



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Invercargill City Council
to be held in the Council Chamber,
First Floor, Civic Administration Building,
101 Esk Street, Invercargill on
Tuesday 30 January 2018 at 4.00 pm**

His Worship the Mayor Mr T R Shadbolt JP
Cr R R Amundsen (Deputy Mayor)
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr L S Thomas

EIRWEN HARRIS MITCHELL
MANAGER, SECRETARIAL SERVICES

Council Agenda - APOLOGIES

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13. PUBLIC EXCLUDED SESSION

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

- (a) *Confirming of Minutes of the Public Excluded Session of Council 12 December 2017*
- (b) *Receiving of Notes of the Public Excluded Session of Southland Shared Services Forum 18 August 2017*
- (c) *Receiving of Notes of the Public Excluded Session of Southland Shared Services Forum 15 December 2017*
- (d) *Report by the Chief Executive*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1)(d) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Confirming of Minutes – Council 12 December 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(b) Receiving of Notes – Southland Shared Services Forum 18 August 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(c) Receiving of Notes – Southland Shared Services Forum 25 December 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

(d) Pace to Progress	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
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MINUTES OF THE MEETING OF THE INVERCARGILL CITY COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL, ON TUESDAY 12 DECEMBER 2017 AT 4.00 PM

PRESENT: His Worship the Mayor Mr T R Shadbolt
Cr R Amundsen – Deputy Mayor
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr L S Thomas

IN ATTENDANCE: Mr R Fife – Chairman - Bluff Community Board
Mr R W King – Chief Executive
Mr C A McIntosh – Director of Works and Services
Mr D J Johnston – Director of Finance and Corporate Services
Mrs P M Gare – Director of Environmental and Planning Services
Mrs E Harris Mitchell – Manager Communications and Secretarial Services
Mr S Tonkin - Development Liaison Manager
Mr D Booth – Manager Financial Services
Mr S Ridden – Manager Corporate Services
Ms M Short - Manager Strategy and Policy
Mrs M Rusike - Team Leader Environmental Health
Miss H McLeod - Communications Advisor
Ms L McCoy - Building Assets Administration
Ms L Kuresa – Governance Officer

1. APOLOGIES

Nil.

2. PUBLIC FORUM

2.1 Oil and Gas Companies Coming to Southland

Jenny Campbell and Dave Kennedy were in attendance to speak to this item.

Mrs Campbell and Mr Kennedy tabled a copy of their presentation and took the meeting through it.

In response to questions, the following answers were given:

1. The reserves is a box to be opened up because there are large deposits of lignite as well. In the early 1990s there was fracking inducted to the region as well and this will be an exploration to see what the reserves are like but there's potential in it.

2. The industry is moving to onshore gas explanation rather than offshore because it is expensive. The big disaster that occurred in Mexico was an exploration drill, so if something like that happened in the Southern Basin it puts risks there as well. The main focus will be fracking because that will be an easier extraction.
3. The money often goes away from the region. What they found in Taranaki was smaller communities that may have gained from fracking and have some economic benefits, but the opposite has happened.
4. The danger of that is that once you allow mining companies to come in and do those test drills, you are more or less giving them the okay for whatever happens after that. What farmers in Australia found was that once they opened their gates and allowed them to do that exploratory work, they found that they couldn't get rid of them. It gave them the license to continue and often the continuation was a disaster for their farms and community. It may be a good idea if the resources was a good idea but we're moving towards a zero carbon increase and if you are going to encourage the fracking industry in Southland, it puts us in a difficult position in terms of our emissions. The thing that should be known too is that they say that gas extraction is a cleaner form of getting energy than offshore drilling, but in actual fact they found that the emissions that come out of the ground through the process are not managed or looked at are far bigger than they thought. The emissions released from the industry are quite poor.
5. The seismic activity in Fiordland that's right down the Waiau River is one of the big issues when doing the explorations. There are lots of explosives used and the fracking industry is the same thing that people out there will be concerned about. Tourists don't come to Southland to see drills, big pipes going across farms and big rigs on roads.
6. My personal feeling is that you have to balance the value of the resource you're extracting with a long term effect that it's going to have on a community. One of the reasons why we fought lignite mining is that it would have a devastating effect on the prime agricultural land near Mataura and end up with large recreational lakes that couldn't be used for anything and the industry will have a 50 year life. Whereas farming has a far longer life than the lignite industry would have. I would be concerned with any extraction of industry that has long term damages and stops any other activity in the future.

His Worship the Mayor thanked Mrs Campbell and Mr Kennedy for taking the time to present to Council.

2.2 **Review of Councillors as Directors Policy**

Nobby Clark from Invercargill Ratepayers Advocacy Group was in attendance to speak to this Item.

Mr Clark raised concerns about the review of the Invercargill City Council Directorship Policy and said it was one of three key issues for ratepayers at the last elections, including lack of transparency and the Sister City/Chinese Garden issue. He took the meeting through the Groups assessment of the Directorship Policy and how it had progressed its way through Council as follows:

- Cr K Arnold and other Councillors campaigned at the last election to remove the ability of Councillors to be included as Directors of Council owned Companies.
- After the election we noticed that Cr K Arnold, the most vocal in her opposition to Directorships, had taken up a Directorship on EIL.

- The Mayor at the time covered the propaganda by stating Cr K Arnold had taken up a Directorship but she also prompted a review of the Directorship Policy, which could lead to her losing the Directorship. The truth was that the Policy was due for review this year.
- The Policy was initially considered by the Audit Committee chaired by Cr Pottinger. The outcome of that was an independent consultant was engaged to provide Council with advice. We believe that consultancy was inappropriate as it only required a rewording of two paragraphs of the Policy to prohibit Councillors from being Directors, thus leaving the status quo or the prohibition change as two options for consideration at tonight's full Council meeting.
- We now know that the prohibition option has disappeared. There are several issues at this point. The options now being considered is the status quo, which Directors or Councillor Directors.
- The second issue is that the consideration that came back from the consultancy report went from the Audit Committee to the Finance Committee and this allowed every Councillor to attend. We feel this is inappropriate because it allowed some Councillors, including those who are currently Directors to engineer a status quo recommendation which is now coming through to full Council.
- It is our view that those holding Directorships with attached personal incomes have a conflict of interest or a perceived conflict of interest and should be unable to vote on any consideration of this Policy. I have raised this with the Audit Committee Chair before.
- We noticed that Cr K Arnold did not attend the Finance and Policy Committee Meeting where the Policy was discussed and that raises some issues for us as well.
- There is a newspaper article with a big headline quoting what Cr Soper said that "if it was not broken, don't fix it". At this point we feel that the Directorship is broken and these are a couple of examples why:
 - The Mayor is appointed as a Director of Invercargill Airport Limited and the Company was about to take legal challenge to the Council, which the Mayor presides on, in relation to the District Plan. We felt that was inappropriate. The Mayor who is the equivalent of the Chair of the Board is also the Director on the Invercargill Airport Company and is accountable in that Company to the three Holdco Directors who are Councillors. Those Councillors are accountable to the Mayor. If you think outside Council and you go to Parliament, you wouldn't see the Prime Minister who chairs Caucus to be involved with low level Select Committees.
 - The second example is the issue of the recent joint venture company that's been created and we feel there's significant risk there, not just a fiscal risk but a risk of governance as well. While Cr Abbott rightly raised that he felt that it was a perceived issue for ratepayers around pecuniary gain, that's not our concern. Our concern is about good governance and avoiding conflicts of interest.
- Our Group was a little bit staggered when we wrote to Council and asked who knew about the joint venture before it was publicly announced in the newspaper. The response we got didn't come from anybody in this room, it came from the Director of Finance, which is its own right is not good governance either. His response said that nobody knew other than the three Councillors on Holdco and I stagger to think that nobody in this Council is aware that it had gone into a joint venture with an independent Company, which could potentially run up tens of millions of dollars of costs to the ratepayers.

- When people said that this is about having control of our companies, from our end, you don't have control if you don't know. I'm not worried about the money side of things because if you don't pay Councillors to be Directors you have to pay someone else but the real issue is, you can't have your foot in both camps.
- Our recommendation is that the Finance Committee recommendation should go back to the Audit Committee. Any vote that takes place today, should have a show of hands, so we know exactly who is voting which way. Council should consider, before going any further, seeking legal advice on whether Councillors who have Directorships, have the ability to vote on the Policy because that's a perceived conflict of interest and it's a public perception.
- Our view is that once it goes back to the Audit Committee, it come forward in the true way in which have come in the first place, which is a straight forward vote on status quo or prohibition. If the status quo wins then you consider the issue of governance about how many Councillors you want to have as Directors. To have that first, precludes the real issue which ratepayers are concerned about.

In response to questions, the following answers were given:

1. I've seen that in the Finance and Policy Committee Minutes with regard to Councillors who are on Holdco being able to vote in this matter, but for me that's not the real issue. The real issue is, should we have Councillors as Directors? Our view is we shouldn't. It's not personal against Councillors and it's not a skill set, it's just that you can't be both a Council and a Director. The recent joint venture issue is a classic example that the other Councillors either didn't know or haven't been told informally about. That's not a good way to have elected officials operating in governance level.
2. You shouldn't have a zero to three or four amount of Councillors on the Holdco Board. You shouldn't have any at all. If you have that then the Prime Minister will sit on Select Committees. The Chairman of the Board at Fonterra will sit on a subsidiary company that might be developing a dairy company in Chile. You can't drop to that level. You're either on the top table or you're not and if you have a foot in both camps then things get lost.
3. It staggers me because one of issues I asked of Council and you all got the email traffic is that I didn't want to know about figures because they are commercially sensitive. All I wanted to know is that the due diligence had been done.
4. Councillors should not be on any of the Council Controlled Organisations. There are people in the community that could make good Directors. How do you hold some very senior players here who are currently Holdco Directors, accountable for Holdco when you also sit on the same table as them?
5. I can't recall a Prime Minister being on a select Committee because the select Committee by nature have to report back to Parliament and that's governed by the Prime Minister who runs caucus. That's a conflict of interest.

His Worship the Mayor thanked Mr Clark for taking the time to present to Council.

2.3 Pork Pie Artwork in Invercargill

Jordan Wyatt, representative from the Invercargill Vegan Society was in attendance to speak to this item. He tabled a copy of their proposal and took the meeting through it.

Mr Wyatt said that the Vegan Society wanted to propose a new public artwork for the streets of Invercargill. This is a tribute to Invercargill's culture cache, installing the bright yellow mini as seen in Goodbye Pork Pie, yellow being a happy vibrant colour with the yellow mini seen as symbol of the City, "we're taking this bloody car to Invercargill". This would be a beloved iconic distinct, Invercargill needed a 1970s car cemented into the corner of Dee and Don Streets. This would be installed just down from Invercargill City Council's new office building and directly opposite our future ILT Hotel, the yellow mini would be a great edition to the redevelopment of downtown Invercargill. The mini would be a real drawcard to the City, it would emphasise our history and played on New Zealand's pop culture.

His Worship the Mayor thanked Mr Wyatt for taking the time to present to Council.

2.4 Aluminium Dross

Cherie Chapman was in attendance to speak to this item.

Mrs Chapman spoke about the dross from Tiwai that had been in the media and the fact that a watchdog group had been formed in Mataura and Invercargill on this matter. She said that Invercargill City Council had a long history with the dross and she took the meeting through it and said it was about history and not about blame. She said that there had been an ongoing problem with dross and over the last six months she had been focusing on getting everybody to work together on this issue. There were consents and then consent and she wondered how robust the consent process was, not only from Invercargill City Council but also from Environment Southland. She said that ouvea was the stuff that went to Edendale and hospitalised two workers because it was highly toxic and it was dross. She had been using her government networks to get all the stakeholders to get together and talk about because Tiwai had a cradle to grave responsibility that for the waste that came from their industry and she was not seeing that responsibility being picked up. She stressed the point that Council needed to stop letting the dross across Tiwai Bridge until it was something else.

In response to questions, the following answers were given:

1. There are various stories around the question of who owns it. International laws says cradle to grave responsibility, so NZAS is actually Rio Tinto. You talk to the ex-Director of Taha and he says that the contract we signed was with Rio Tinto and not with NZAS. It was a towing contract which means they are paid for processing but not for the chemical itself and it still belongs to the NZAS or Rio Tinto.
2. The stakeholders I spoke with included NZAS.
3. The new contractor is called Inalco and I asked where it was being stored and the unprocessed dross is been stored in containers onsite out there. I worry about containers because they are unmarked and they are moved all around. There have been fires in Christchurch and in Australia, the wharfies will not deal with this chemical because the containers can catch on fire. There are implications for that and it could end up here.
4. The liquidator from the last discussion that we had with the stakeholders that included this Council are looking at it becoming material that is onerous under the Commercial Act. Once it's onerous material it becomes the property of the Crown. The Finance Act also says that it will clean up stuff from Tiwai as an indemnity but at the end of the day, why should the Crown need to pick this up and not the primary producer of this chemical.

His Worship the Mayor thanked Mrs Chapman for taking the time to present to Council.

2.5 **Alex Lithgow Statue**

Cr Esler spoke to this Item.

Cr Esler updated the Council about this matter. He said that around August/September last year, an offer for a free bronze statue came via the Museum. It was a pair of Australians called Jilly and Mark, who had a very large business in Australia and also had the public good element to their work. They offered a free statue provided the beneficiary paid for the casting process and the transport to New Zealand from Australia. In response to that, a couple of meetings were held and a Trust formed and the consensus settled around Alex Lithgow, who is the man who wrote the Invercargill March. He was the fourth most popular piece of brass band music in the States, so he had done more to put the word "Invercargill" around the world, so it was a very fitting subject for a statue. The Trust had paid the 20% deposit, the design work was starting and the total cost was less than \$50,000. There were funding applications sent to the usual funders, including Lotteries, which would cover most of the amount but the Trust was looking for public donations. He said that all going well the sculpting process would begin in January and the casting process would begin in May 2018, so it could be in Invercargill around August/September 2018. The City had agreed to install it in a suitable place and there were a lot of suitable places for it. It was another cultural feature for the town that was in train.

In response to a question by Cr Thomas, as to what suggestions had been put forward on where to install the statue, Cr Esler said that the various suggestions included Wachner Place, Esk Street by the Band Rotunda in Queens Park, paired with Burt Munro at the Feldwick Gates outside the Museum. When it arrives we could have a public consensus on where it could be installed.

His Worship the Mayor thanked Cr Esler for taking the time to update Council on this matter.

3. **MINUTES OF THE MEETING OF COUNCIL HELD ON 7 NOVEMBER 2017**

Moved Cr Amundsen, seconded Cr Thomas and RESOLVED that the minutes be approved.

4. **MINUTES OF THE EXTRAORDINARY MEETING OF COUNCIL HELD ON 21 NOVEMBER 2017**

Moved Cr Biddle, seconded Cr Ludlow and RESOLVED that the minutes be approved.

5. **MINUTES OF THE MEETING OF THE BLUFF COMMUNITY BOARD HELD ON 20 NOVEMBER 2017**

Moved Cr Esler, seconded Cr Soper and RESOLVED that the minutes be received.

