCILIATION FROM FUNDING IMPACT STATEMENTS TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)	2017/18 (\$,000)
Roading	7,382	8,166	8,261	8,349
Sewerage	4,945	5,039	5,173	5,704
Solid Waste Management	3,824	3,839	3,933	4,032
Stormwater	2,560	3,101	3,140	3,308
Water Supply	6,214	6,461	6,732	7,898
Infrastructural Services	24,925	26,606	27,239	29,291
Animal Control	347	248	246	197
Building Consents	446	619	615	652
Civil Defence Emergency Management	240	257	263	270
Compliance	(119)	(118)	(120)	(123)
Environmental Health	907	842	859	900
Resource Management	1,239	1,239	1,167	1,170
Development and Regulatory Services	3,060	3,087	3,030	3,066
Community Development	246	292	300	335
Housing Care Service	19	0	0	0
Libraries and Archives	3,735	3,913	3,995	4,167
Parks and Reserves	5,655	5,575	6,025	6,163
Passenger Transport	742	758	766	817
Pools	1,679	1,974	2,091	1,949
Public Toilets	344	355	362	371
Theatre Services	953	924	947	971
Southland Museum & Art Gallery	11	0	0	0
Southland Regional Heritage Committee	706	721	739	757
Provision of Specialised Community Services	2,413	2,369	2,535	2,563
Community Services	16,503	16,881	17,760	18,093

2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
9,495	9,910	10,105	10,396	10,157	10,291	10,627
5,673	5,979	6,706	6,028	6,078	5,784	5,892
4,138	4,252	4,375	4,508	4,652	4,808	4,978
3,480	3,843	4,162	4,108	4,298	4,400	4,674
8,548	8,998	8,503	10,940	12,503	13,606	13,698
31,334	32,982	33,851	35,980	37,688	38,889	39,869
202	208	157	160	165	169	180
639	682	679	725	722	772	775
277	285	293	302	311	322	333
(126)	(130)	(133)	(137)	(141)	(146)	(150)
923	949	978	1,007	1,039	1,074	1,113
1,208	1,238	1,274	1,310	1,360	1,401	1,559
3,123	3,232	3,248	3,367	3,456	3,592	3,810
320	328	335	350	359	369	380
0	0	0	0	0	0	0
4,280	4,398	4,523	4,661	4,810	4,980	5,156
6,182	6,270	6,588	6,478	6,711	7,121	7,284
794	810	840	872	907	936	970
2,007	2,103	2,260	2,330	2,406	2,489	2,579
380	390	400	411	423	435	448
996	1,023	1,053	1,085	1,120	1,157	1,198
0	0	0	0	0	0	0
777	799	822	847	874	903	935
2,967	2,999	3,033	3,066	3,100	3,140	3,182
18,703	19,120	19,854	20,100	20,710	21,530	22,132

**RATES REVENUE RECONCILIATION FROM FUNDING IMPACT STATEMENTS
TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE - continued**

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)	2017/18 (\$,000)
Democratic Process	2,983	2,976	3,024	3,130
Enterprise (including Destinalional Marketing)	1,669	1,670	1,770	1,806
Investment	(197)	(214)	(646)	(660)
Corporate Services	4,455	4,432	4,148	4,276
CBD Redevelopment	444	136	192	400
Urban Rejuvenation	277	266	271	277
Earthquake Buildings	0	50	102	105
Special Projects	721	452	565	782
Non significant activities	(3,804)	(3,823)	(3,997)	(4,153)
Total General rates, uniform annual general charges, targeted rates, and rates penalties - per FIS	45,860	47,635	48,745	51,355
Less Rates Penalties (Disclosed in Other Revenue in Statement of Comprehensive Revenue and Expenditure)	(550)	(560)	(574)	(588)
Total Rates (excluding rates penalties) - per FIS	45,310	47,075	48,171	50,767
Per Statement of Comprehensive Revenue and Expenditure:				
Rates revenue excluding targeted water supply rates	39,122	40,614	41,439	42,869
Rates revenue - targeted water supply rates	6,188	6,461	6,732	7,898
"Rates Revenue" (SOCl "Rates" excludes Rates Penalties)	45,310	47,075	48,171	50,767

2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
3,182	3,269	3,397	3,494	3,577	3,733	3,828
1,844	1,884	1,928	1,974	2,023	2,076	2,132
(686)	(707)	(752)	(802)	(856)	(914)	(998)
4,340	4,446	4,573	4,666	4,744	4,895	4,962
525	537	783	782	782	781	780
283	290	297	304	312	321	328
108	111	114	117	121	125	130
916	938	1,194	1,203	1,215	1,227	1,238
(4,352)	(4,661)	(4,673)	(4,867)	(5,036)	(5,171)	(5,361)
54,064	56,057	58,047	60,449	62,777	64,962	66,650
(604)	(620)	(638)	(658)	(679)	(701)	(726)
53,460	55,437	57,409	59,791	62,098	64,261	65,924
44,912	46,438	48,906	48,851	49,595	50,655	52,226
8,548	8,999	8,503	10,940	12,503	13,606	13,698
53,460	55,437	57,409	59,791	62,098	64,261	65,924

