

# 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).
<b>Subsidiaries of Invercargill City Holdings Limited</b>		
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:

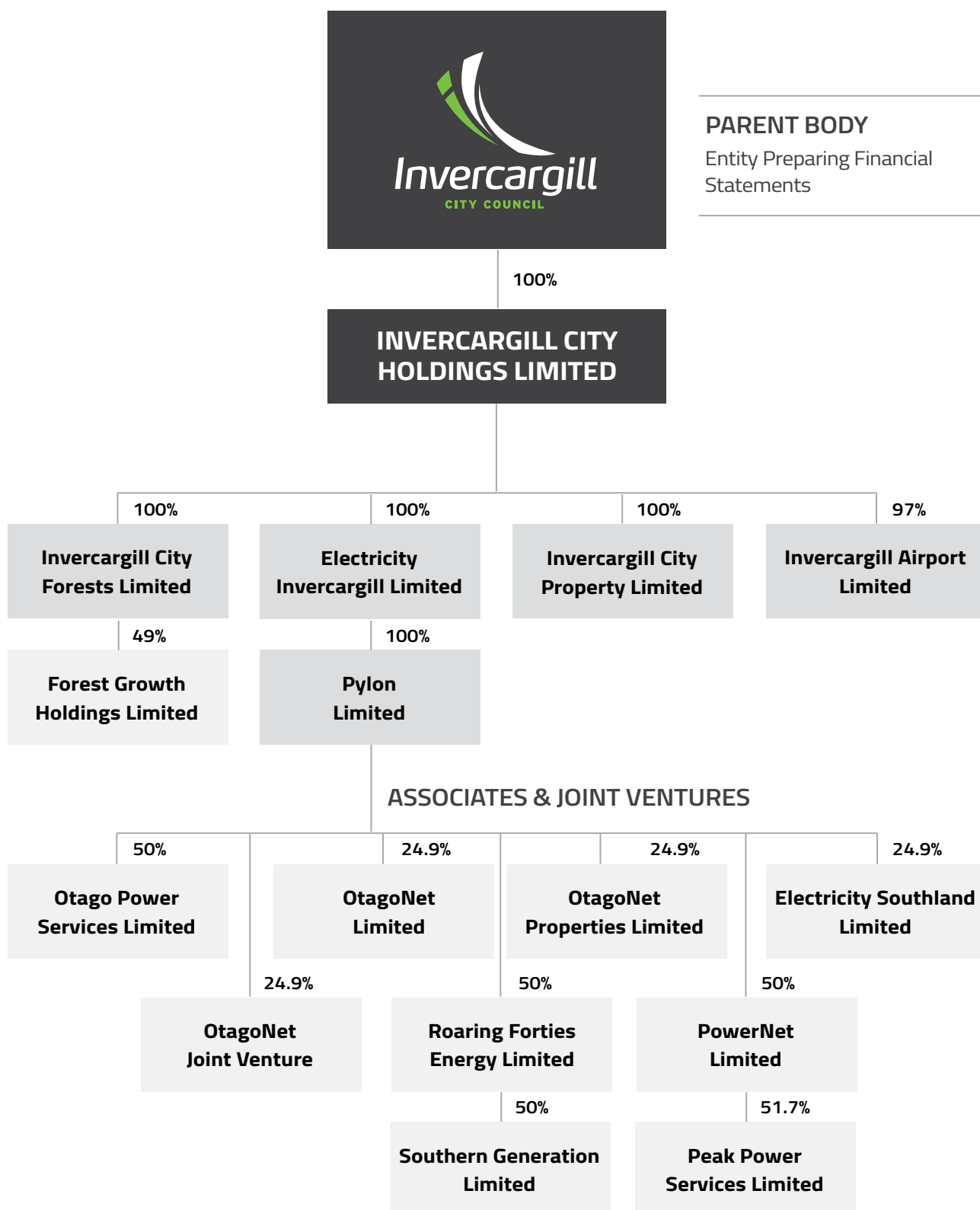
Organisation	% Before Tax 2015/16	% After Tax 2015/16
Invercargill City Holdings Limited	7.71	5.55
	<b>% Before Tax 2016/17</b>	
	8.55	6.15
	<b>% Before Tax 2017/18</b>	
	9.13	6.57
	<b>Baseline 2013/14</b>	
	<b>% Before Tax 2013/14</b>	
	10.28	8.08

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 4,500m<sup>2</sup>, 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.