6. **MINUTES OF COMMITTEES**

6.1 **Community Services Committee 27 November 2017**

Moved Cr Abbott, seconded Cr Lewis and RESOLVED that the minutes be approved with the following amendments, under Housing Care where it said, it should read, "Mr Ridden said Housing Care was at 100% occupancy..." Also in the last paragraph, it should read, "Requests had been requested from contractors for roofing and exterior paintwork".

6.2 **Regulatory Services Committee 28 November 2017**

Moved Cr Amundsen, seconded Cr K Arnold and RESOLVED that the minutes be approved.

6.3 **Infrastructure and Services Committee 4 December 2017**

Moved Cr Thomas, seconded Cr Pottinger and RESOLVED that the minutes be approved.

6.4 **Finance and Policy Committee 5 December 2017**

Moved Cr Ludlow, seconded Cr Amundsen that the minutes be approved with the exception of Item 6.2.1.

Cr K Arnold said that in response to Mr Clark's comment that she was not at the Finance and Policy Committee Meeting, it was a Standing Committee and she was not a member of that Committee. She tried to attend Committee Meetings that she was not a member of as regularly as she could but she felt it was unfair criticism because she was not required to be at that Committee Meeting.

Cr A Arnold said that it seemed unfair at the time that at the Finance and Policy Committee Meeting, there were three Directors on Holdco and two other Committee Members, so to vote on a status quo was wrong. The review was carried out by Alicia McKay and Council should relook at it and discuss it at a full Council Meeting, so he was speaking against the motion based on the history of this matter.

Cr Ludlow said that as a point of clarification, there were two Items 6.2.1 and this needed to be taken separately.

Cr Soper said that there was an alteration on Page 49, where it said, "Cr Soper said ", the word "any quality", should be "equality". She said that as it was written it changed the meaning of what she said.

The motion, now being put, was RESOLVED in the **affirmative**.

Cr Ludlow said that with regard to the second part of Item 6.2.1, to speak to a point that was raised in Public Forum, the reason why this matter came to the Finance and Policy Committee was because it was "Policy" which was part of what the Committee dealt with and not the Audit Committee. He was not sure how His Worship the Mayor wanted to go through this Item but he suggested that the recommendations be discussed individually or put the motion but he sensed that Councillors wanted to discuss the various points.

His Worship the Mayor asked if there were any objection to each recommendation being discussed individually and it was confirmed that there were no objections. He asked Cr Ludlow to start the process and that he also put a motion on the table for Councillors to speak to.

Cr Ludlow said the motion would be that the report be received and the recommendations adopted but the alternative was that each item respectively was voted on separately. There were some points that Council had asked for clarification on and that had been detailed in the supplementary report that was before Council.

Moved Cr K Arnold, seconded Cr Ludlow and **RESOLVED** that the supplementary report be received.

Moved Cr Ludlow, seconded Cr Soper that the status quo remained at three Councillors.

Note: Cr K Arnold raised Point of Order that under Standing Orders that in a Council meeting Councillors should stand to address His Worship the Mayor when debating around the table.

His Worship the Mayor said that this matter did come up as a hot topic in the North Island councils where a Mayor objected to Councillors who did not stand to address him. He said he did not want to go down that road but he felt it showed dignity and decorum when Councillors stood up to speak.

Cr A Arnold said that after reading the report he disagreed with the recommendations set out in the Finance and Policy Committee Minutes. The idea of setting up Holdco in the first place was to create an arms-length monitoring in an oversight of Council organisations. The rationale was for an arms-length entity but if Councillors were also Directors on the Holdco Board it was not an arms-length entity. He had no objections to Councillors being on a Company if they were the best person for it and Councillors should have to apply for a directorship just like anybody else. Part of being a Director was being able to give direction and not just management and that could not be learnt in a two week block course. It needed to be based on something that you had done throughout your life to make you suitable for a directorship. He said that everybody should be able to apply for those Directorships and a group of three Councillors and two leading business people in the community could be on a selection panel to go through the process of who the five Holdco Directors were. It had always been thought of as being an old boys' network and that Councillors got a Directorship to boost their incomes, which was why it should go through a selection process.

Cr Ludlow raised a point of clarification and said that the point was about the number of Councillors to be appointed as Directors on Holdco. There was an Appointments process with an independent Appointments Panel. He asked if Cr A Arnold had a problem with that.

Cr A Arnold said the Appointment of directorship should be by Council because Council represented the people and business leaders. Anybody could apply for those positions and Council chose the best people as Directors. Cr Ludlow said that the Appointments Panel was made up of people who had the skill set and were able to determine the business acumen of the people who applied for Directorships.

He asked if Cr A Arnold rated that at potentially more successful than Councillors would have a greater skill set than a group of representatives from different parts of the business community to make those appointments because it was an independent process. Cr A Arnold said he believed that Councillors were representing the people because Councillors were voted by the people. At the moment there were three Councillors appointed as Directors out of four. If those Councillors were the best people for that role, he had no problems with it, as long as they applied the same as everybody else in the community who wanted to be a Director. If they were only a Director because they were a Councillor, then that needed to change.

Cr Pottinger said he had sent an email to Mr King asking if he was able to get advice from the two existing Holdco representatives. He contacted Mr Loan and discussed this matter with him. He said that life was all about compromise and he supported Cr A Arnold's stand and that would be his stand too but he realised that after the last Local Government election he would be willing to put forward an idea to Council that may respect other Councillors views around retaining control. What he was putting forward covered everything from Points 1.1 to 1.6. He asked what the role of Holdco was and said it was not a dragons dens, or an entrepreneurial risk taker but it facilitated finance for its subsidiaries and monitored their performance. It was a reasonably low profile role but it could work if Council had the majority on there. He said he was happy to have three Councillors on the Holdco Board if the following conditions were met in some way because it went a long way in making things more transparent for the ratepayers.

- The first clause was that there were no elected members on the trade subsidiaries, which included Invercargill Airport Limited, Electricity Invercargill Limited and Invercargill Forestry Limited. These companies were in charge of earning Council money and required skilled people, people with expertise in those various industries. He saw no reason why there needed to be a Councillor on those companies because these three companies reported back to Holdco where the three elected members were Directors and they were monitored.
- The second clause was with regard to the reporting activity of Holdco. At the moment they reported back to the Finance and Policy Committee but Holdco should come back to full Council. One of the key documents of Holdco and Council was the Statement of Intent and it acted as a Letter of Expectation. What was happening now was that a Holdco related issue was being put through one ringer and squeezed out and then reappearing again. If Holdco was that important then Holdco should report back to full Council and Council's Governance Statement needed to change to reflect that.
- The third clause was with regard to the Appointments Committee. What he saw as the best components of the Committee such as this was that the existing Holdco independence being on the Committee, a local Institute of Directors member or a respected community business and an employment consultant. Currently the standing Mayor had a position on that Appointments Committee but this was a Policy and these positions needed to be de-politicised with no risk of political influence. Not that it was happening now but these Directors needed to be chosen purely on skill basis of the Councillor to put their names forward.
- The fourth clause was with regard to remuneration. This was one of the compromises he believed was important because it was currently \$33,000 for an elected member on Holdco but this remuneration package should be the same as a Committee Chair because of the workload. The other reason was that he did not believe there should be a reason or a carrot that people stand to get on Council to find a way onto directorship. It needed to be removed.

It had the potential to create a cultural problem and the remuneration of Chair was worthy enough of the work involved, when you looked at what was being done. That freed up \$45,000 that could be used for training purposes or a number of issues, either to come back to Council or to come off the rates.

Cr Thomas congratulated Cr Pottinger on what he had put forward but the Mayor was part of the Select Committee and represented the Councillors on that Committee. That was why there was Council representative around that table. He was giving that view because there was usually the independent Chair of Holdco, a local Director of Companies or Accountants, a consultant who usually came in from out of the Invercargill and the Mayor who was the Council representative. With regard to remuneration, any Holdco Director who took on a directorship was exposed to risk as any other independent Director. Under Director Policies there were two companies, the Forestry Company and the Electricity Invercargill Company that were at the high end of health and safety. Each Director had the ability to be prosecuted independently under the health and safety regime in the event of an accident, even though there could be robust policies in place. He said that any Director moving forward needed to be remunerated for the sake of \$25,000 but he agreed that the Policy that Cr Pottinger presented was robust and there was good process moving forward regarding Directorships, especially for the Holdco Company, which was the Company that this City owned.

Cr K Arnold thanked and congratulated Cr Pottinger on his willingness to bring an alternative to the table. For clarification she asked that with regard to Cr Pottinger's comment on not wanting any Councillors being appointed to the subsidiaries companies. If that was the case, in the future Councillors could still in their capacity as a lay person apply for a directorship on one of the subsidiary companies and get on those Boards on their own merits or skills but happened to be a Councillor. Cr Pottinger said that was a completely separate issue and he was talking about appointing through the Appointments Committee. The Appointments Policy was mute on the appointment process for an elected member to the Invercargill Airport Limited. He said that none of those trading organisations had through Council's Appointments Policy positions to fill but if any Director had the skills to get appointed by the Board, he had no desire to stop them from doing so. He said to reply to Cr Thomas's comments, the Mayor was representative of the Council, but he believed that regardless of whether it was the Mayor or a senior Councillor, the skill base in choosing the Councillors to put their names forward for directorships should have no Council influence at all. This Committee was acting to get the best Directors for the Company and out of the three Directors could look at their own skills and work out what was missing and choose three people to provide the diversity needed. As far as exposure to prosecution and liabilities, it was clear in the Holdco Annual Report that all Directors on all subsidiary companies were covered by insurance, so to use that \$15,000 as an excuse was untrue.

Cr Abbott reiterated that the Audit Office obviously gave approval that the Directors could comment on this matter but he felt it was wrong. Going back to Cr Pottinger's recommendations that had been put forward, there were aspects there that he did not like and some he liked. There needed to be some clarification because there was a recommendation on the table by Cr Ludlow and he wanted to know what the next step was.

His Worship the Mayor said there was a motion on the floor and he was allowing free-range debate on it.

Cr Pottinger said he had put his recommendations on the table for debate and if there was enough agreement, it could be put forward as a motion.

His Worship the Mayor said there was a motion on the floor already and if Councillors did not like it, they voted against it and put forward another motion.

Cr Esler said he was uneasy about the sheer number of people around the table who were involved in being remunerated as Directors and the whole business, no matter what Audit Office said. All the Councillors involved were all compromised to motion that would be giving them more money and he requested that anybody who was a Holdco Director to refrain from voting.

His Worship the Mayor said that legal advice had been sought on that matter.

Cr Ludlow said that with Council debating this Policy, which had no direct effect on Directors remuneration and that took effect on the next term of Council and it did not change anything financially now. He was of the understanding around that liability issue that Directors did have a personal liability. While Directors had liability insurance it did not prevent Directors from being prosecuted and imprisoned.

Mr Johnston said there were insurance policies in place just like for elected members around the table. That only covered certain event but there were issues that the Directors were personally liable and the insurances would probably not cover.

Cr Soper asked if there needed to be a ruling at this point because none of the recommendations being discussed dealt with remuneration at all. By introducing remuneration in what Cr Pottinger said meant that it introduced an entirely new topic that was not in any of the current recommendations and was not a motion that was currently on the table. While she was not saying that remuneration could not be discussed at some point, it seemed that to spend any more Council debating time on remuneration issues that was not dealt with in the paper to this stage was not going to be helpful with the process of getting through the recommendations that were included in the report being discussed.

His Worship the Mayor said that Cr Soper raised a good point and would take that as a point of order. He said there would be no more debate about remuneration.

Cr Biddle congratulated Cr Pottinger on the compromise he had on the table. She felt that there should be no Councillors as Directors on any of the Boards. She had witnessed today where there were Councillors who were uneasy about Holdco Directors participating in the vote, so it removed them from the table of having twelve Councillors plus His Worship the Mayor to potentially a minimised amount of people. When she was elected to Council, her priority was to Council and this Council would be strong enough to appoint appropriate Directors, its process that potentially could run the companies and report back to Council. Council was in a current position where Council needed to appoint a new Chief Executive and that process was exceptional and it showed that could be done to its finest and she believed that Council could do that for its companies as well. With that in mind, it was a conflict of interest when Councillors sat around the Council table and then go and represent a company as a Director. Your responsibility was to that company and that was a direct conflict of interest.

Cr Thomas asked if that included HWCP and His Worship the Mayor said that was the sort of issue that would need to be sorted out. That was one reason why he supported the status quo.

Cr Pottinger said that this was the Appointment and Remuneration Policy and was not restricted to what was in the Policy for debate and change, so outside recommendations as discussed could have other points added to it regarding remuneration. With regard to His Worship the Mayor's position on the Board, all records and minutes that he had shown His Worship the Mayor being appointed through external Directors Appointments Policy, only appointed people on merit and His Worship the Mayor's appointment was not through the elected member's process.

Cr Ludlow said that he agreed with the issues raised by Cr Pottinger but this was not a negotiation about a package. Council was going through each item individually and at the moment, the motion was about retaining the number of Councillors appointees to Holdco at three.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Note: Seven Councillors voted for the motion and five voted against the motion.

Recommendation 1.2 and 1.3

Cr Ludlow said that the next two items were taken together at the Finance and Policy Committee Meeting.

Moved Cr Ludlow, seconded Cr Lewis to strengthen alternative channels of ICC influence of Council Organisations, be approved;

AND

Develop, in collaboration with ICHL, an induction process for independent directors unfamiliar with local government, be approved.

Cr Pottinger said with regard to the first part of this recommendations, would this come back to the Statement of Intent and how it was delivered to Council. This was one of the clauses that he had brought up that all Holdco matters came back to full Council. He said that would need to be ratified now and an amendment or addition needed to be made to ensure that it happened. He wanted to move an amendment to that effect.

With the permission of the mover and seconder the motion now read:

Moved Cr Ludlow, seconded Cr Lewis to strengthen alternative channels of ICC influence of Council Organisations, be approved;

AND

Develops, in collaboration with ICHL, an induction process for independent directors unfamiliar with local government, be approved;

AND THAT

ICHL reported back to full Council.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Recommendation 1.4 and 1.5

Moved Cr Ludlow, seconded Cr Lewis that Council formalises the appointment of a Council director to EIL in the ARDP, be approved;

AND

Manage elected members directorships for EIL through the ICC Appointments Committee, be approved.

Cr Pottinger said this was where Council formalised the EIL Directorship and Council would not seek to put an elected member on EIL and he would go one step forward for Holdco to consider that Holdco discusses with EIL that it could go back to the four Directorships that it previously had which would force eight directorships on PowerNet, but that was a separate issues. He wanted to formalise that there was no elected member appointed to EIL.

Cr Ludlow said that if Cr Pottinger did want a Council appointed director on EIL, he should not support the motion on the table.

The motion was put.

Note: Cr K Arnold abstained from voting.

Five Councillor voted for the motion and six Councillors voted against the motion.