OPERATING REVENUE RECONCILIATION FROM FUNDING IMPACT STATEMENTS TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)	2017/18 (\$,000)
Total Operating Funding (including internal charges) - per FIS				
Roading	10,938	11,632	11,824	12,018
Sewerage	5,482	6,009	5,788	6,334
Solid Waste Management	8,261	8,067	8,264	8,473
Stormwater	2,560	3,101	3,140	3,308
Water Supply	7,417	7,608	7,978	9,249
Infrastructural Services	34,658	36,417	36,994	39,382
Animal Control	1,123	1,104	1,127	1,152
Building Consents	3,063	3,029	3,084	3,184
Civil Defence Emergency Management	405	404	413	424
Compliance	679	735	754	772
Environmental Health	1,225	1,273	1,306	1,338
Resource Management	1,456	1,473	1,416	1,425
Development and Regulatory Services	7,951	8,018	8,100	8,295
Community Development	251	294	302	337
Housing Care Service	1,790	1,775	1,819	1,864
Libraries and Archives	4,531	4,806	4,913	5,179
Parks and Reserves	15,291	15,052	15,813	16,200
Passenger Transport	2,115	2,193	2,250	2,362
Pools	4,522	5,309	6,046	6,010
Public Toilets	344	355	362	371
Theatre Services	1,784	1,804	1,895	1,967
Southland Museum & Art Gallery	2,219	2,537	2,599	2,665
Southland Regional Heritage Committee	1,022	1,042	1,065	1,089
Provision of Specialised Community Services	2,413	2,369	2,684	2,715
Community Services	36,282	37,536	39,748	40,759

2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
13,209	13,815	14,020	14,421	14,300	14,564	15,039
6,320	6,643	7,390	6,733	6,805	6,535	6,670
8,695	8,948	9,207	9,487	9,790	10,118	10,476
3,480	3,843	4,162	4,108	4,298	4,400	4,674
10,010	10,578	10,209	12,780	14,401	15,568	15,729
41,714	43,827	44,988	47,529	49,594	51,185	52,588
1,183	1,216	1,250	1,286	1,327	1,370	1,422
3,237	3,351	3,425	3,555	3,642	3,791	3,900
435	448	460	474	489	506	523
794	814	839	865	892	921	955
1,372	1,411	1,452	1,495	1,544	1,595	1,653
1,470	1,507	1,550	1,595	1,654	1,705	1,874
8,491	8,747	8,976	9,270	9,548	9,888	10,327
323	331	338	353	362	372	383
1,914	1,967	2,023	2,084	2,151	2,223	2,302
5,323	5,470	5,626	5,797	5,983	6,201	6,420
16,480	16,851	17,477	17,698	18,289	19,087	19,673
2,313	2,352	2,422	2,495	2,575	2,661	2,755
6,198	6,469	6,891	7,105	7,335	7,585	7,857
380	390	400	411	423	435	448
2,045	2,128	2,360	2,432	2,510	2,594	2,698
2,922	3,003	3,090	3,183	3,285	3,396	3,516
1,115	1,144	1,174	1,207	1,243	1,281	1,323
3,123	3,160	3,202	3,240	3,279	3,325	3,374
42,136	43,265	45,003	46,005	47,435	49,160	50,749

OPERATING REVENUE RECONCILIATION FROM FUNDING IMPACT STATEMENTS TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE - continued

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)	2017/18 (\$,000)
Democratic Process	3,343	3,346	3,403	3,518
Enterprise (including Destination Marketing)	3,259	2,997	3,093	3,155
Investment	1,268	1,207	1,502	1,775
Corporate Services	7,870	7,550	7,998	8,448
CBD Redevelopment	444	136	192	400
Urban Rejuvenation	277	266	271	277
Earthquake Buildings	0	150	204	210
Special Projects	721	552	667	887
Non significant activities	14,470	14,937	15,841	16,473
Total Operating Funding - Per Activity FIS's	101,952	105,010	109,348	114,244
LESS: Internal charges and overheads recovered - Per FIS	(26,009)	(26,731)	(28,349)	(29,429)
Total Operating Funding - Per Council FIS	75,943	78,279	80,999	84,815
PLUS: Capital Funding - "subsidies and grants for capital expenditure" - Roading activity	3,782	3,651	3,601	3,414
PLUS: Investment Property Revaluation Gain/(Loss)	786	610	696	723
Total Revenue Funding - per Statement of Comprehensive Revenue and Expenditure	80,511	82,540	85,296	88,952
Per Statement of Comprehensive Revenue and Expenditure:				
Rates revenue excluding targeted water supply rates	39,122	40,614	41,439	42,869
Rates revenue - targeted water supply rates	6,188	6,461	6,732	7,898
Other Revenue (Includes Rates Penalties)	34,014	34,640	36,358	37,342
Gain on Sale of Assets	0	0	0	0
Investment Property Revaluation Gain/(Loss)	786	610	696	723
Finance Revenue	401	215	71	120
Total Revenue	80,511	82,540	85,296	88,952

2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
3,580	3,679	3,819	3,929	4,025	4,196	4,307
3,220	3,290	3,366	3,446	3,531	3,622	3,719
1,812	1,859	1,888	1,920	1,952	1,989	2,007
8,612	8,828	9,073	9,295	9,508	9,807	10,033
525	537	783	782	782	781	780
283	290	297	304	312	321	328
216	222	228	234	242	250	260
1,024	1,049	1,308	1,320	1,336	1,352	1,368
16,888	17,673	18,087	18,625	19,336	19,957	20,719
118,865	123,389	127,435	132,044	136,757	141,349	145,784
(30,384)	(31,523)	(32,676)	(33,669)	(34,745)	(35,919)	(37,211)
88,481	91,866	94,759	98,375	102,012	105,430	108,573
3,561	3,601	3,688	3,899	4,402	4,200	4,287
750	807	878	950	1,029	1,132	1,234
92,792	96,274	99,325	103,224	107,443	110,762	114,094
44,912	46,438	48,906	48,851	49,595	50,655	52,226
8,548	8,999	8,503	10,940	12,503	13,606	13,698
38,402	39,824	40,812	42,234	44,035	45,036	46,515
0	0	0	0	0	0	0
750	807	878	950	1,029	1,132	1,234
180	206	226	249	281	333	421
92,792	96,274	99,325	103,224	107,443	110,762	114,094

