

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>
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<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 continued	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.