The motion was **LOST**.

Moved Cr Pottinger, seconded Cr K Arnold and **RESOLVED** that Council does not have an elected member on EIL as of right, but should that person be appointed due to their skills but not necessarily as a Councillor, that was acceptable.

Recommendation 1.6

Cr Ludlow said that clarification had been received by Ms Short around this recommendation and Ms short took the meeting through the report.

Moved Cr Ludlow, seconded Cr Soper that Elected members seeking directorships to organisations other than Holdco that are trading companies within Invercargill City Council do not need to seek Council approval.

Cr Crackett said she retained the position that Council should not have any elected members appointed to its subsidiaries and by way of this recommendation, she felt that last week's discussions centred on whether or not elected members had consensus that a particular Councillor was not an appropriate fit for a particular position. During the discussions she did not think that it was good governance but in the interest of conflict and transparency it did not align to have Councillors as Directors. With that in place, Council formally approve it before that Councillor was appointed to that position because in some cases it may or may not work.

Cr Soper said that if Council did not reject the elected member seeking directorships, Council would be contrary to what had been passed. What Council had said that Council was not in a situation where there were now three Council appointees as of right on Holdco but nothing as of right on EIL and Council had already established as Cr Pottinger had spoken to the history of His Worship the Mayor's appointment to Invercargill Airport Limited that was done on a skills based. Council had now said that Councillors could be appointed on a skills base and that was fine. If Council did not reject this motion, Council was saying that Councillors could apply on skills base to other companies but Council would put an extra hurdle for any Councillors who were offered an appointment, which was different from the hurdle of any other person with skills who had applied. Council would be saying that it would be making a different deal for Councillors for no particular reason and it did not fit with the motions already passed.

Cr Ludlow said to put what Cr Soper had said into context bearing in mind that the process around EIL had changed. After the next triennium, Cr K Arnold was able to apply as a member of the public to be a director or EIL and she would be standing against everyone else who applied. Supporting the motion was supporting that to happen but rejecting the motion was to say that on top of that, Cr K Arnold would also need to come to Council and ask for permission to apply to be a director on EIL.

Cr Pottinger said he supported that there was no hurdle because the other way was that if one of the Directors on Holdco decided to be a Councillor that would create a similar problem again.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Recommendation 2.1 and 2.2

Moved Cr Ludlow, seconded Cr Lewis that Council confirms and details a step-by-step appointments process in the ARDP,

AND

Includes guidelines that detail how potential candidates will be sought, be approved.

Recommendation 2.3

Moved Cr Ludlow, seconded Cr Amundsen that the Appointment of independent directors to ICHL should be made in the same way as Councillor directors. An ICHL representative should form part of the Appointments Committee, be approved.

Cr Pottinger said that in his desire to change the Council Directors Appointments Committee, it did not cover that. Cr Ludlow confirmed that could be dealt with at the end.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Recommendation 2.4

Cr Ludlow said that this recommendation was different in that the appointment of the Holdco Board chairs should be made by Council's Appointments Committee. The Board chairs in every company across New Zealand were appointed by the Board because they knew how they operated. He understood the points that Cr Pottinger raised at the Finance and Policy Committee last week on this matter but reading how things were moving now and since he became a Holdco Director, the appetite was for the Chair to be an independent. That was the process that Holdco had in place following a recommendation by Audit New Zealand. This recommendation would go against Audit New Zealand's recommendation.

Moved Cr Ludlow, seconded Cr Soper that the appointment of the ICHL Board Chair should be determined by ICHL.

Cr Pottinger said he supported that motion if an amendment could be added that, following the best practise of Audit New Zealand.

With the permission of the mover and seconder, the motion now read:

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the appointment of the ICHL Board be made by ICHL and drawn from the independent members.

Recommendation 2.5

Ms Short took the meeting through this recommendation for clarification.

Moved Cr Ludlow, seconded Cr Thomas and **RESOLVED** that Council outlines the process for appointment of a Council appointee to Council Organisations in which Council has a non-controlling interest. This needed more development and to be more clearly defined that it related to trading organisations.

Recommendation 3.1

Moved Cr Ludlow, seconded Cr Thomas that Council includes more detail about how required skills are identified in the ICHL appointments process. This should include the use of a skills gap analysis and / or competency matrix to ensure diversity, be approved;

AND THAT

Includes a list of core director competencies for ICHL appointments in the ARDP, be approved.

Cr Pottinger said that he spoke strongly about skill process last week but he was referring to a Holdco Board that was on another level and that was why he went to the dragons den and said that was made up of serious skill base. In Council's role of having three elected members on Holdco, the skill matrix was about good governance and whatever commercial attributes Councillors could bring. That opened room for a relaxed skill base and currently when he looked around the table he would say that a majority of Councillors would fill those roles with the current requirement. To be transparent Council needed to have as listed in its skills base in the document, there was a need to be less specific on business skills and write it in a way that enabled that the public had a transparent document. At the moment what was written in the document was too specific on

more business skills and it clashed. He was happy for people getting appointed but he did not want a document that wrote up a level that was not there.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Recommendation 4.1 and 4.2

Moved Cr Ludlow, seconded Cr Amundsen and **RESOLVED** that Council specified the tenure of Council directors to ICHL and in the ARDP, and include details of how reappointments to the ICHL Board are managed and considered, be approved.

Recommendation 5.1

Moved Cr Ludlow, seconded Cr Thomas and **RESOLVED** that Council develops and implement a process for declaring conflicts of interest as part of the director appointment process and include details in the ARDP, be approved.

Appointments Committee

Cr K Arnold raised a Point of Order and said that Council was adopting the minutes of the Finance and Policy Committee Meeting and wondered if this matter should be discussed under Urgent Business.

Cr Ludlow said that Council had debated the minutes and changed some of the recommendations.

Mr King said that this was not minutes, although in a sense they were recommendations coming to Council because Council was discussing the overall Policy.

Cr K Arnold said she had no issues, she just wanted clarification around that.

Cr Pottinger said that in the best interest of selecting the right candidates to fulfil these three positions, it was critical to have the current two independents on the Board because in making up that group of five people, they and two other advisors to say that this was the team they wanted to form the Appointments Committee. He did want to discharge the Mayoral role out of it but he wanted to make it non-political. He said that would be a better way of doing things. The current two independents would be working with the three Councillors and they should have as much say rather than just the Chairman.

Moved Cr Pottinger, seconded Cr Ludlow and **RESOLVED** that the Appointments Committee be changed to consist of the existing two independent Directors, a third IOD member and an employment specialist.

Moved Cr Ludlow, seconded Cr Lewis that the second part of Item 6.2.1 be received.

Cr Biddle asked if the remuneration was taken off the table because of the conflict or was it agreed that Council could make changes to it. Cr Pottinger said it was still part of the Policy Remuneration.

His Worship the Mayor said that Cr Soper raised it and said it was not part of the Recommendations that were on the table for discussion and that was why it was taken off the agenda but Cr Pottinger said that they were part of the Finance and Policy minutes and should be discussed.

Cr Soper said her point was that at the time when Council was discussing the standing recommendation, the matter of remunerations was not part of those recommendations.

Cr Biddle said she wanted to support Cr Pottinger's earlier proposal with regard to remuneration. There were appointments that had been made by Council that Councillors were Directors of other companies that held remuneration. Being elected members and appointed to those directorships was part of Council's core business then remuneration should be reduced. She wanted to move that the remuneration for Directors be reduced to the chairs remuneration.

His Worship the Mayor said there was already a resolution on the table and if Cr Biddle did not agree with it, she could vote against it.

After discussions it was clarified that the resolution on the table was to confirm the minutes and with the permission of the mover and seconder the motion on the table was withdrawn to allow further discussions.

His Worship the Mayor said that whatever Council agreed to, it would not come into effect until the next elections and there could be a situation where Council changes at the next elections and this Policy changes as well.

Mr King asked for clarification as to whether Council was saying that for remuneration for the independent directors as well and Cr Pottinger confirmed it was remuneration for the three elected members to Holdco.

In response to a question by Mr King, as to whether those Councillors would receive a chairman's allowance instead of their remuneration, Cr Pottinger said there was standard Council salary of \$35,166 and \$47,000 for a chair which meant that the chair position attracts another \$12,000 added for the work of the chair, which was fair entitlement. That was what he was basing his comparison and believed that was what the three roles should be valued at.

Cr Soper said she wondered whether the discussion was now becoming confused that this matter be adjourned until several points had been clarified. For instance, she did not believe that anybody around the table was entirely clear on the position if you were already a chairperson and then became a director. What Cr Pottinger was saying was that you would then have another chairperson's remuneration on top of your existing chairperson. This matter had been introduced as an entirely new item and it had not given anyone around the table a great deal of thinking time and Council would be in danger of making an uninformed decision that Council may want to reverse next year. She suggested that the matter be adjourned for some reflection, gather information from staff of the actual figure and bring a report back to a following Council meeting.

Cr Biddle said Council could get that clarification. The matter had not been thrown at Council today, it had been brought along with other suggestions that Cr Pottinger had mentioned earlier. Council had already added another item to the list of items in this particular discussion and there was no reason why this matter should not be added too.

For further clarification, Cr Pottinger said that a chairman gained an extra \$12,000 and what he was valuing was that the directorship was currently \$30,300 was change to that amount. If you were an existing Chairman, and became a director as well, on top of your existing chairman Council salary, you would receive another \$12,000 for your role as director.

Cr Thomas said he was all for reviewing the remuneration but surely there was a need for Strategic Pay and the Institute of Directors to present a paper. This was being done on a whim and this could affect Council for the next 10 to 15 years. Council needed some advice when talking about remuneration.

Cr Crackett said there had already been some clarity on this matter and she was happy for Crs Pottinger and Biddle to proceed with making a decision at tonight's meeting.

In response to a question by His Worship the Mayor, as to what his position would be in relation to remuneration, Cr Pottinger said it would be a good idea to workshop this matter. The fact that this Council had three elected members on its Holding Company was different in New Zealand. It was different from what the OAG said because this Council was quite unique in what it did. He said that with a unique aspect like this, surely this Council had the ability to have control over the remuneration to reflect what Council wanted to do.

Cr Biddle asked if it was appropriate to withdraw her motion until this matter had been workshopped in the new year.

Cr K Arnold said that with the suggestion to have a workshop, Council needed to bring this matter back to a future Council meeting. This workshopping and discussing matters behind closed doors was not good governance, so she did not agree with having a workshop. A report needed to be brought back to this Council by experts and Council staff for Council to discuss.

Moved Cr Crackett seconded Cr Abbott that a report be brought back to Council for the remuneration for Holdco directors.

Mr Johnston said that Council had asked Ms McKay to review the Appointments and Remuneration Policies and her comment was that remuneration was managed in a detailed and transparent fashion, which appeared to align as best practise. There was a different element that once the review was carried out, Council sought remuneration for the elected members and Council could choose as in the past, whether or not it agreed to the recommendation.

Cr Pottinger said he was to be mindful that Ms McKay had also recommended the best practise was according to the OAG and every report on hand there should be no Council directors on Holdco. He did not believe that you could take one recommendation and say it was a great thing and ignore another recommendation. Whether it was best practise or not there was still a decision of this Council about how a culture and it was important to discuss this matter and move forward.

The Council discussed when the report should be brought back to Council in May 2018.

Mr King said the report would include legal liability, how the fees were calculated, discount for public service and what other councils did.

Cr Soper suggested that what Mr King had said should be added to the motion as a note to the recommendation, so that everybody understood that the whole issue of liability was included in that motion as it stood rather than reword the motion.

Cr Pottinger said it was also important that the liabilities to the non-remunerated directors as well by the very Boards they sat on, what responsibility they had.

Cr Biddle said that for a long time the public perception had been about double dipping of Councillors who were also directors of companies for money and this particular process that Council had engaged in was open and transparent and that was the way it should be. She hoped that once it was done and done properly, Council could put it to rest and move on.

His Worship the Mayor said he was more nervous about it having the opposite effect because it could make it look like Councillors were only sitting around the table to get more money. It could have a negative impact on Council's motivation.

Cr Pottinger said he felt that this was addressing the elephant in the room. It needed to be done and he felt that there would be no negative effects. It was fresh, open and needed to be done for the transparency that the public looked to Council for.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Cr Ludlow reiterated that in adopting the Policy it did not come into effect until the next Local Government elections.

Moved Cr Ludlow, seconded Cr Lewis and **RESOLVED** that the second part of Item 6.2.1, Director Appointments be received.

7. MINUTES OF THE URBAN REJUVENATION SUBCOMMITTEE HELD ON 7 NOVEMBER 2017

Moved Cr K Arnold, seconded Cr Amundsen and **RESOLVED** that the minutes be received.

8. MINUTES OF THE SELECT REHOMING AND EUTHANASIA OF DOGS ADVISORY PANEL MEMBERS HELD ON 12 NOVEMBER 2017

Moved Cr Amundsen, seconded Cr Abbott and **RESOLVED** that the minutes be received.

9. REPORT OF DIRECTOR OF FINANCE AND CORPORATE SERVICES

9.1 2018/19 Fees and Charges

The report had been circulated and Ms Short took the meeting through it.

Moved Cr Ludlow, seconded Cr Thomas and **RESOLVED** that the fees and charges be approved for inclusion in the supporting documentation for the Long Term Plan.

10. **REPORT BY ALL COUNCILLORS**

The report had been circulated.

10.1 **Pace to Progress Report**

Moved Cr Amundsen, seconded Cr Ludlow that the report be received;

AND THAT

Council sets in place the following expectations of the Chief Executive:

1. Customer experience is the number one priority of this Council
2. Breaking down of silos within the organisation
3. Recognition of staff performance
4. Communication that is consistent within the organisation and with external stakeholders
5. The organisation is proactive rather than reactive
6. Staff skill development and empowerment
7. Improved use of technology
8. No excuses approach;

AND THAT

Council expects reports at each full Council meeting from the Chief Executive on progress towards these goals.

Mr McIntosh said that with regard to the second resolution, if Council read the document, the word "expectation" came up a number of times. Sometimes it was in relation one to eight but also in relation to one to four on the following page. These clarifications could be useful in the future. At the bottom of Page 119, it would imply that the First Retail group was the exclusive agency to work with the incoming Chief Executive, which may unnecessarily bind him/her. The other question that he presumed the incoming Chief Executive was not expected to report was those points one to four at the bottom of the page. It would seem that if that was altered to say, "Council will set in place the expectation of the Chief Executive in relation to the goals", that would give sufficient scope. At the bottom of Page 119, it would appear that First Retail would be working with the Chief Executive and staff to set more goals and more expectations that were not yet documented.

Cr Amundsen said that the expectations one to eight could be modified so that it included what Mr McIntosh said. The comments at the bottom of Page 119 about First Retail group, they were would be working with the Chief Executive and staff on Stage 2, Collaborative Stage, so that was a strategy that oversees that and a result of the survey that had been carried out internally and externally.

Cr Ludlow asked what the cost of this would be and where the funds were coming from, Cr Amundsen said that was already moved in a motion at a previous meeting.