OPERATING EXPENDITURE RECONCILIATION FROM FUNDING IMPACT STATEMENTS TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)	2017/18 (\$,000)
Total Applications of Operating Funding - per FIS				
Roading	6,499	6,916	7,035	7,275
Sewerage	3,135	3,341	3,507	3,546
Solid Waste Management	8,299	7,967	8,162	8,368
Stormwater	1,113	1,248	1,276	1,306
Water Supply	4,835	4,711	5,190	5,316
Infrastructural Services	23,881	24,183	25,170	25,811
Animal Control	1,079	1,021	1,049	1,072
Building Consents	3,001	2,986	3,040	3,139
Civil Defence Emergency Management	405	404	413	424
Compliance	657	721	740	757
Environmental Health	1,206	1,243	1,275	1,306
Resource Management	1,424	1,466	1,411	1,421
Development and Regulatory Services	7,772	7,841	7,928	8,119
Community Development	248	291	299	306
Housing Care Service	1,619	1,457	1,501	1,547
Libraries and Archives	3,902	4,169	4,240	4,455
Parks and Reserves	14,103	14,310	14,666	15,036
Passenger Transport	1,972	2,169	2,013	2,048
Pools	4,180	5,085	5,592	5,726
Public Toilets	304	310	316	323
Theatre Services	1,332	1,209	1,240	1,270
Southland Museum & Art Gallery	2,233	2,532	2,595	2,660
Southland Regional Heritage Committee	1,022	1,042	1,065	1,089
Provision of Specialised Community Services	2,375	2,356	2,519	6,544
Community Services	33,290	34,930	36,046	41,004

2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
7,372	7,480	7,682	7,812	8,038	8,311	8,537
3,615	3,669	3,718	3,774	3,844	3,930	4,035
8,587	8,837	9,093	9,370	9,669	9,993	10,346
1,340	1,376	1,415	1,456	1,501	1,548	1,602
5,501	5,656	5,797	6,203	6,588	6,987	7,109
26,415	27,018	27,705	28,615	29,640	30,769	31,629
1,101	1,132	1,162	1,196	1,234	1,274	1,321
3,198	3,310	3,384	3,511	3,597	3,744	3,852
435	448	460	474	489	506	523
779	799	823	849	876	903	937
1,339	1,378	1,417	1,460	1,508	1,558	1,614
1,458	1,499	1,544	1,591	1,642	1,695	1,867
8,310	8,566	8,790	9,081	9,346	9,680	10,114
314	323	332	342	352	363	375
1,599	1,639	1,681	1,727	1,780	1,836	1,898
4,574	4,691	4,807	4,934	5,072	5,230	5,394
15,427	15,847	16,307	16,803	17,340	17,918	18,548
2,120	2,175	2,241	2,308	2,382	2,462	2,549
5,900	6,135	6,489	6,662	6,847	7,050	7,270
330	337	344	353	362	371	382
1,303	1,339	1,377	1,420	1,465	1,515	1,567
2,891	2,971	3,057	3,149	3,250	3,360	3,478
1,115	1,144	1,174	1,207	1,243	1,281	1,323
2,841	2,863	2,886	2,906	2,926	2,952	2,980
38,414	39,464	40,695	41,811	43,019	44,338	45,764

**OPERATING EXPENDITURE RECONCILIATION FROM FUNDING IMPACT STATEMENTS
TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE - continued**

	Annual Plan	Long Term Plan 2015 - 2025		
	2014/15 (\$,000)	2015/16 (\$,000)	2016/17 (\$,000)	2017/18 (\$,000)
Democratic Process	3,295	3,343	3,400	3,515
Enterprise (including Destination Marketing)	3,259	2,997	3,093	3,155
Investment	1,528	1,142	1,343	1,620
Corporate Services	8,082	7,482	7,836	8,290
CBD Redevelopment	236	99	136	278
Urban Rejuvenation	247	236	239	243
Earthquake Buildings	0	150	204	210
Special Projects	483	485	579	731
Non significant activities	13,700	14,160	15,187	15,662
Total Applications of Operating Funding - Per Activity FIS's	87,208	89,081	92,746	99,617
LESS: Internal charges and overheads recovered - Per FIS's	(26,009)	(26,731)	(28,349)	(29,429)
Total Applications of Operating Funding - Per Council FIS	61,199	62,350	64,397	70,188
Per Statement of Comprehensive Revenue and Expenditure:				
Employee benefit expenses	21,344	22,674	23,336	23,986
Other expenses	37,082	37,495	38,071	42,791
Finance expenses	2,773	2,181	2,990	3,411
	61,199	62,350	64,397	70,188
Plus Depreciation expenses (not in FIS)	19,675	22,228	24,018	22,864
Total Operating Expenditure - per Statement of Comprehensive Revenue and Expenditure	80,874	84,578	88,415	93,052

2018/19 (\$,000)	2019/20 (\$,000)	2020/21 (\$,000)	2021/22 (\$,000)	2022/23 (\$,000)	2023/24 (\$,000)	2024/25 (\$,000)
3,577	3,675	3,816	3,925	4,021	4,193	4,303
3,220	3,290	3,366	3,446	3,531	3,622	3,719
1,667	1,703	1,740	1,783	1,827	1,877	1,907
8,464	8,668	8,922	9,154	9,379	9,692	9,929
371	373	538	521	503	482	461
247	252	256	261	266	271	277
216	222	228	234	242	250	260
834	847	1,022	1,016	1,011	1,003	998
15,906	16,678	16,917	17,364	18,054	18,457	19,037
98,343	101,241	104,051	107,041	110,449	113,939	117,471
(30,384)	(31,523)	(32,676)	(33,669)	(34,745)	(35,919)	(37,211)
67,959	69,718	71,375	73,372	75,704	78,020	80,260
24,568	25,310	25,993	26,791	27,654	28,589	29,678
39,542	40,593	41,452	42,603	44,017	45,338	46,712
3,849	3,815	3,930	3,978	4,033	4,093	3,870
67,959	69,718	71,375	73,372	75,704	78,020	80,260
24,509	26,400	25,359	27,436	29,776	28,548	30,873
92,468	96,118	96,734	100,808	105,480	106,568	111,133

Schedule of Reserves

RESERVE FUNDS

Reserves are held to ensure that funds received for a particular purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest. The Council holds \$19,166,000 reserves, with \$13,733,000 being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that the Council may put the funds towards. The

remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies.

Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the ten years of the Long Term Plan.

RESTRICTED RESERVES				
The reserves can only be used for the purpose designated.				
	Opening Balance 2015/16 (\$,000)	Transfers In 2015/16 - 2024/25 (\$,000)	Transfers Out 2015/16 - 2024/25 (\$,000)	Closing Balance 2024/25 (\$,000)
<p>Category A (Legal Restriction)</p> <p>The restriction is designated from a statute or legal document. These reserves restrictions include the capital and interest or income generated. This reserve is related to the Parks activity and is to maintain the Feldwick gates at Queens Park.</p>	115	35	0	150
<p>Category B (Capital only restriction)</p> <p>These reserves are invested in property that provides a financial return to ratepayers (Investment Property, Library and Infrastructure activities)</p>	4,885	1,860	(2,250)	4,495
<p>Category C (specific purpose)</p> <p>These reserves are to maintain and provide for improvements to separately identifiable areas. (Parks Crematorium and Cemetary, Community Centres, Waste and Infrastructure activities)</p>	8,733	4,192	(3,495)	9,430

NON RESTRICTED RESERVES

The reserves can be used for purposes other than the purpose currently specified.

	Opening Balance 2015/16 (\$,000)	Transfers In 2015/16 - 2024/25 (\$,000)	Transfers Out 2015/16 - 2024/25 (\$,000)	Closing Balance 2024/25 (\$,000)
Loss of Service Potential To set aside funds for the replacement of assets in the future. (all activities)	3,953	32,039	(28,490)	7,502
Development To maintain and provide assets in identifiable areas. (Parks, Roothing, and Water activities)	1,765	608	(1,370)	1,003
Property To provide for the purchase of properties. (Investment Property, and Infrastructure activities)	1,039	311	-	1,350
Amenities To provide funding for the ongoing operations of amenity areas. (Library, Museum, Pools, and Parks activities)	649	215	(195)	669
Financial To provide ongoing funding in a consistent manner for Council operations. (all activities)	109	33	-	142
Community Board To provide funding for Community Board areas for their activities and development of assets. (Democratic Process activity)	6,128	4,606	(3,342)	7,392
Economic Development To develop economic growth in the city which will be funded by future activity (Investment Property activity)	(8,210)	2,962	(8,085)	(13,333)
	19,166	46,861	(47,227)	18,800

Statement of Accounting Policies

REPORTING ENTITY

Invercargill City Council ("the Council") is a territorial local authority governed by the Local Government Act 2002.

The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to the users. The main purpose of prospective financial statements in the Long-Term Plan is to provide users with information about core services that the Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much the Invercargill City Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that Invercargill City Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented.

The primary objective of the Council is to provide goods or services for the Community or social benefit rather than making a financial return. Accordingly, the Council is classified as a Tier 1 Public Sector Public Benefit Entity ("PBE").

BASIS OF PREPARATION

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. These prospective financial statements prepared under Tier 1 PBE International Public Sector Accounting Standards (IPSAS).

The Accounting Policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, biological assets and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

The Council adopted the prospective financial statements on 30 June 2015.

The Council and Management of the Invercargill City Council accept responsibility for the preparation of their prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

No actual financial results have been incorporated within the prospective financial statements.

SUBSIDIARIES

The Council consolidates as subsidiaries in the group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where the Council

controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

BASIS OF CONSOLIDATION

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

The Council's investment in its subsidiaries are carried at deemed cost in the Council's own "parent entity" financial statements. Deemed cost is based on the net asset value of the subsidiary on conversion to NZ IFRS.

ASSOCIATES

The Council accounts for investments in associates in the group financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The

investments in associates is initially recognised at cost and the carrying amount is increased or decreased to recognise the Council's share of the surplus or deficit of the associates after the date of acquisition. The Council's share of the surplus or deficit of the associates is recognised in the Council's statement of comprehensive income at the group level. Distributions received from associates reduce the carrying amount of the investment.

The Council's share in the associate's surplus or deficit resulting from unrealised gains on transactions between the Council and its associates is eliminated.

The Council investments in associates are carried at cost in the Council's own financial statements.

JOINT VENTURES

Joint ventures are those entities over which the Council has joint control, established by contractual agreement. The consolidated financial statements include the Council's proportionate share of the joint venture entities' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis, from the date joint control commences until the date joint control ceases.

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

PBE IPSAS 23.106(a) requires, either in the statement of financial position or the notes, that entities disclose the amount of revenue from non-exchange transactions by major classes, showing separately: i) taxes, showing separately major classes of taxes; and ii) transfers, showing separately major classes of transfer revenue. Due to the difficulty in classifying revenue as either an exchange or non-exchange transaction and the separate labelling of revenue as exchange or non-exchange generally does not provide any additional useful information (and is therefore unlikely to be material), we have decided to not label revenue as exchange or non-exchange in the prospective statement of comprehensive revenue and expense

Revenue from non-exchange transactions:

General and targeted rates

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government grants and funding

The Council receives government grants from the New Zealand Transport Agency, which subsidises part of the Council's costs in maintaining the local roading infrastructure.

Revenues from non-exchange transactions with the Government and government agencies is recognised when the Council obtains control of the transferred asset (cash, goods, services, or property), and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Council

and can be measured reliably; and

- the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to the Council at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only when the Council has satisfied these conditions.

New Zealand Units (NZU's) allocated by the Crown represent non-monetary government grants and are initially recognised at nil value. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are included in the surplus/deficit in the Statement of Comprehensive Income.

Fines

Traffic and parking infringements are recognised when tickets are issued.

Direct charges - subsidised

- (i) Rendering of services - subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licensing, etc.), and where the shortfall is subsidised by income from other activities, such as rates.