Cr Ludlow said the answer was simply "reserves" but Mr King was not present at that meeting. Mr King confirmed it would be general reserves.

11. **MAYOR'S REPORT**

Moved His Worship the Mayor, seconded Cr Amundsen and RESOLVED that the report be received.

12. **URGENT BUSINESS**

Nil.

13. **COUNCIL IN PUBLIC EXCLUDED SESSION**

Moved His Worship the Mayor, seconded Cr and RESOLVED that the public be excluded from the following parts of the proceedings of this meeting, namely:

- (a) *Confirming of Minutes of the Public Excluded Session of Council 7 November 2017*
- (b) *Confirming of Minutes of the Public Excluded Session of the Community Services Committee 27 November 2017*
- (c) *Confirming of Minutes of the Public Excluded Session of the Regulatory Services Committee 28 November 2017*
- (d) *Confirming of Minutes of the Public Excluded Session of the Infrastructure and Services Committee 4 December 2017*
- (e) *Report of the Director of Finance and Corporate Services*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1)(d) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Confirming of Minutes – Council 7 November 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(b) Confirming of Minutes – Community Services Committee 27 November 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

(c)	Confirming of Minutes – Regulatory Services Committee 28 November 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(d)	Confirming of Minutes – Infrastructure and Services Committee 4 December 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(e)	Consultation Document Preparation	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

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**Notes of the Shared Services Forum Meeting
held in the Invercargill City Council Chamber,
Esk Street, Invercargill, on Friday,
15 December 2017, at 10.30 am**

Present:	Mr J Grant Chairman N Horrell Cr R Currie Cr L Ludlow Mayor T Hicks Cr D Ludlow Cr L Soper Mayor G Tong Cr B Dillon Mayor B Cadogan	Chairman Environment Southland Environment Southland Environment Southland Gore District Council Invercargill City Council Invercargill City Council Southland District Council Southland District Council Clutha District Council
In Attendance:	Mr R King Mr S Parry	Invercargill City Council Gore District Council

1. Welcome

The Chairman welcomed all present to the meeting.

2. Apologies

By consensus:

The apologies lodged on behalf of Cr C Bolger (Gore District Council), Mr S Hill (Clutha District Council), Mr R Phillips (Environment Southland) and Mr S Ruru (Southland District Council) be received.

3. Notification of Extraordinary or Urgent Business

There were no items added to the agenda.

4. Public Forum, Petitions and Deputations

There were no public forum, petitions or deputations presented.

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Shared Services Forum – 15 December 2017

5. Confirmation of Minutes of Last Meeting

By consensus:

It was agreed that the minutes of the Shared Services Forum meeting, held on 18 August 2017 be confirmed as a true and correct record.

Carried

Action Sheet and Matters Arising from the Minutes: The Action Sheet arising out of this meeting had been circulated with the agenda, and was noted at this time. Those items not completed were included on today's agenda.

Mr Grant asked Mr King to update the meeting on the Libraries and Archives project at this time. Mr King noted that the ICC Archives building was currently 2/3^{rds} full, and based on present needs, would require additional capacity to be built by 2025. However, should a shared approach be taken to this matter, that additional storage would be required much sooner.

Based on interim costings, a per square metre and linear metre cost for use of the building was being identified, as there was an awareness of a need to potentially operate this service jointly. In the New Year there would be an assessment of the volumes required to be stored by each Council undertaken, and from that point a quote for use and storage could be completed. All Chief Executives had committed to investigating this proposal.

Mr Parry noted the benefit to all of the councils would be the professional archivist that was available through the Invercargill facility. He confirmed Gore was very interested in pursuing this opportunity.

Despite the digitisation of significant amounts of information, it was noted that some documentation must be retained in hard copy form as well.

It was noted this matter would be reported on, as progress was made.

6. Chairman's Report

The Chairman did not present a report to the meeting.

7. Financial Report

A copy of the latest financial report, for the period ended 30 November 2017, had been circulated with the agenda and was considered at this time.

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Shared Services Forum – 15 December 2017

Resolved:

Moved Cr Soper, seconded Cr Horrell, that the financial report for the year ended 30 November 2017 be received.

Carried

8. Ease of Doing Business Workstream

The meeting was advised that this topic was under discussion at the Chief Executives Subcommittee level, and a work programme would be developed at the February meeting.

Corporate Policy – One Plan: The report prepared by Vin Smith (Environment Southland) on this matter, had been circulated with the agenda and was considered by the meeting at this time. The meeting noted that ultimately the legislation was pushing Councils in the direction of One Plan development.

By consensus:

That the Shared Services Forum:

- (1) note the opportunities and challenges for developing a Southland One Plan; and
- (2) recommend a joint National Planning Standard Working Group be formed to co-ordinate the development of submissions, explore e-planning and other opportunities, and co-ordinate spatial planning exercises within Southland.

Carried

Building Control Shared Service: It was noted that progress on this matter had been stalled, but as a result of further work at the political level, all Councils were now prepared to consider this matter further. This work is being led by Steve Ruru (Southland District Council), and it was anticipated there would be an update on this matter for the next meeting.

9 Shared Service – Laboratory

A report on the possibility of provision of shared laboratory services, had been compiled by Graham Sevicke-Jones (Environment Southland), and was spoken to at this time by Mr King (Invercargill City Council).

It was noted that the laboratory facilities, methods, procedures and equipment provided by Invercargill City Council would not meet the needs of Environment Southland in particular, which required some analysis to be completed in the parts per millions. The equipment required for this sort of service was prohibitively expensive.

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Shared Services Forum – 15 December 2017

The meeting also noted that the recent report on the Inquiry into the Havelock North situation would likely have implications for all Councils in the future. Currently the recommendations were that there be testing undertaken by a third party, accredited testers, and ultimately heading towards a Scottish model with regard to drinking water provision.

The meeting discussed this briefly and felt that the proposal would not resolve the problems identified locally. For example, the SDC has 22 different water schemes, supplying water that might be at risk. Gore District Council has 240 houses, 2 schools and a marae on an untreated stock water scheme. Clutha District Council provides all treated supplies.

In considering the recommendation before the meeting, it was agreed that this should proceed, but the current background circumstances could result in changes occurring in the near future. It was noted that Ecoli is an issue – some councils treat for it and some do not.

By consensus:

That the Shared Services Forum

- (1) support a proposal to explore a shared testing arrangement for microbiological contaminants.
- (2) agree to reconsider the potential for exploring joint approaches as a result of outcomes directly related to the Havelock North Water Inquiry that are implemented by central government.
- (3) invite the Clutha District Council to participate in any/all aspects of this work.

Carried

10 Extraordinary or Urgent Business

There was no extraordinary or urgent business considered by the meeting.

11 Public Excluded Business

Resolved:

Moved Cr Dillon, seconded Cr D Ludlow, that the public be excluded from the following part of the proceedings of this meeting:

- 11.1 Confirmation of Minutes
- 11.2 Southland Regional Development Agency Proposal – Update
- 11.3 Southland Regional Development Strategy – Update

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Shared Services Forum – 15 December 2017

The general subject of the matters to be considered while the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under Section 48(12) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

11.1, 11.2 and 11.3 - The matters under discussion are subject to an obligation of confidence in another forum – Section 7(2)(d)

It was further agreed that staff present be authorised to remain at the meeting whilst the public is excluded.

Carried

12 Date of Next Meeting

The date of the meeting is yet to be confirmed.

Closure

There being no further business, the meeting closed at 11.18 am

qA439

Action Sheet

Shared Services Forum

15 December 2017

S S F

Item	Action	Name of person responsible
5.	Confirmation of Minutes: Minutes confirmed, and to be circulated to Councils for their formal noting.	Jan B
8.	Ease of Doing Business Workstream: Work programme for this topic to be developed by Chief Executives' Subcommittee at its February meeting.	All CES
8	Corporate Policy – One Plan: A Joint National Planning Standard Working Group is to be formed to co-ordinate the development of submissions, explore e-planning and other opportunities, and co-ordinate spatial planning exercises within Southland.	Vin S
8	Building Control Shared Service: Steve Ruru to provide an update on progress with this matter at the next meeting.	Steve R
9	Shared Service – Laboratory: The forum supported a proposal to explore a shared testing arrangement for microbiological contaminants; agreed to reconsider the potential for exploring joint approaches as a result of outcomes directly related to the Havelock North Water Inquiry that are implemented by central government; invite the Clutha District Council to participate in any/all aspects of this work.	Graham SJ
11	Confirmation of Minutes: The public excluded section of the minutes were confirmed without change, and are to be circulated for noting.	Jan B
12	Next Meeting: Dates for 2018 year to be sought.	Jan B



**Notes of the Shared Services Forum Meeting
held in the Council Chamber,
Southland District Council, on
Friday, 18 August 2017, at 10.30 am**

Present:	Mr J Grant Mayor G Tong Cr B Dillon Chairman N Horrell Cr E R Currie Cr L Ludlow Mayor T Hicks Cr D Grant Cr R Amundsen Cr D Ludlow Cr L Soper Mayor B Cadogan	(Chair) (Southland District Council) (Southland District Council) (Environment Southland) (Environment Southland) (Environment Southland) (Gore District Council) (Gore District Council) (Invercargill City Council) (Invercargill City Council) (Invercargill City Council) (Clutha District Council)
In Attendance:	Mr R King Mr D Johnstone Mr S Parry Mr R Phillips Mr S Ruru	(Invercargill City Council) (Invercargill City Council) (Gore District Council) (Environment Southland) (Southland District Council)

1. Welcome

Mr Grant welcomed members to the August meeting of the Shared Services Forum.

2. Apologies

By consensus:

It was agreed that apologies for absence be recorded on behalf of Mayor T Shadbolt (noting Cr Amundsen was attending in his place), Cr C Bolger (Gore District Council), Cr S Baird (Southland District Council) and Mr S Hill (Clutha District Council), and for lateness on behalf of Mayor T Hicks (Gore District Council)

Carried

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Shared Services Forum – 18 August 2017

3. Notification of Extraordinary or Urgent Business

There were no items added to the agenda.

4. Public Forum, Petitions and Deputations

There were no public forum, petitions or deputations presented.

5. Confirmation of Minutes – 15 May 2017 Meeting

A copy of the minutes of the meeting held on 15 May 2017 had been circulated with the agenda, together with a copy of the associated Action Sheet.

By consensus:

It was agreed that the minutes of the Shared Services Forum meeting, held on 15 May 2017 be confirmed as a true and correct record.

Carried

Action Sheet and Matters Arising from the Minutes:

Noted the only item not on the agenda was that relating to the Libraries and Archives. It was agreed this matter should be referred back to the Chief Executives Subcommittee for follow-up.

6. Chairman's Report

The Chairman did not present a report.

7. Financial Report

The financial report dated for the period ended 30 June 2017 had been tabled, and was considered at this time.

Resolved:

Moved Cr Dillon, seconded Chairman Horrell, that:

- (1) the financial report for the period ended 30 June 2017 be received as information;
- (2) the 2017-2018 contributions be set at \$62,154 (excl GST) and pro-rated as follows:
 - 25% to each of Invercargill City Council, Southland District Council and Environment Southland

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- **12.5% to each of Gore District Council and Clutha District Council.**

Carried

8. Ease of Doing Business – Regulatory Processes – Shared Workstreams Update
9. Building Control Shared Service Work

A detailed report on item 8, compiled by Bruce Halligan (Southland District Council), had been circulated with the agenda. The discussion on this item also encompassed that of Item 9.

Concern was expressed at the lack of a current programme with timeframe, and it was felt that without a more formal approach, little would be achieved.

It was felt that work on this area was something the community was demanding, and the government was also supporting. Jeff Grant felt this topic should be the number one priority for the Forum for the next 12 months, and every endeavour should be made to progress it.

The discussion then focused on the commonality of fees issue in the building consenting area. It was noted this would be seen as a priority by the community. It was noted each Council has a different political philosophy around these which would need to be overcome. It was noted that there had never been political input into these discussions and it was time this occurred.

By consensus:

It was agreed that a working group comprising two Councillors from each of the affected Councils, together with their senior staff representative meet to develop a solution to the issue of standardising fees across councils for building consents. It was noted that any agreement reached would not be achieved in time for this LTP, but should there be significant agreement reached, this would be a matter that would justify undertaking an amendment for. Mr S Ruru of Southland District Council is to lead this group.

By consensus:

It was agreed that the Ease of Doing Business Workstream is to be referred back to the Chief Executives' Subcommittee for a process/programme/timeframe to be developed around the various projects, to ensure progress is achieved.

10 Biodiversity Action Plan Update

A report prepared by Ali Meade (Biodiversity Programme Manager for Environment Southland) had been tabled for the meeting, and was worked through at this time.

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Shared Services Forum – 18 August 2017

Mr Phillips, in speaking to the report, noted the focus of ES was to ensure it was working with its partners and colleagues around the region in the development of a “joined-up” biodiversity strategy. It was noted that ES is only one of the parties involved in this work – with much being done by DOC and many other private trusts. The intention is that all will work together better and achieve more for the funds being spent.

The recently released Think Piece developed by Regional Councils was noted, which was focusing on achieving more “on the ground” rather than just by regulation. Innovation and technology were exciting components of work occurring in this area. In that regard Mr Grant noted the work being done by OSPRI, Predator Free 2050 and Predator Free Trust, and the national database that was being established that shows all groups around NZ doing work in this area. Community groups locally were also getting involved in their own areas, without worrying about any national co-ordination.

It was noted that the Regional Biodiversity Strategy work was seen as a shared service project, and would report back as progress was made.

The work being done by Predator Free 2050; MfE and also the National Science Challenges in this area was all noted.

11 Shared Services Project List

Appended to the agenda was the work programme for Shared Services that had been drafted some years ago as a result of an external review. The meeting noted the list, and agreed as follows for those items that were not yet assigned:

- Asset Management Systems – agreed this was very difficult to tackle as a shared service as the same systems were not in place. Shared best practice was the approach that could be taken. This item is to be removed from the list
- Legal Services – needs to be acknowledged each Council has a close relationship with the firm it works with that extends beyond price (trust and confidence and knowledge of culture and background to issues). Agreed not to proceed – to be removed from the list
- Corporate Policy – the focus of this had been on the development of a policy bureau for Southland. This was still seen as a potential. It was agreed that the conversation should start focusing around more sharing. Policy Managers are to discuss and share as a first instance – to start working on the project in this way. In addition a standing item will be added to the Chief Executives’ Subcommittee agendas to identify any matters coming forward that would require/benefit from a combined policy analysis approach. In the meantime, policy analysts across the Councils should meet once a month to share what is happening in their individual areas. CEs are also to explore whether there is an argument around combining corporate policy and advocacy, to strengthen delivery. The focus is not on cost saving in this regard.
- Treasury Management – agreed not to progress – there is little advantage to be gained.
- Water Testing – Laboratory Services – noted ES and GDC contract out, and ICC has its own lab. Agreed each Council is to submit a report about its current arrangements, setting out

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Shared Services Forum – 18 August 2017

the costs and benefits of same in order to provide categoric evidence of the current regime, and allow a basis for discussion and assessment to occur at the Chief Executive level. There may be the ability to address perception issues; any potential duplication; and identify roles and responsibilities.

- Planning – One Plan – Noted MfE is running a process to develop a common template for territorial authorities. Noted that there is a national drive for common templates that will ensure more consistency. It was also noted Government was likely to legislate for regional councils to complete spatial plans, and in a region the rules should be 90% common across residential zones or industrial zones. However, it was noted this was a more political issue than the building consent matter, as it was a core policy function of district councils to set rules in their plans. Therefore political buy-in would be paramount to make progress with this matter.

It was noted that ICC have resisted this approach at the political level in the past. Following discussion it was agreed that, given Gore District Council is about to commence its District Plan review Vin Smith (ES) and Keith Hovell (GDC) should report back to a meeting of the Chief Executives' Subcommittee advising all of the relevant dates, and what the work programme may be for each of the Councils, and what the national drivers are, and where there may be hurdles to overcome, in adopting this approach.

No other items were added to the Shared Services Forum work programme.

12 Extraordinary or Urgent Business

There was no extraordinary or urgent business considered by the meeting.

Public Excluded Business

Resolved:

Move Chairman Horrell, seconded Cr Dillon, that the public be excluded from the following part of the proceedings of this meeting.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the Passing of the resolution are as follows:

<i>General Subject Matter</i>	<i>Reason for Passing the Resolution</i>	<i>Grounds Under S. 48(1)</i>
Confirmation of Minutes – 15 May 2017 meeting Update on SoRDS Project	The matters under discussion were subject to an obligation of confidence in another forum.	S.7(2)(d)

Carried

13 Date of Next Meeting

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Shared Services Forum – 18 August 2017

The date of the next meeting was confirmed as Friday, 15 December 2017, and the host Council was Invercargill City Council.

Closure

Prior to closing the meeting, Mayor Cadogan promoted attendance by Councillors at the next LGNZ Zone 5/6 meeting, being held in Cromwell, and outlined the new approach that was being taken to these meetings.

There being no further business, the meeting closed at 12.02 pm

TO: COUNCIL
FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

COMMUNITY GRANTS FRAMEWORK

Report Prepared by: Melissa Short – Strategy and Policy Manager

SUMMARY

Council requested that staff prepare a community grants policy and framework to assist in the allocation of community grants beginning in the 2018/19 financial year.

RECOMMENDATIONS

That guidance be given on the matters included in bullet point 3 under Policy Parameters below; and

That subject to any amendments from the guidance above the Grants Framework and Policy be adopted; and

That a Community Grants Sub-Committee be established to allocate the fund; and

That two funding rounds are held each financial year, the first to close on 31 July and the second to close on 30 March, with the fund split equally between the two rounds.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Yes, a new Policy has been developed.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No, the community can comment on the quantum of Community Grants funding made available through the Long-term Plan and Annual Plan processes.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

FINANCIAL IMPLICATIONS

No financial implications result from this report.

COMMUNITY GRANTS

BACKGROUND

The Invercargill City Council currently allocates approximately \$250,000 in discretionary grants every year. This figure does not include the \$200,000 Events Fund nor the approximately \$4.9 million in Service Contracts. The amounts allocated to individual organisations vary from \$1,000 to much larger sums, some in excess of \$50,000. The Invercargill City Council does not currently have a Grants Framework or Policy to assist in the allocation of these funds and as such it is undertaken in an ad-hoc manner, usually in line with the Annual Plan process.

The Community Grants Framework (**Appendix 1**) will guide the allocation and management of contestable and discretionary grants that are awarded by Council.

The Community Grants Framework acknowledges Council's willingness to work with the community to achieve its vision "to enhance our City and preserve its character while embracing innovation and change." It further demonstrates the Council's awareness that Council itself is not always best placed to deliver projects within the community, and that through financial assistance Council can assist the wider community to be a catalyst for positive change.

THE LEGISLATIVE CONTEXT

The purpose of Local Government as set out in the Local Government Act 2002 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." Council is further required, under Section 14, to take into account the social, economic, and cultural interests of people and communities, the need to maintain and enhance the quality of the environment, and to conduct its business in an open, transparent and democratically accountable manner.

The Community Grants Framework will assist the Council to meet these obligations. The clear framework and policy parameters will ensure that grants awarded meet Council's objectives and will assist communities to work alongside Council to meet mutual goals.

The Framework will assist in ensuring that grants are allocated transparently and prudently, conflicts of interest are identified and managed, grant applicants and recipients are treated fairly, expectations of grant recipients are clearly communicated, and adequate records are kept of funding allocations and its impacts.

PURPOSE OF FRAMEWORK

A Community Grants Framework will enable Council to evaluate the success of the funding allocated, based on the outcomes achieved. Its focus is on the outcomes that Council is seeking to achieve for its communities, and is therefore closely aligned with both Council's vision and also its community outcomes.

Grants are a mechanism that Council can utilise to financially support community-led initiatives. In this respect they are very different from Service Contract/Procurement arrangements. The Grants Framework would only apply to the contestable or discretionary funding. The \$4.9 million Service Contract funding will continue to be covered by separate individual contracts that establish what Council is purchasing and to what specifications Council requires the service to be delivered.

Council's aim is to enable sustainable organisations and initiatives, while avoiding organisations becoming financially dependent on the Council. The Framework makes it clear that past funding does not represent a commitment to future funding.

The Framework enables Council to streamline application processes and gives discretion over the type and extent of reporting. Reporting will be tailored to be appropriate to the size of the grant, the situation of the applicant, and the level of risk presented to Council.

POLICY PARAMETERS

1. Contestable Funding

The majority of Council grants will be determined through a contestable process. This is done at many other Councils, as well as for Central Government funders. It is the most efficient and effective way of decision-makers comparing the applications received and allocating funds from a limited pool. This involves setting a "Grants" budget as part of the Long-Term Plan and Annual Plan processes, the budget for the 2018/19 financial year is \$250,000. Staff recommend that the allocation of this funding is determined by a Committee of Council following two scheduled funding rounds. Staff recommend that one of the funding rounds close on 31 July and that the second closes on 30 March to spread the availability throughout the financial year. It is recommended that the \$250,000 be split evenly between the two funding rounds.

2. Discretionary Funding

The Framework makes an allowance for Discretionary Funding and establishes tight criteria around the allocation of this funding. The discretionary funding will make up part of the \$250,000 total available budget and occurs outside of the contestable funding process. The criteria involves the applicant demonstrating that their need is immediate and has arisen since the last funding round closed, that it cannot wait until the next round and that the circumstances could not reasonably have been foreseen. In these circumstances a decision could be made by Council at its next meeting, by way of resolution.

3. Areas for guidance

Staff request guidance on the following matters:

- Does Council require that applicants are a legal entity?
- Would Council like to include "in kind" contributions to this Policy?
- Is Council happy to fund the purchase and building of assets, i.e. clubrooms?

CONCLUSION

Every year Council receives further requests for Community Grants and it is not possible to meet all requests for funding. The establishment of the Community Grants Framework and Policy will assist Council and the community to prioritise applications and fund those that will most meet Council's vision and objectives.





Community Grants

Effective from

Purpose

The purpose of this Policy is to establish guidelines for the allocation and management of contestable community grants. Alongside the Community Grants Framework, it has been developed to assist both Council and applicants in determining the outcome of funding applications.

Background

A community grants policy and framework acknowledges Council's willingness to work with the community to achieve its vision "to enhance our City and preserve its character while embracing innovation and change." It further demonstrates the Council's awareness that Council itself is not always best placed to deliver projects within the community, and that through financial assistance Council can assist the wider community to be a catalyst for positive change.

Scope

This Policy and associated Framework applies to the approximately \$250,000 allocated in discretionary grants every year. It does not include funding allocated for the Events Fund or Service Contracts.

Governance Guidance For Allocation Of Grants

The following expectations will be incorporated in the design of the Invercargill City Council's Community Grants Framework.

- Grants will be allocated lawfully, transparently and prudently, in keeping with Council's responsibilities as a public entity dispensing public funds, and the legislated purpose of local government.
- Council will be clear about the decisions it has made and what it expects to achieve with the allocated resource. To this end, adequate records will be kept of both successful and unsuccessful applications.
- Expectations of grant recipients are clearly communicated, reasonable and proportionate to the funding they receive. Recipients must be willing to report publicly on how much support they received from the Council and what they achieved with that support.
- Conflicts of interest will be identified and appropriately managed.

- All applicants will be treated fairly and with respect, the relationship will acknowledge the accountability and complementary roles and responsibilities of both Council and the applicant.

Revision History:

Effective Date:

This policy will be reviewed every three (3) years unless earlier review is required due to legislative change, or is warranted by another reason requested by Council.

New Review Date:

Associated Documents / References: Community Funding Framework

Supersedes:

Reference Number:

Policy Owner: Manager, Strategy and Policy



Grants Framework

The Invercargill City Council allocates Community Grants with the expectation that they fit into the vision that Council has agreed for our City *"To enhance our City and preserve its character while embracing innovation and change."*

Type of Community Grant

Council offers two varieties of Community Grant, contestable and discretionary.

Contestable – A budget is set through the Long-term Plan process and applications are received during a funding round. The opening and closing of the funding round will be publicly advertised. All applications are received using Council's Community Grants application form for ease of comparison. Council then determines the allocation of community funding and makes decisions in a meeting open to the public.

Discretionary – Discretionary grants are for those applications received outside of the funding round. In order to be successful for a discretionary grant the applicant must prove that:

- The need is immediate and has arisen since the last funding round closed;
- They cannot wait until the next round;
- The circumstances could not have been reasonably foreseen.

The vast majority of grants will be awarded through the contestable process as this is the most fair, efficient and effective way of enabling decision-makers to compare applications and allocate from a limited pool.

Factors when assessing priority of applications

The following factors are used by Council when determining the success of an application.

- Alignment with Council's vision and priorities.
- Addressing community need or strong community support.
- Clearly defined purpose of the application.
- Demonstration of innovation.
- Clearly defined project – what will be delivered and how.
- Capability, capacity and experience to deliver the project.

- Realistic, evidence-based budget demonstrating good value for public funds.
- Other contributions sought by the applicant and the contribution by the applicant.
- Not solely reliant on Council funding.
- Council will not support ongoing projects unless applicants can demonstrate sound evaluation and development.

Legislative requirements

To ensure that the funding fits within the Local Government Act requirements, applications must fit the following criteria:

- Take place in Invercargill City District.
- Be for a specific project or service and the application must clearly identify a benefit to the community.
- Projects seeking funding must not be the sole responsibility of Central Government or other agencies.
- Applications must be from organisations. Applications from individuals will not be considered.

What we will consider funding

Council will support organisations, projects and activities in the Arts and Culture, Community Development, Environment, Heritage and Sport and Recreation sectors.

The grant allocated by Council can be spent on salaries and administration costs, marketing, equipment hire, project development costs, service delivery costs and other like expenses. Applicants will need to indicate how they plan to spend their grant if successful.

Arts, culture and sports and recreation applications will first be considered for eligibility by the Creative Communities Invercargill and Invercargill Active Communities Funds.

What we will not fund

Council will not fund the following:

- Debt servicing or repayment;
- Legal expenses;
- Activities for religious or political purposes;
- Public Services that are the sole responsibility of Central Government.

Priorities

Every year Council receives more applications for Community Grants. It is not possible to meet all applications for funding. Council aims to deliver the outcomes that are significant to the Community and align with its Vision.

Past funding does not represent a commitment to future funding.

Accountability

A letter detailing the decision on your application will be sent in the month following the close of the funding round. If your application is successful an agreement for your organisation to sign will be sent. The agreement will contain details of your accountability requirements.

The processes and documentation that organisations are asked to complete will be appropriate to the size of the grant, the situation of the applicant and the level of risk presented to Council. If you have previously applied for funding, but have not submitted your accountability form, you may be ineligible for funding until the next funding round.



APPLICATION FOR COMMUNITY GRANT

1. Application Details

1.1 Full name of organisation: _____

1.2 Physical address: _____

1.3 Mail address (if different from above): _____

1.4 Legal status of organisation: _____

1.5 Charities commission registration number (if applicable): _____

1.6 GST number (if applicable): _____

1.7 Contact person: _____

1.8 Position: _____

1.9 Phone: _____

1.10 Email: _____

1.11 Organisations bank name: _____

1.12 Organisations bank account number: _____

1.13 Briefly state the aims and objectives of your organisation: _____

1.14 How many members does your organisation have? _____

1.15 How many members live in Invercargill? _____

2. Application summary

2.1 Grant purpose or event name: _____

2.2 Date of the event or that project commences: _____

2.3 Date funds required: _____

2.4 Total cost of project: _____

2.5 Amount requested: _____

3. Details of funding required

3.1 Describe the project/activity that you are seeking funding for (up to 300 words):

3.2 How many people will benefit from your activity? _____

3.3 Is your project/activity an event? Yes No

3.4 Please identify 3 community benefits of your activity:

1. _____
2. _____
3. _____

4. ACCOUNTABILITY

4.1 Please list 3 outcomes by which the success of your activity/project can be measured:

1. _____
2. _____
3. _____

- 4.2 How does your project/activity help achieve Council's vision "Enhance our city and preserve its character while embracing innovation and change"? _____

5. PROJECT BUDGET

- 5.1 Have you applied to other funders for this activity/project? Yes No

Date applied	Organization applied to	Amount requested	Is it confirmed? If yes, how much?
e.g 01/01/2018	ILT	\$5000.00	Yes - \$5000.00

- 5.2 Please provide a budget for your activity/project (including cost breakdown):

I have attached the budget: Yes No

- A. Total cost of project/activity \$ _____
B. Less total funds available \$ _____
C. In kind contribution \$ _____
D. Difference \$ _____
E. Amount requested \$ _____

- 5.3 Have you provided a quote for any item over \$500 in support of your application?

Yes No

If no, please explain why:

- 5.4 How is your organisation contributing to the activity/project (resources, volunteers etc.)?

6. ORGANISATION FUNDING

- 6.1 What are the main sources of funding that your organisation receives for all of its services? _____

- 6.2 Please state the reason why the above funds are not being used to support this project/activity? _____

7. DECLARATION

I/we the undersigned declare and agree to the following:

1. The information given in this application is true and correct to the best of our knowledge.
2. I/We have the authority to commit our organisation to this proposal.
3. Any funding received will be used for the activity/project for which it is approved.
4. To participate in any funding audit of the organisation by the Invercargill City Council.
5. To complete the accountability requirements and where requested provide receipts.
6. If requested, I/we will provide a completed evaluation and/or report detailing the spending and outcome of our project/activity.
7. I/we understand that our names and details about the proposal may be released to the media or appear in publicity material.
8. We understand the Invercargill City Council is bound under Local Government Official Information and Meetings Act 1987 and details entered in this application may be released under the act.