Generally there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council for the service) if the service is not completed.

Contributions from customers in relation to the construction of new lines for the network are accounted for as income in the year which they have been received.

(ii) **Sale of goods - subsidised**

The sale of goods at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction. This includes the sale of goods where the price does not allow the Council to fully recover the cost of producing the goods, and where the shortfall is subsidised by income from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

Revenue from exchange transactions:

Direct charges - full cost recovery

(i) **Rendering of other services - full cost recovery**
Revenue from the rendering of services is recognised by reference to the stage of completion of the

transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

(ii) **Sale of goods - full cost recovery**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be reliably estimated and there is no continuing management involvement with the goods.

Interest revenue

Interest income is recognised using the effective interest method.

Dividends

Dividends are recognised when the right to receive payment has been established.

CONSTRUCTION CONTRACTS

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the Statement of Comprehensive Income.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

INCOME TAX

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect

of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date. Current tax and deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset, or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the Statement of Comprehensive Income.

FINANCIAL ASSETS

The Council classifies its financial assets into the following four categories: available for sale investments, loans and receivables, held-to-maturity investments and financial assets at fair value through surplus or deficit. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, net asset backing, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income. Loans and receivables are classified as “other financial assets” in the Statement of Financial Position. Investments in this category include fixed term deposits and loans to associates.

- **Hold-to-maturity investments**

Hold-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

- **Financial assets at fair value through surplus or deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the Statement of Comprehensive Income.

- **Available for sale investments**

Available for sale investments are those that are designated as being held to maturity or are not classified in any of the other categories above. This category encompasses investments that the Council intends to hold long-term but which may be realised before maturity. After initial recognition these investments are

measured at their fair value. Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Statement of Comprehensive Income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Statement of Comprehensive Income even though the asset has not been derecognised. Investments in this category include shares in Local Government Insurance Corporation.

Shareholdings that Invercargill City Council holds for strategic purposes

Invercargill City Council's investments in its subsidiaries and associate companies are not included in this category as they are held at cost (as allowed by PBE IPSAS 6 Consolidated and Separate Financial Statements and PBE IPSAS 7 Investments in Associates) whereas this category is to be measured at fair value.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Impairment of financial assets

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

FINANCIAL INSTRUMENTS

- **Trade and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest

method, less any provision for impairment.

Loans, including loans to community organisations made by the Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Income as a grant.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

- **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown separately in current liabilities in the Statement of Financial Position.

- **Borrowings**

Borrowings are initially recognised at their fair value, net of any transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability at least 12 months after the balance date.

- **Trade and other payables**

Trade and other payables are initially measured

at fair value, and subsequently measured at amortised cost using the effective interest method.

Accounting for derivative financial instruments and hedging activities

The Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. However, where derivatives qualify for hedge accounting, recognition for any resultant gain or loss depends on the nature of the hedging relationship.

- **Cash flow hedge**

Changes in the fair value of the derivatives hedging instruments designated as a cashflow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in surplus or deficit.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity will be reclassified into surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects surplus or deficit.

However, if Invercargill City Council expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it will reclassify into surplus or deficit the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a

non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.

For cash flow hedges other than those covered above, amounts that had been recognised directly in equity will be recognised in surplus or deficit in the same period or periods during which the hedged forecast transaction affects surplus or deficit (for example, when a forecast sale occurs).

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. The amount recognised in equity is transferred to surplus or deficit in the same period that the hedged item affects the surplus or deficit.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of:

- Operational assets - These include land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets - Restricted assets are parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets - Infrastructure assets are the fixed utility systems owned by the Council.

Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

- Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset.

Gains and losses on disposals are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have

been estimated as follows:

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Buildings	Buildings
▪ Structures	2% - 3% SL
▪ Roof	2% - 3% SL
▪ Electrical	2% - 3% SL
▪ Plumbing	2% - 3% SL
▪ Internal Fitout	2% - 3% SL
▪ Plant	2% - 3% SL
Furniture and Fittings	Furniture and Fittings
▪ Furniture and Fittings	6.7% - 50% DV
Office Equipment	Office Equipment
▪ Office Equipment	14.4% - 60% SL/DV
Infrastructural Assets	Infrastructural Assets
Drainage	2.6% - 6.2% SL
Bridges	1% - 2.5% SL
Traffic Services	2.6% - 12.6% SL
Footpaths and Crossings	6.6% - 12.6% SL
Features and Structures	4.6% - 6% SL
Roads	Roads
▪ Formation	0%
▪ Shoulder and Pavements	3.5% SL
▪ Top Surface	10.35% SL
Drainage and Stormwater	Drainage and Stormwater
▪ System	6.5% SL
▪ Plant	3.21% SL
▪ Buildings	1% - 2% SL
Water	Water
▪ System	1% - 11.3% SL
▪ Plant	4% SL

Plant	
Plant	5% - 50% SL/DV
Tools	
Tools	10% SL where applicable
Motor Vehicles	
Motor Vehicles	6.7% - 31.2% SL/DV
Library Collections	
Library Collections	6.67% - 50% SL
<i>The non fiction collection is not depreciated.</i>	

REVALUATION

Those asset classes that are revalued are valued on a valuation cycle as described below on the basis described below. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

VALUATION

All assets are valued at historic cost less accumulated depreciation and impairment costs, except the following:

- Operational land and buildings have been valued at fair value. Valuations are completed three yearly.
- Investment land and buildings have been valued annually at net realisable value. Any adjustment to the values has been accounted for as an increase (decrease) in the Statement of Comprehensive Income.
- Restricted land (excluding forestry land) and buildings have been valued at net current value by Quotable Value New Zealand (Registered Valuers) as at 30 June 1992.

- Library collections are valued at depreciated replacement cost. Valuations are completed three yearly.

- Infrastructural Assets**

- Land under Roads***

Land under roads has been valued at deemed cost at transition to NZIFRS. Deemed cost is the fair value being the current valuation at 30 June 2005.