Full name in CAPITALS: _____

Date: _____ Signature:

Position in organisation: _____

Full name in CAPITALS: _____

Date: _____ Signature:

Position in organisation: _____

TO: COUNCIL
FROM: DIRECTOR - FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

REVENUE AND FINANCING POLICY

Report Prepared by: Melissa Short – Manager, Strategy and Policy

SUMMARY

The Revenue and Financing Policy establishes Council's approach to financing each activity and will need to be consulted on concurrently with the Long Term Plan.

RECOMMENDATIONS

That the Revenue and Financing Policy is adopted by Council for public consultation to occur concurrently with the consultation on the Long-term Plan.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> The Policy is a key component of the Council's Long-term Plan.
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> The Policy has been amended to align with Council's approach to funding its activities. This alignment flows through into the proposed financial statements for the Long-term Plan.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> The public will have the opportunity to make submissions or comments on the Revenue and Financing Policy during the consultation period that will run concurrently with the Long-term Plan process.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

REVENUE AND FINANCING POLICY

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.

In considering the sources of its funding, Council needs to consider 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, Council then needs to consider the overall impact of any allocation of liability for revenue needs on the community.

Invercargill City Council's funding policy has been 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 45–65% public good; 35-55% private benefit. Funding the capital expenditure would be proportioned the same way, i.e. 45-65% by rates and 35-55% by fees and charges.

The draft Revenue and Financing Policy is attached as **Appendix 1**. The Policy has been amended to align with Council's proposed approach to funding its activities in the 2018-28 Long-term Plan. This alignment flows through into the proposed financial statements for the Long-term Plan.

REVENUE AND 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 45–65% public good; 35-55% private benefit. Funding the capital expenditure would be proportioned the same way, ie 45-65% by rates and 35-55% 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 the 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 that Long-term Plan.

Infrastructural Services Groups of Activities				
Community Outcomes	Period of Benefit	Who Benefits?	Funding Sources and Proportion*	Demand Generators
Roading				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	Long	Public: Ability to travel effectively, efficiently and safely through the district	Target rates 50-65% Fees/Charges 0-15% NZTA funding 30-40%	Change in vehicle ownership and number of vehicle trips. Change in the industrial activity.
Sewerage				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	Long	Consent holders: Council approved to discharge trade waste into Council's sewerage network Public: Sewage is collected, treated and appropriately disposed of	Uniform charge 83-93% Fees/Charges 7-17%	Change in strength and quantities of trade waste. Change in number of properties connected to sewerage networks.
Solid Waste Management				
Preserve its Character.	Long	Collection service: Waste is regularly collected and disposed of. Public: Council Transfer Stations accept solid waste for disposal	Uniform charge 45-55% Fees/Charges 45-55%	Change in legislation. Change in number of properties receiving the collection service. Change in total tonnage and its components.
Stormwater				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	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.
Water Supply				
Enhance our City. Preserve its Character.	Long	Reticulated service: A safe, reliable water supply is provided Public: Tankered water supply is available for sale Private: Commercial users can be metered.	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 Groups of Activities				
Community Outcomes	Period of Benefit	Who Benefits?	Funding Sources and Proportion*	Demand Generators
Building Consents				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	Medium	<p>Consent holders / applicants: Council approval to build. Certification that building meets minimum standards.</p> <p>Public: Buildings are safe</p>	General rates 20-30% Fees/Charges 70-80%	Change in legislation. Change in level of development.
Civil Defence Emergency Management				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	Medium	<p>Public: Council is prepared to lead in an emergency. Community informed of their responsibilities.</p>	General rates 90-100% Fees/Charges 0-10%	Change in legislation. Change in frequency of emergencies.
Environmental Health and Compliance				
Environmental Health		<p>Licence holders / applicants: Council approval to operate business within standards</p> <p>Public: Business premises are clean and healthy.</p>	General rates 80-90% Fees/Charges 10-20%	Change in legislation. Change in level of development.
Animal Services		<p>Dog Owners: Permission to keep dogs. Ensures population of dogs remains well controlled. Impounded animals are well cared for.</p> <p>Public: Stray animals are controlled. Education.</p>	General rates 0-10% Fees/Charges 90-100%	Change in legislation. Change in level of animal husbandry. Shared services with the Pound facility.
Compliance				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	Short	<p>Public: Turnover of parking in Council provided spaces. Poor parking behaviour is discouraged</p>	Fees/Charges 100%	Change in legislation. Change in vehicle usage and parking behaviour.
Resource Management				
Resource Management		<p>Consent holders / applicants: Council approval to undertake activities</p>	Targeted rates 85-95% Fees/Charges	Change in legislation. Change in level of development.

and Change.		subject to conditions. Public: Environment is protected.	5-15%	
Alcohol Licensing Enhance our City. Preserve its Character. Embrace Innovation and Change.	Medium	Licence holders / applicants: Council approval for the sale of alcohol. Public: A safe service	General Rates: 0-10% Fees/Charges 90-100%	Changes in legislation. Change in level of development.

**Funding proportions may vary within set range on an annual basis.*

Community Services Groups of Activities				
Community Outcomes	Period of Benefit	Who Benefits?	Funding Sources and Proportion*	Demand Generators
Provision of Specialised Community Services				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	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				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	Medium	Public: The provision of advice and information to strengthen community empowerment.	General rates 90-100% Fees/Charges 0-10%	Change in community demand for service.
Housing Care Service				
Preserve its Character.	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.
Libraries and Archives				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	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				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	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 5-15% Fees/Charges 35-55%	Change in demand for open space. Change in level of development.
Passenger Transport				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	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				
Enhance our City. Preserve its Character. Embrace Innovation and Change.	Long	Sports clubs and organisations: Hire of grounds for sporting activities. Public: Provision of aquatic facilities.	Uniform Charge 10-20% Targeted rates 30-50% Fees/Charges 40-60%	Change in services available to clients
Public Toilets				
Preserve its Character.	Medium	Public:	General rates	Change in population

Community Services Groups of Activities				
Community Outcomes	Period of Benefit	Who Benefits?	Funding Sources and Proportion*	Demand Generators
Embrace Innovation and Change.		Provision of facilities in the main retail area and Stirling Point, Bluff.	95-100% Fees/Charges 0-5%	and visitor numbers.

*Funding proportions may vary within set range on an annual basis.

Corporate Services Groups of Activities				
Community Outcomes	Period of Benefit	Who Benefits?	Funding Sources and Proportion*	Demand Generators
Democratic Process				
Preserve its Character. Embrace Innovation and Change.	Medium	Public: Local decision making about local issues.	General rates 95-100% Other Sources 0-5%	Change in legislation.
Investment Property				
Enhance our City.	Medium	Public: Net income used to offset rates.	Fees/Charges 100%	Changes in property values.

*Funding proportions may vary within set range on an annual basis.

TO: COUNCIL
FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

FINANCIAL STRATEGY AND INFRASTRUCTURE STRATEGY

Report Prepared by: Melissa Short – Strategy and Policy Manager

SUMMARY

The Infrastructure and Financial Strategies are two key components on Council's 2018-28 Long-term Plan.

RECOMMENDATIONS

That the Infrastructure and Financial Strategies are adopted by Council.

IMPLICATIONS

1.	<i>Has this been provided for in the Long-term Plan/Annual Plan?</i> The two strategies are key components of Council's Long-term Plan.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> These three documents are Council strategic documents / policy.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> The public will have the opportunity to make submissions on the Infrastructure and Financial Strategy through the Long-term Plan process.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

FINANCIAL STRATEGY AND INFRASTRUCTURE STRATEGY

Since the adoption of the draft Financial Strategy and draft Infrastructure Strategy in October, more information has become available and the Financial Strategy (Appendix 1) and Infrastructure Strategy (Appendix 2) amended accordingly. It should be noted that some areas of the Financial Strategy will not be able to be completed until decisions made regarding the Long-term Plan.

FINANCIAL STRATEGY 2018 - 2028

This Financial Strategy seeks to maintain our assets at an effective and efficient level, alongside minimising the risk to criticality of the City's infrastructure assets that allow the City to continue to operate in a productive manner.

The balance that the Council seeks to achieve is dependent on many factors, the following are key:

- A focus on core infrastructure looking to maintain existing levels of service, renewing this in a cyclic fashion and improving the quality of service provided to users;
- Ensuring core Council debt remains below \$140 million;
- Receiving increasing dividends from Invercargill City Holdings Limited (ICHL);
- Researching other avenues for funding outside of rates and loan funding.
- Continuously reviewing operational expenditure for short and long term cost savings.

Background

Invercargill City Council seeks to enhance the City and preserve its character while embracing innovation and change. The Council continues to work in the belief that Invercargill is a very special place with a distinctive character; however this is not to say that the City will not face challenges. The Council acknowledges that Invercargill will be exposed to a number of challenges with a significant one being that we are experiencing a demographic change toward an ageing population with less growth than forecast. However, acknowledgment of this challenge is the first hurdle to overcome and the Council is looking to the future as to how we can disrupt this demographic change, by attracting both more and younger people to live in our City.

There is a consistent theme within the Council's Community Outcomes. The Outcomes demonstrate that the Council will maintain a strong, safe and well-utilised City with an increased, more diverse and active population who encourage the development of future technology and embrace the facilities offered to them.

The Council seeks to encourage this through the development of growth projects and sustainability of existing services. However, it is not anticipated that land use will change to an extent that would have an impact on debt over this course.

With growth anticipated to occur, the Council notes that the current infrastructure network is set to service the community, provided it is renewed when required. The Council's infrastructure network has been built to service a population much larger than what currently resides within the City so, provided the necessary renewal work is undertaken when recommended, the City will be prepared to receive and welcome new members to the community over the next decade. Given that a number of the Council's assets were built at the same or a similar time, and therefore generally require renewal at a similar time, there will be peaks in renewal costs that are evident in this Strategy.

This Strategy operates in line with the Infrastructure Strategy, and observes that over the next ten years the cost to the Invercargill Community to preserve, renew and maintain our

infrastructure assets will be significantly higher than previous renewal costs. As a consequence of this the rates increase will be higher than in previous years. This Strategy details that any new growth projects over this period of increased focus on our infrastructure, will be loan-funded in order to reduce the real cost to the community during the ten years.

When looking at this Strategy it is important to understand where we are starting from and where we want to get to in ten years. As at 30 June 2017 the financial situation of Council is one of good health. Council was meeting seven of the eight prudence benchmarks, has a relatively low level of debt compared to other New Zealand Councils and low level of debt compared to its Rate revenue. Council asset position showed total assets of over \$900 million and investments of \$55 million with no significant liabilities outside of term debt. Council also had its credit rating from Fitch Rating upgraded from AA negative to AA stable, which further supports Council's strong financial position.

The ten year period covered by the Long Term plan does present the Council with challenges financially. The Council goal by the end of the ten year period is to be funding capital renewal to 100% of depreciation. This is in response to the Council's increasing knowledge of its infrastructural assets and the increasing demand for improving infrastructure. This is of particular importance for Water Supply and Stormwater, as communities within New Zealand are becoming more concerned about drinking water quality and reducing contaminant entering our water ways via stormwater runoff.

Council is also focused on growing Invercargill's community assets and reinvigorating Invercargill's CDB. A number of large community projects are planned throughout the ten years, all part of making Invercargill a more desirable place to live and work. These initiatives are also designed to complement and support the Southland Regional Development Strategy. The main projects that fall within this category include a new Art Centre within the CBD, Living Dinosaurs attraction within Queens Park and a Museum Redevelopment. Our Aquatic Centre is planning a new pool and upgraded hydroslide attraction. The Council via its subsidy company Invercargill City Property Limited has created a joint venture that is planning a major upgrade of the inner city area.

The end goal for Council is to provide its citizens with a City that is maintaining and improving its key infrastructure assets while understanding that a City needs to also be a vibrant, entertaining and an interesting place to live, work and play. Financially this does mean that the Council will be increasing its debt over the life of the plan in order to achieve what it has set out to do. With debt currently sitting at \$95million, it is forecast to increase to approximately \$140 over the life of the plan. This increased debt will be offset by increased asset value and given Council strong financial position this is considered prudent and stays within the Council's self imposed debt benchmarks.

Key Challenges

The key corporate strategic issues and challenges facing the Invercargill City Council are:

- Meeting our long-term renewal expectations for infrastructure.
- Encouraging growth projects whilst ensuring financial and operational sustainability for future generations.
- Ensuring that Council works in a financially prudent manner that promotes the current and future interests of the community.

- The City's changing demographic profile and its ability and willingness to pay.
- Responding to the changing environment (both natural and technological) and retaining Invercargill's character including its built environment.

Capital Expenditure

Invercargill City Council is heading into a period of increased expenditure on capital assets particularly renewal of existing assets within the 3 Waters area of infrastructure. This capital expenditure is planned to increase over the next five years before levelling out over the last five years of the Long-term Plan.

Ordinarily, renewal work would be funded from rates rather than borrowings as this avoids the significant long-term cost of borrowing annually. But, as some of these renewal programmes present significant capital expenditure, Council will, where appropriate, use debt funding to spread the cost. This is particularly required for the 3 Waters infrastructure area where this strategy is solidly employed due to the renewal work of our pipe network being needed earlier than what was forecast.

The Council is also looking to upgrade community assets. This is being accomplished through the addition of a new pool and hydroslide at Splash Palace, funding contributions to the redevelopment of our existing Museum, and exploring the possible future use of Andersons House.

In addition to this, the Council is also seeking to grow the City with new assets being planned within the life of the Long-term Plan, namely a new living dinosaur exhibition, a new Arts Centre, a Regional Storage Facility for museum and art collections and an additional Water Supply.

New and growth capital expenditure, such as the Arts Centre, would be funded by debt.

Further information on the Council's core capital expenditure can be found in the Invercargill City Council Infrastructure Strategy.

Funding Core Infrastructure Assets Renewals

The Council has previously funded core infrastructure asset renewals on a when-required basis. The Council now, over the course of the Long-term Plan, aims to fund these assets to 100% of depreciation.

Council aims to fund core infrastructure assets by the following dates:

- Stormwater systems to be funded at 100% of depreciation by 2028
 - Capital expenditure to 100% by 2022 (funding difference via loans)
- Wastewater systems to be funded at 100% of depreciation by 2028
 - Capital expenditure to 100% by 2022 (funding difference via loans)
- Water Supply systems to be funded at 100% of depreciation by 2028
- Roads, Bridges and Footpaths to be funded at 100% of depreciation by 2028.

Some of the capital construction of roads and footpaths is funded by subsidies received from the New Zealand Transport Agency. This means that the Council does not need to fund 100% of the depreciation of these activity areas solely from rates.

Depreciation is calculated on an annual basis and currently represents 16% of total operating expenditure. Charging depreciation each year spreads the cost of an asset over its useful life. Generally, depreciation is funded by income (including rates) in the same year that the depreciation is incurred.

This funding will be applied to pay for the current capital renewal programme and any related outstanding debt. Excess funds will be held in depreciation reserves which will earn interest and provide funding for the replacement of relevant infrastructure assets in the future.

When the cost of infrastructure capital renewals exceed the rate funding of depreciation and exhausts depreciation reserves, the Council will need to borrow funds to cover the short fall.

Intergenerational Equity

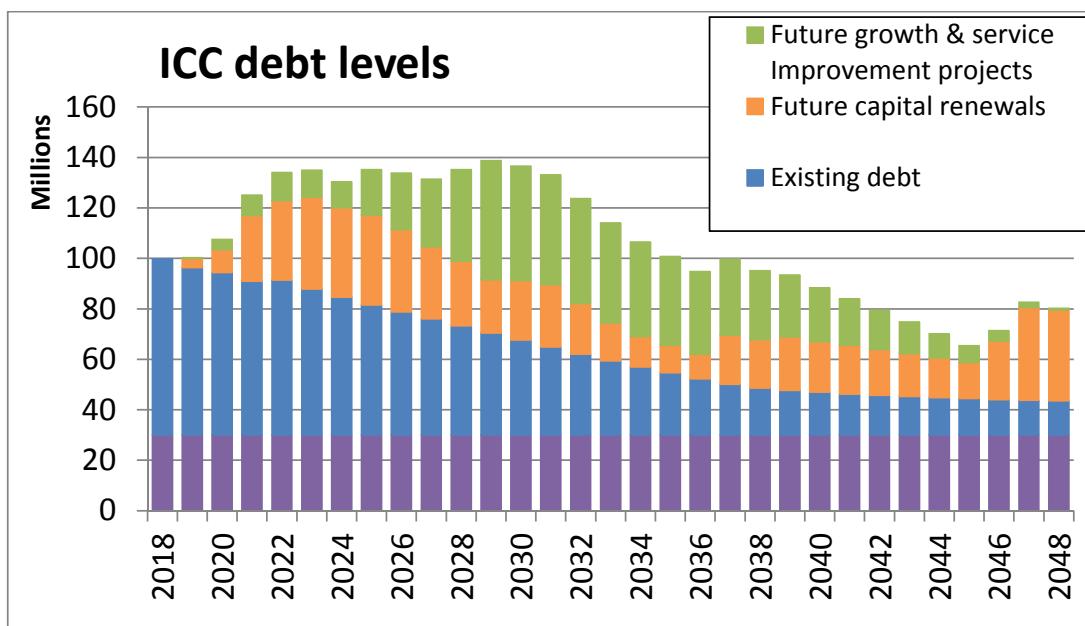
The services that the Council provides are costly due to the value and amount of assets that are used. The Council's strategy is to ensure that both current and future ratepayers pay their fair share of the cost of providing services. Intergenerational equity is achieved through loan funding long-term 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 assets. Examples of this can be found in the Invercargill City Council Infrastructure Strategy.

Debt

Over the course of the last three years, the Council's debt has grown modestly. This has been largely due to the Branxholme Water Treatment Plant upgrade and the Don Street Business House development.

The Council's debt (excluding Invercargill City Holdings Limited (ICHL) bond) remains relatively low against the Council's total assets base (6% as at 30 June 2017). While the Council remains focused on keeping debt to a manageable level over the course of the Long-term Plan, large infrastructure projects as well as future growth projects necessitate the need for the Council to take on an increased level of debt.

Over the course of the Long-term Plan, the Council's debt is forecast to peak at \$140 million in 2028. However, following this peak, the debt is forecast to slowly decrease over the next twenty years to below \$60 million. It should be noted that this forecast excludes future growth projects beyond the 2028 year.



Security for Borrowings

It is the Council's policy to give rates as security. The Council also gives assets as security; however, it is not legal to give water assets, including wastewater and stormwater, as security.

The Council currently maintains an AA- credit rating.

Operating Surpluses and Cashflow

The Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's operating expenses, unless the local authority resolves that it is financially prudent not to do so.

The Council aims to operate a surplus for the duration of the Long-term Plan. However, due to underfunding depreciation on some assets, deficits may result in early years. With the Council's aim to fund 100% of the depreciation of core infrastructure assets by 2028, surpluses may occur in the later years of the Long-term Plan.

If an area of the Council has an operating surplus it is applied to carry-forwards, where applicable, in the first instance, otherwise is used to repay debt or placed in a reserve.

The Council holds two different types of reserves:

- Restricted; and
- Non-restricted.

Restricted reserves are held for a specific purpose and money is only available to be removed for that reason. In contrast a non-restricted reserve can be for a variety of reasons. These reserves build up or reduce over time as a result of operating surpluses or deficits.

The Council will ensure that there are sufficient cash resources available to meet its obligations. The Council's current assets need to outweigh current liabilities, where current assets include cash on hand and available lines of credit. The Council has access to credit facilities of up to \$50 million, and short-term investments.

Council reviews operational expenditure for short and long-term cost savings and has established operational savings targets for the first three years of the Long-term Plan. These savings are intended to improve efficiencies within activities and services without impacting the current level of service being provided.

The targets for each year are:

Year	Savings Target	Cumulative Target
2018/19	\$500,000	\$500,000
2019/20	\$300,000	\$800,000
2020/21	\$200,000	\$1,000,000

Managing Financial Investments and Equity Securities

The Council holds investments in companies, property and cash.

Investments in Companies/Trusts

The Council is an equity holder in two companies and has a controlling influence over two trusts. The principal reason for holding an equity interest in these investments is to achieve efficiency and community outcomes, as well as providing a financial return on investment for ratepayers. The Council's interest in the companies and trusts are as follows:

COMPANY	SHAREHOLDING/INTEREST	PRINCIPAL REASON FOR INVESTMENT	BUDGETED RETURN
Invercargill City Holdings Ltd	100%	To undertake commercial opportunities and provide dividend returns to the City.	\$5,850,000 for 2018/19 year
Invercargill Venue and Events Management Ltd	100%	To provide venue management and events promotion for the City, in line with community outcomes.	Nil.
Southland	Controlling interest	To provide	Nil.

Museum and Art Gallery Trust Board		specialised governance for the Museum.	
Bluff Maritime Museum Trust	Controlling interest	To provide specialised governance for the Museum.	Nil.
Invercargill City Charitable Trust	100%	To provide access to recreational and cultural events within the City, in line with community outcomes.	Nil.
Invercargill Community Sports and Recreation Trust	100%	To increase Invercargill residents' active participation in sports and physical activities and arts and cultural activities.	Nil.

The Council has no plans to change its shareholding, although in accordance with good practice this is reviewed regularly.

Property Investments

The Council's Investment Property Department oversees the development and undertaking of investment in property within the City. The properties are divided into four categories:

1. Strategic properties which are held for purposes other than immediate return (potential future development).
2. Endowment properties which have been either allocated (per above) or purchased from endowment funds.
3. Trading properties (fee simple, no classification on title, currently leased).
4. Other properties (land) being prepared for disposal, usually acquired through rating sale or abandonment.

The Council's objective is to maximise return from endowment and trading properties, however due to historic lease arrangements (21 year Glasgow leases) the return from these properties is below market rates. The objective for the net return on investment from both endowment and trading properties is at least equal to current market interest rates.

Strategic property is held for purposes other than a return on investment. These parcels of land and/or buildings have been purchased as a site earmarked for future development.

Cash Investments

The Council holds cash for two main reasons:

1. To ensure strong lines of liquidity and access to cash remains available to Council.
2. To support the balance of reserves through short-term investments (90 to 360 days) to maximise return on investment.

Rates and Affordability

The Council has come through a period of medium-level rates rises over the previous three years (15/16: 3.89%, 16/17: 2.32% and 17/18: 3.95%). This was due to the Council focusing on ensuring that rates were low and consistent from year to year.

For future years there are some key challenges that will present themselves in relation to affordability. This will occur as the Council enters a period of accelerated capital expenditure to develop our services, whilst looking to be a growing and innovative City.

Increasing costs of providing council services is likely to intensify the affordability issues in 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 what the Council would like.

Below is a table of key growth projects that the Council intends to undertake over the course of the Long-term Plan and the year that will be heavily impacted:

Project	Year impacted
Art Centre	Operating and capital loan funding from 2023 Design and set-up costs between 2019 - 2022
Living Dinosaurs	Operating from 2020
Regional Storage Facility	Operating from 2025
Additional Water Supply	Capital loan funding from 2026
Museum Development	Operating from 2028

A larger rates increase will not necessarily occur in these years as growth projects are loan-funded and will be paid back over time so as not to unfairly unburden the current ratepayers with the large costs associated with these projects.

The Council seeks to embrace innovation and change over the upcoming years, and with the constant evolution and growth of technology we are witnessing and experiencing the change first-hand. The Council will seek to uphold their vision and utilise any improvements in the delivery of services and improvement of internal services. The Council has been slowly undertaking changes in light of this with the development of the MyInvercargill app which offers a forum for the community to pay rates or register their dog amongst a number of other services. Further, the Imagine Invercargill website allows for increased engagement and a community focus with members of the community able to suggest a change for the community at the touch of a keypad.

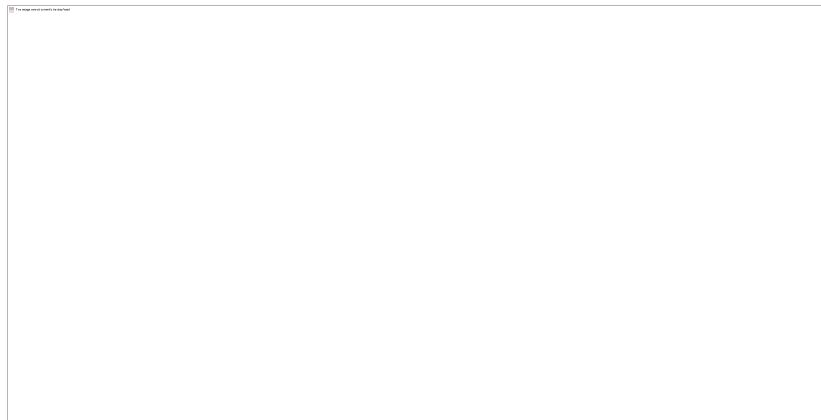
Invercargill City Holdings Limited (ICHL)

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. This dividend is forecast to increase over the next ten years with \$5,850,000 predicted for the 2018/19 year. Should this dividend fail to increase as predicted, Council would have less income received to minimise the impact on the general rates draw.



Council has noted that they cannot be financially reliant on an increasing dividend to match 10% of the general rates draw every year. Whilst ICHL strives to produce greater dividends year on year this is not necessarily going to be in line with the anticipated rates requirement increase. With significant rates rises anticipated over the next ten years Council will need to utilise other strategies to subsidise the rates, such as the use of fees and charges or decreasing operational expenditure where possible.

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 2017, the Council met seven of the eight prescribed financial benchmarks (further information is available on page 9-17 of the Council's 2016/17 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.

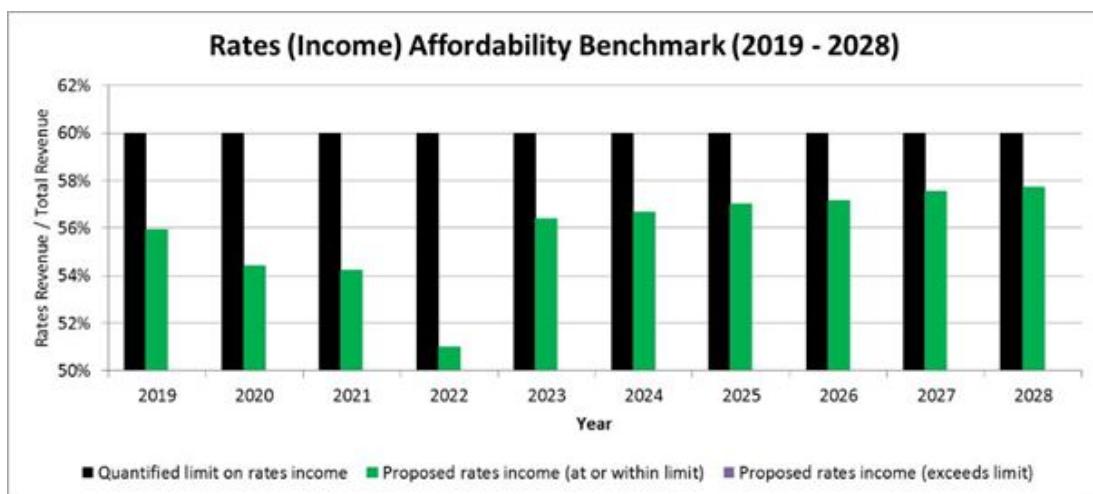
Limits on Rates

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 the 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.

The 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. The Council will 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 the Council, but they are not the only source available. You can see more about how the Council funds its services in the Financial Management section of the 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 Long-term Plan rates fund between 51% and 58% of the Council's total revenue. The 2021/22 year has a significantly lower rates funded component due to a large amount of non-rate revenue being received for the development of the proposed Art Centre. The rates funded proportion of Council's revenue consists of approximately 13% of general rates and 87% 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.



Limits on Rates Increases

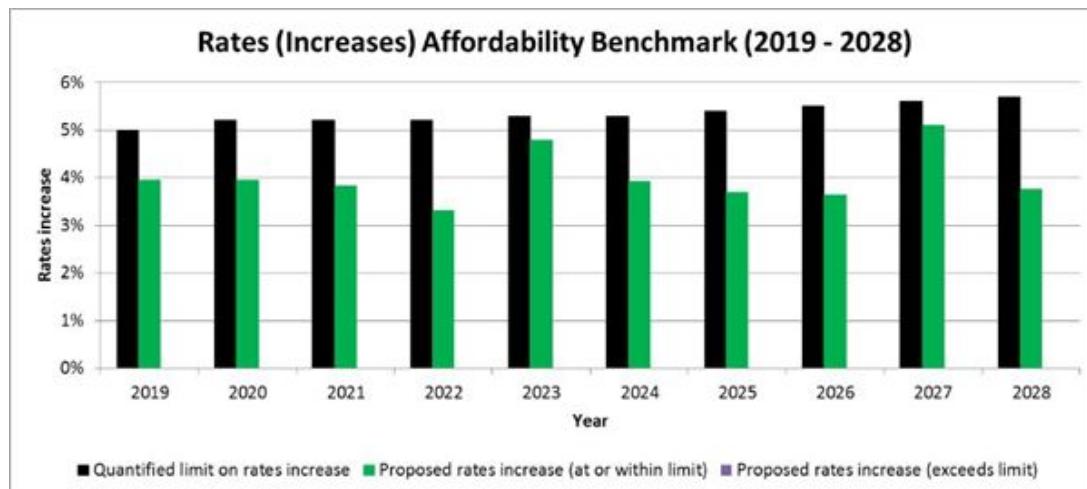
The Council recognises that the cost of providing council services (LGCI) is rising at a higher rate than the Consumer Price Index (CPI). The Council is also mindful of affordability issues amongst our ratepayers. The Council continues to investigate cost-cutting methods to ensure that the revenue required to run the Council is kept relatively steady. The rates increases reflect the money required each year.