- Roads and Bridges***

Roads and Bridges are valued at depreciated replacement cost, being gross replacement cost less accumulated depreciation to date, based on the Current Age Profile compared to Useful Life. Valuations are completed three yearly.

- Stormwater, Wastewater and Water Systems***

Assets are valued at depreciated replacement cost, being gross replacement cost less accumulated depreciation to date, based on the Current Age Profile compared to Useful Life. Valuations are completed three yearly.

- Forestry Land**

Forestry Land is revalued with sufficient regularity to ensure carrying value does not differ materially

from that which would be determined as fair value. It is anticipated that the Forestry Land revaluation will occur with the revaluation of other Property Plant and Equipment assets that are revalued every three years, unless circumstances require otherwise. Land has been revalued based on its best use. In determining the highest and best use consideration is given as to whether the land has been registered under the New Zealand Emissions Trading Scheme and hence whether there are restrictions on the land use. New Zealand units received from the government are recognised at cost in the financial statements, which is nil value.

Accounting for revaluations

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluating are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income.

Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

INTANGIBLE ASSETS

Software

Other intangible assets that are acquired by the Group, which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful economic lives of the intangible assets. The amortisation rates for the current period are as follows:

Software 20-48% Straight Line/Diminishing Value

FORESTRY ASSETS

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Comprehensive Income.

The costs to maintain the forestry assets are included in the Statement of Comprehensive Income.

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Statement of Comprehensive Income.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve.

However, to the extent that an impairment loss for that class of asset was previously recognised in Statement of Comprehensive Income, a reversal

of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

EMPLOYEE BENEFITS

SHORT-TERM BENEFITS

Employee benefits that the Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

LONG-TERM BENEFITS

Long service leave and retirement leave

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

Superannuation schemes

Defined contribution schemes:

- Obligations for contributions to defined contribution superannuation schemes are

recognised as an expense in the Statement of Comprehensive Income as incurred.

Defined benefit schemes:

- The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

PROVISIONS

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

LANDFILL POST CLOSURE COSTS

The Council has a legal obligation under the Resource Consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a

liability when the obligation for post closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Council reserves (includes sinking funds, special reserves and endowment reserves)
- Fair value and hedging reserves
- Asset revaluation reserves

GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

COST ALLOCATION

The Council has derived the cost of service for each significant activity of the Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Invercargill City Council has made estimates and assumptions concerning the future. Refer to the schedule of forecasting assumptions on pages 418 to 423.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Properties

Invercargill City Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Invercargill City Council's social housing policy. These properties are accounted for as property, plant and equipment.

Infrastructural Assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth.
- If useful lives do not reflect the actual consumption of the benefits of the asset, then Invercargill City Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income.

To minimise this risk, Invercargill City Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Invercargill City Council's asset management planning activities, which gives Invercargill City Council further assurance over its useful life estimates.

Experienced independent valuers review the Council's infrastructural asset revaluations.

Classification of non-financial assets as cash-generating assets or non-cash-generating assets
For the purpose of assessing impairment indicators and impairment testing, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset if the primary objective of the asset is to generate a commercial return. All other assets are classified as non-cash-generating assets.

All property, plant and equipment and intangible assets (excluding goodwill) held by Council are classified as non-cash-generating assets, except for rental properties that are earning a market rental. This includes assets that generate fee revenue or other cash flows for Council as these cash flows are generally not sufficient to represent commercial return on the assets.

PROSPECTIVE FINANCIAL INFORMATION

The financial information contained within this document is prospective financial information in terms of accounting standard FRS42 and complies with this standard. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flow of the Invercargill City Council. The actual results achieved for any particular financial year are also likely to vary from the information presented and may vary materially depending on the circumstances that arise during the period. Estimates and judgements are continually evaluated and are based on historical experience and other factors,

including expectation of future events that are believed to be reasonable under the circumstances.

CHANGES IN ACCOUNTING POLICIES

There have been no significant changes to accounting policies.

other information



This section contains the assumptions on which this plan is based, a summary of the Assessment of Water and Sanitary Services and a summary of the Waste Management and Minimisation Plan.

COUNCIL VISION

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

significant assumptions

This Plan is based on a number of assumptions and predictions about the future. Assumptions are a “best guess” based on the information available. Annual Plans and Annual Reports will identify where there have been significant variations between the assumptions and the realised future.

The following high level assumptions have set the overall direction for Council in developing the Long-Term Plan.

1. That our population will continue slow, steady growth with a projected population of 53,400 by 2031. Our population will continue to age and this will impact not only our community’s ability to pay, but also the demand for and type of service provided by Council. The issue of affordability will continue to grow in importance over the period of the Long-Term Plan.
2. That our city’s infrastructure will continue to cope with the effects of climate change and that the impact of climate change will be minimal over the period of the Long-Term Plan.
3. That Central Government will continue to devolve responsibilities to Local Government while at the same time reducing the amount of subsidy available. It is further assumed that Council will fund the gap left by decreased subsidies.
4. That there will be a greater reliance on technology and that the use of technology will be a priority for staff in finding efficiencies and in enhancing shared service opportunities.
5. That the Awarua Industrial Estate will be developed over the next ten years. That the City Centre Redevelopment will create a vibrant community centre. And that these two projects, alongside Council’s other work streams and partnerships (Venture Southland, Sister Cities, SIT, Trusts, opportunities with Ngai Tahu) will result in steady economic growth in Invercargill City.
6. That Council will continue not to charge development contributions, but will ensure that the cost of development is met by those receiving the benefit of that growth, for example by exploring further use of Special Rating Areas.

Assumption	Level of Risk (High/Medium/Low)	Financial Impact
Catastrophes There will be no major catastrophes (local or remote) that impact on the District and its economy.	High	A major catastrophe could significantly affect the demand for products produced within the District and Southland, and therefore the local economy, reducing the community’s ability to fund current levels of services.
Changes in the Invercargill or Southland Economy There will be gradual positive growth in the Invercargill and Southland economy.	Medium	Significant change to the economy, such as a large employer choosing to locate in the District, may require Council to review and change its current activities and levels of service. These demands will need to be quantified and an amendment to this Plan developed if the costs are significant.

Assumption	Level of Risk (High/Medium/Low)	Financial Impact
<p>Climate Change</p> <p>The impact of climate change on the District will be minimal in the next ten years. Southland’s climate is expected to become warmer, wetter and windier. It is assumed that flood protection works will also offer protection from storm surge.</p>	<p>Low</p>	<p>A Civil Defence emergency in the District would impact financially on Council and the Community. Financial risk to Council is reduced by maintaining insurance cover for emergency events as well as access to central government assistance.</p>
<p>Delivery of Service</p> <p>There will be no changes to the way Council delivers its services - in-house or contractors.</p> <p>Council will continue to investigate the potential for shared services with neighbouring local authorities, and look to implement a Regional Strategy.</p>	<p>Medium</p>	<p>Confirming current delivery service allows budgets to be developed, based on existing costs and contractual agreements.</p> <p>Continued investigation into shared services could result in cost savings across a range of Council activities. Changes to the Local Government Act require Council to assess delivery of all of its services for cost-effectiveness at a minimum of every six years.</p>
<p>Government - Legislation</p> <p>Central Government has signalled potential significant changes to the Building Act, Health and Safety legislation and other legislation which may impact on Council and its activities.</p>	<p>High</p>	<p>Significant legislative change can impose significant financial and service delivery costs on Council. How these costs will be funded also needs to be considered.</p>
<p>Local Authority Boundaries</p> <p>There will be changes to local authority boundaries over the next thirty years, but we will still be required to provide the same services currently provided by Council.</p>	<p>Medium</p>	<p>Boundary changes would require a review of this Plan with its associated community consultation.</p>
<p>Population - Employment Opportunities</p> <p>Employment opportunities will increase in the district.</p>	<p>Medium</p>	<p>Significant changes in employment opportunities (positive or negative) would impact on the community’s ability to fund current levels of infrastructure and services.</p>
<p>Population - Growth</p> <p>Population growth will remain positive.</p> <p>Population of 53,400 by 2031 (Statistics New Zealand projections).</p>	<p>Medium</p>	<p>Significant increase in population may create a demand for infrastructure and services beyond existing capacity.</p> <p>Significant decrease in population would adversely impact on the community’s ability to fund current levels of infrastructure and services.</p>

Assumption <small>continued</small>	Level of Risk (High/Medium/Low)	Financial Impact
<p>Population - Household Composition and Size</p> <p>Average of 2.3 people / household in the district.</p> <p>Additional 570 dwellings by 2031</p>	Medium	<p>Changes in development activity and the significant increase in dwellings to be connected to infrastructure may create a demand for infrastructure and services beyond current levels.</p> <p>Significant decrease in dwellings would adversely impact on the community's ability to fund current levels of infrastructure and services.</p>
<p>Resource Consents</p> <p>No change in the resource consent conditions relating to Council's water supply from the Oreti River or to its Foveaux Strait discharge.</p> <p>Council assumes that we will get new discharge resource consents for the Sewerage and Stormwater Activities and that conditions will not be significantly different from current consents.</p> <p>No resource consents are required from the implementation of the Regional Policy Statement or Regional Plans.</p>	High	<p>Capital expenditure may need to be spent should the impacts of the National Policy Statement on Fresh Water, Regional Policy Statement or Regional Plans result in the need for further resource consents or changes to how Council delivers services.</p>
<p>Useful Lives of Assets and Depreciation Rates</p> <p>Estimates are based on Council's Accounting Policies and useful lives as stated in Asset Management Plans, which use the NAMS Manual as a guide.</p>	Medium	<p>A shorter useful life for assets would create a financial burden on the community. Using national guidelines for useful life minimises this risk.</p>

Assumption <small>continued</small>	Level of Risk (High/Medium/Low)	Financial Impact																						
<p>Financial - Cost Change Factors</p> <p>The cost change factors will be as follows:</p> <table border="1" data-bbox="165 636 644 1189"> <thead> <tr> <th data-bbox="165 636 357 714">Year</th> <th data-bbox="357 636 644 714">Local Government Cost Index %</th> </tr> </thead> <tbody> <tr><td data-bbox="165 714 357 763">2015/16</td><td data-bbox="357 714 644 763">2.24</td></tr> <tr><td data-bbox="165 763 357 813">2016/17</td><td data-bbox="357 763 644 813">2.45</td></tr> <tr><td data-bbox="165 813 357 862">2017/18</td><td data-bbox="357 813 644 862">2.53</td></tr> <tr><td data-bbox="165 862 357 911">2018/19</td><td data-bbox="357 862 644 911">2.61</td></tr> <tr><td data-bbox="165 911 357 960">2019/20</td><td data-bbox="357 911 644 960">2.75</td></tr> <tr><td data-bbox="165 960 357 1010">2020/21</td><td data-bbox="357 960 644 1010">2.90</td></tr> <tr><td data-bbox="165 1010 357 1059">2021/22</td><td data-bbox="357 1010 644 1059">3.04</td></tr> <tr><td data-bbox="165 1059 357 1108">2022/23</td><td data-bbox="357 1059 644 1108">3.19</td></tr> <tr><td data-bbox="165 1108 357 1158">2023/24</td><td data-bbox="357 1108 644 1158">3.36</td></tr> <tr><td data-bbox="165 1158 357 1189">2024/25</td><td data-bbox="357 1158 644 1189">3.53</td></tr> </tbody> </table> <p>* Source: Derived from forecast indices from BERL Forecasts of Price Level Change Adjustors – 2014 Update (October 2014).</p>	Year	Local Government Cost Index %	2015/16	2.24	2016/17	2.45	2017/18	2.53	2018/19	2.61	2019/20	2.75	2020/21	2.90	2021/22	3.04	2022/23	3.19	2023/24	3.36	2024/25	3.53	<p>Medium</p>	<p>Cost change factors based on information developed for Council's by Business and Economic Research Limited (BERL) in October 2014. Significant variations from these adjustments will be identified in future Annual Plans and Annual Reports. (Local Authority cost structures are significantly different to the CPI).</p>
Year	Local Government Cost Index %																							
2015/16	2.24																							
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2024/25	3.53																							
<p>Financial - Existing Funding Renewal</p> <p>Council borrowing facility will be renewed (three-yearly) with the terms and conditions mirroring market trends.</p>	<p>Medium</p>	<p>Council's terms and conditions for its borrowing facility have mirrored market trends in recent times.</p>																						
<p>Financial - Expected Interest Rates on Borrowing</p> <p>Interest on future borrowing has been calculated at 6.25 for 2015/16, 2016/17 and 2017/18 years and then 6.75 for remaining years. This is based on Council's current borrowing rates which are hedged for a number of years into the future, as well as consideration for economic forecasts.</p>	<p>Medium</p>	<p>Higher than expected interest rates on borrowing will require Council to consider collecting a greater amount in rates to cover the additional interest costs or reducing the amount borrowed (and level of service provided).</p>																						

Assumption <small>continued</small>	Level of Risk (High/Medium/Low)	Financial Impact
<p>Financial - Forecast on Return on Investments</p> <p>Return on cash investments is calculated on the borrowing rate less 2%. (4.25% for 2015/16 - 2017/18 and then at 4.75% until 2024/25).</p> <p>Dividends and subvention payments from Invercargill City Holdings Limited are assumed to be those contained within their Statement of Intent. Council has and may be acquiring land for future development and sale. The timing of this development and sale is uncertain.</p>	Medium	Lower than expected returns on investments will require Council to consider collecting a greater amount in rates, reduce spending or increase borrowings to cover any reduction in income.
<p>Financial - Other Income</p> <p>Income from consents, licences and other user charges is assumed to be at the same level but adjusted by the relevant price adjuster.</p>	Medium	Changes in development activity and the economy will determine the level of other income received by Council.
<p>Financial - Sources of Funds for Future Replacement of Significant Assets</p> <p>Future replacement of significant assets will be funded from rates levies to fund depreciation. If the rates so levied are insufficient to fund the required level of renewals, applications to community funders will be made and loan funds used.</p>	Low	Should loan funds need to be used, this could have a financial impact on future ratepayers who will incur the costs of paying interest on the loan.

Assumption <small>continued</small>	Level of Risk (High/Medium/Low)	Financial Impact
<p>Fixed Assets Valuations</p> <p>Estimates are prepared based on Council's Accounting Policies which in turn are drawn from IPSAS and NZ GAAP. Those Accounting Policies include valuation policies appropriate for public benefit entity assets.</p>	Low	Consistent use of national standards minimises the financial risk of inaccurate asset valuation.
<p>Government - Subsidies</p> <p>There will be no change to Council's eligibility to subsidies, excluding the Funding Assistance Rate from New Zealand Transport Agency. New Zealand Transport Agency has confirmed that its subsidy rates will be decreasing over the next 10 years. In the 2015/16 year, the Funding Assistance Rate will increase from 59% to 60%, but then from the 2016/17 year, will decrease by 1% per year until 2024/25 where Council will receive a Funding Assistance Rate of 51%.</p>	Medium	Lower than anticipated subsidies can result in service delivery costs needing to be met by other means or decreases in the levels of service.

waste management & minimisation plan

Invercargill (and the rest of the world) face the challenge of using resources whilst ensuring that our environment and our health are not harmed. The Southland Waste Management and Minimisation Plan 2012-2018 Plan has been developed to meet this challenge.

Under the Waste Minimisation Act 2008, local authorities are required to adopt a Waste Management and Minimisation Plan. Invercargill City Council, Southland District Council and Gore District Council jointly developed the Southland Waste Management and Minimisation Plan 2012-2018. The Plan documents the strategic direction (vision, goals and objectives), actions and funding policy for the Councils' to meet both public health protection issues and the legal requirements to promote effective and efficient waste management and minimisation.

The Plan sets out challenging goals for Southland. Our vision is clear "the effective and efficient stewardship of waste as a resource with a residual value, to protect our health and environment". Southland's vision is to become a region that is a minimum waste producer, with businesses and individuals maximising opportunities to reuse, recycle and recover our resources.

As a result of our actions, by 1 July 2018, Southland will maintain a materials discarded per capita figure of 650 kilograms, comprising 40 percent diverted materials.

Action Plans

1. Reduce the amount of material entering the waste stream
2. Reuse or repurpose material so it has a life before recycling or disposal
3. Reduce the amount of material sent to final disposal by maximising recycling
4. Make the best use of recoverable waste as a renewable resource
5. Appropriate treatment and disposal of waste for the protection of our health and environment.

Council has not identified any significant variations between the Plan and this Long-Term Plan. The full document is available on request or on WasteNet Southland's website www.wastenet.org.nz.

water & sanitary services assessment

Council has prepared an Assessment of Water and Sanitary Services provided in the District. This assessment is a statutory requirement under the Local Government Act 2002. The preparation of the assessment ensures that sufficient thought is given to the provision of water and sanitary services and is sustainable into the future. The assessment describes the various assets, assesses the risks and forecasts demand for water and sanitary services within the Invercargill district.

The assessment concludes that the level of water and sanitary services that are provided to the Invercargill

Community by the Invercargill City Council is generally sufficient for the protection of public health. However, those communities with on-site wastewater disposal systems identified within the assessment do pose a potential public health risk. The cumulative effects of multiple non-complying on-site systems present even a greater health risk. However, there have been no reported incidence of disease to suggest the risk to public health is anything other than low.

Council has not identified any significant variations between the assessment and the Long-Term Plan.



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