The 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 below, but for example, if the LGCI change was 2.20%, the Council's rates increase would be no more than 5.20%. The Council recognises that this increase could potentially be higher than household income, so although a maximum limit has been set, the Council will endeavour to achieve lower increases when planning projects and services that rely on rates revenue.

Local Government Cost Index (LGCI)

Year	Local Government Cost Index % Adjustment
2018/19	2.0
2019/20	2.2
2020/21	2.2
2021/22	2.2
2022/23	2.3
2023/24	2.3
2024/25	2.4
2025/26	2.5
2026/27	2.6
2027/28	2.7

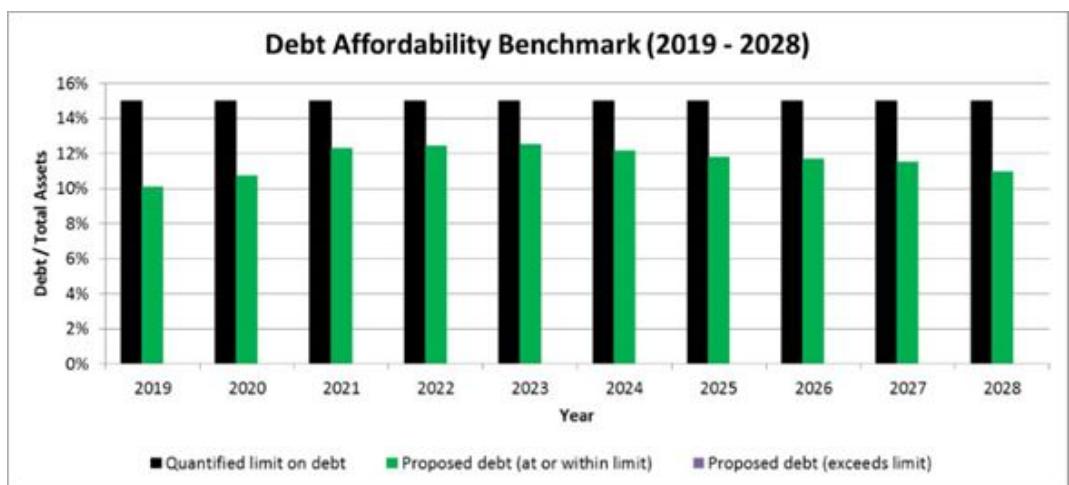
Changes in the consumer price index (CPI) are used as the basis for measuring the inflation faced by households. It gives a picture of how the prices of the goods and services purchased by the typical New Zealand household are changing over time. It is therefore heavily represented by food, accommodation and transport costs, which collectively make up over 50 percent of the index. The Council however purchases a different mix of goods and services. The 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 the Council's cost (LGCI). To enable the Council to best predict what the future cost of providing its services will be, we have based future inflationary costs on the LGCI rather than CPI. The additional 3% is to allow the Council to undertake new projects, for example the Art Centre.



Limits on Borrowing

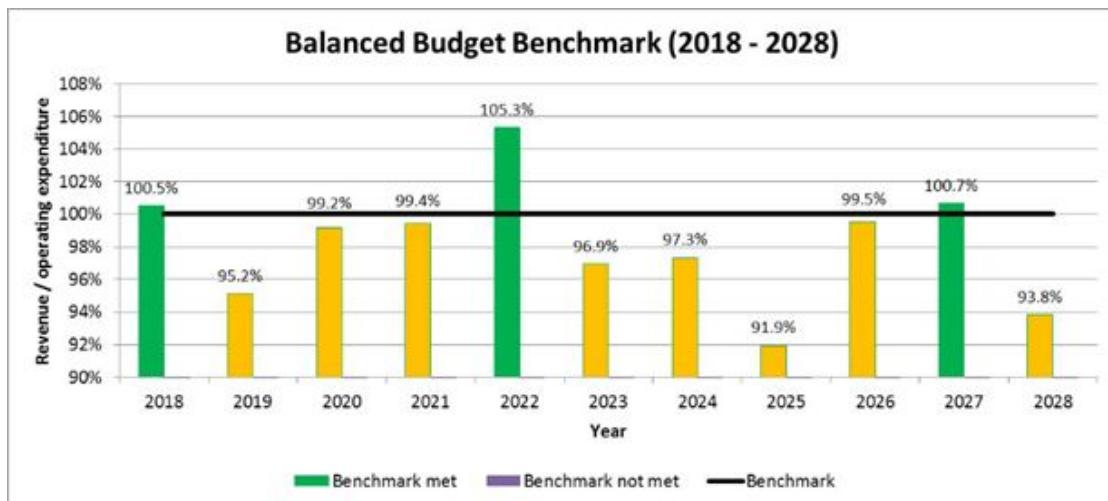
The two most common measures of limits on the borrowing of Council are as a percentage of assets or a percentage of income. The level of borrowings is 9.16% of total assets or interest expense is 3.18% of total income (as at 30 June 2017). During the Long-term Plan period, limits on borrowings are anticipated to increase from current levels, but remain below 13% (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.



Balanced Budget Benchmark

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Unbalanced Budget

Section 100(2) of the Local Government Act 2002 (LGA) sets out the matters that Council must have regard to when determining that it is prudent to operate an unbalanced budget.

These matters are:

- the estimated expense of achieving and maintaining the predicted levels of service provision set out in the Long-term Plan, including estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- the projected revenue available to fund the estimated expense associated with maintaining the service capacity and integrity of assets throughout their useful life; and

- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under section 102.

The proposed Long-term Plan has set projected operating revenues for some years at levels less than would be required to meet projected operating costs. This occurs in all years with the exception of 2021/22 & 2027/28 where operating surpluses are recorded. The key reason for the unbalanced budget deficits in these years is that the full cost of depreciation within the infrastructure areas of Council is not being fully met. Over the course of the ten year plan the gaps between depreciation and funding decreases. The Council moves towards 100% funding by the end of the long-term plan period. Council has decided that it is prudent to take this approach as it allows Council to achieve its long-term goal but in a way and pace that is affordable to our ratepayers.

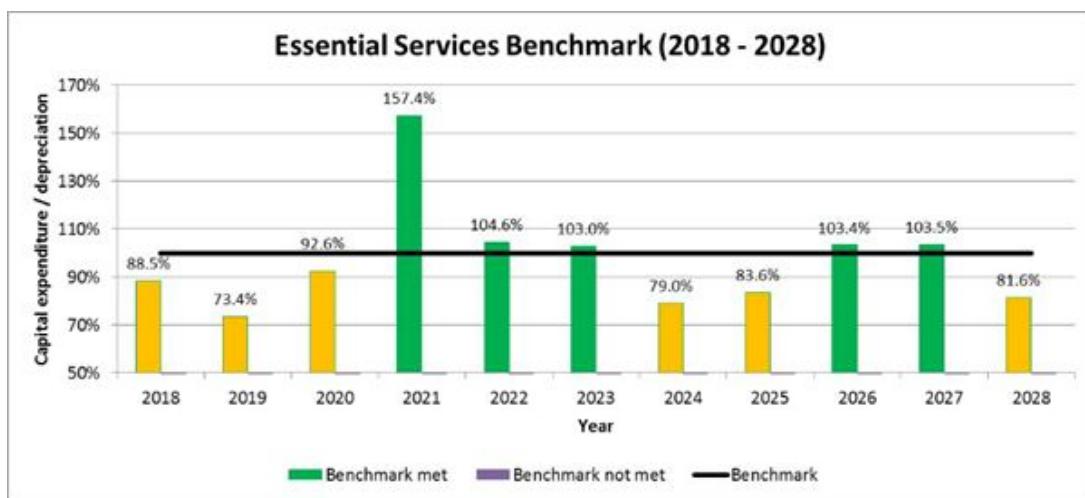
In certain years the depreciation gap deficit is somewhat offset by the receiving of subsidies and grants for capital projects. This occurs in the 2019/20 and 2020/21 years with a grant being received for the Living Dinosaurs Experience project and for the new pool at Splash Palace. Both grants will be used for capital development rather than for operating expenditure, resulting in reduced deficits in those years. The 2021/22 year proposes a large grant (\$9.7 million) being received for the proposed new Art Centre, this results in a surplus being recorded in that year.

The 2022/23 and 2023/24 years again see deficits being recorded due to underfunding of depreciation, although the deficit is steadily decreasing. The 2024/25 year sees a large deficit due to Council paying a significant grant for the Regional Storage Facility. 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 \$8.5 million in one year.

The 2025/26 year sees a smaller deficit as the depreciation funding gap is now reducing. The 2027/28 year has a large deficit; this is due to the payment of a grant to the Southland Museum and Art Gallery Trust Board for the redevelopment of the Museum facility. The grant will be funded by a loan. As above, 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 \$10.8 million in one year.

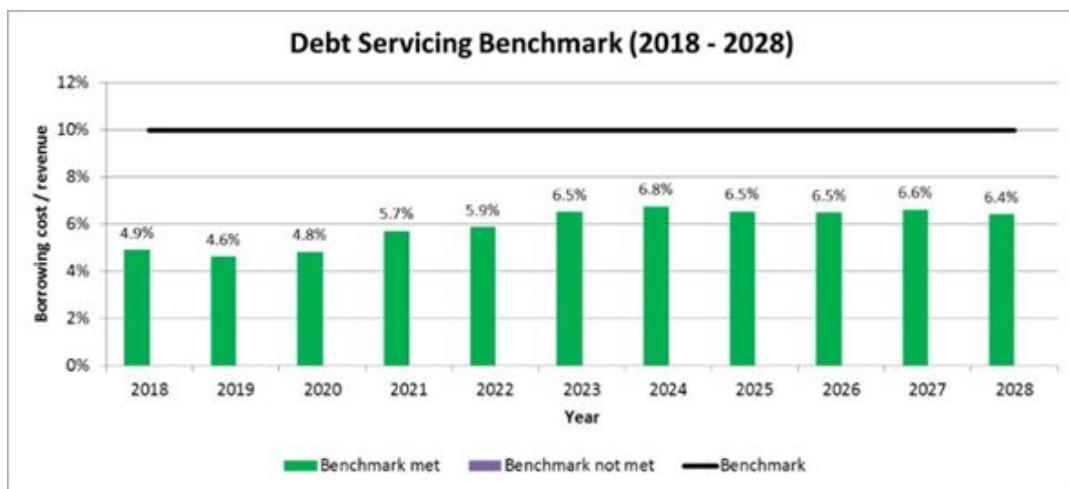
Essential Services Benchmark

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Although not 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.



Debt Servicing Benchmark

The Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Infrastructure Strategy: 2018 - 2048

Introduction

Infrastructure provides a foundation for building strong and resilient communities. This Strategy sets out how the Invercargill City Council's existing infrastructure base for roading, water supply, sewerage, stormwater, solid waste, building assets, parks and cemeteries will be continued into the near future. The Local Government Act requires that the Council include Roading and 3 Waters, including flood protection, in its Infrastructure Strategy. Solid Waste, Building Assets, and Parks and Cemeteries have also been included to provide the full picture of planned Infrastructure spending over the next 30 years.

Invercargill City Council is required under legislation to plan for the next thirty years and identify what issues relating to infrastructure may be experienced over this timeframe, and how Council intends to manage these issues and what implications may arise. It will further outline how Council will renew or replace their infrastructure assets and respond to varying levels of service for these assets.

This document is supplied under section 101B of the Local Government Act 2002.

The Strategy identifies how Council will meet their long-term renewals for significant assets, adapting to the changing environment and demographic trends while embracing growth projects aligned with Council's vision.

A key purpose of this strategy is to set out how Council is going to manage the renewal funding for Invercargill's infrastructure over the next 30 years within a constrained funding environment.

Invercargill City Council provides residents with services that are essential to the community. The Long-term Plan (LTP) sets out the services, the standard to which they are provided and what they will cost. Some of these services are provided by using assets that form part of the City's infrastructure.

The Infrastructure Strategy is the document that summarises the way in which Invercargill City Council will adapt its infrastructure to meet the challenges ahead.

Infrastructure Strategy Overview

Who are we?

Invercargill City is a relatively small and compact City extending from Makarewa in the north to Bluff in the south, Kennington in the east and Oreti Beach in the west. The Invercargill City District encompasses an area of 49,142 hectares. Generally we cover a land area 33.8km by 20.1km. Landscape features of importance to the community include Bluff Hill (Motupohue) and four major waterways which thread through the City (Makarewa, Waihopai, Otepuni, and Kingswell rivers). These, along with the Oreti River all flow into the New River Estuary. The urban areas of Invercargill and Bluff contain extensive areas of open space as well as distinct heritage buildings.

Invercargill has many extensive parks and recreational areas that are both close and accessible to residents. Queens Park is a centrally located, nationally recognised premier park offering wide and varied recreational use. Sandy Point area is a large environment and recreational area and is close to the city residents.

Road networks are generally formed on a grid layout and with relatively flat terrain, which makes mobility and accessibility easy for all modes of transport. The roading network has plenty of capacity. This ensures that travel reliability is a given for all road users.

Piped networks are compact and generally contained within road reserve and not located in residents private property where access is more difficult. They are well structured and historically well sized to provide for the City's requirements with only short travel distances to and from treatment facilities, with the exception of drinking water. Water is sourced and treated at Branxholme to the north of the City and piped 16.5km to reservoirs within the urban areas of Invercargill and Bluff

This map outlines the territorial boundaries of the Invercargill City Council.



Council's Vision and Direction

Council's vision is to “enhance the city and preserve its character while embracing innovation and change.” Council must provide sound management of its infrastructure to realise this vision.

Challenges faced by Council

- Meeting our long-term renewal expectations for Infrastructure.
- Responding to the changing environment (both natural and technological) and retaining Invercargill's character including its built environment.
- The City's changing demographic profile and its ability and willingness to pay.
- Encouraging growth projects whilst ensuring financial and operational sustainability for future generations.
- Ensuring Council works in a financially prudent manner that promotes the current and future interests of the community.

What is our Strategy to achieve this?

- Maintain our current asset base while responding to the challenges.
- Focus on critical aging assets and allow non-critical assets to experience limited failure before renewal (more specifically water piped assets).

- Look to not expanding the existing infrastructure networks (at our own cost), only improve levels of service to meet consent and legislated requirements, utilise the networks current capacity to meet forecast growth.
- Focus on sound evidence based activity investment decisions, rather than just the management of assets.
- Incrementally increase the dollar amounts allocated to renewal of assets to meet the calculated level of annual depreciation (as a baseline measure).
- Should unplanned failures occur, use a mix of Council's financial "good health", accumulated reserves and/or insurances (where appropriate) to manage risks.
- Ensure growth is focused on social, financial and operational sustainability and aligned to the vision.
- Better understand our community's needs, through consultation and agreed levels of service.
- Utilise subsidies, user payments, rates and loans to ensure that both current and future communities pay for the asset they are using.
- When arranging contracts or significant activities, consider how investment decisions may impact a viable competitive supplier market in the Region.

The tools we are going to use:

- Strengthen our Asset Management, to improve cost-efficiency and make better informed decisions.
- Improve business decisions when investing by using an evidence based business case approach.
- Engage our customers to better understand their needs and desires.

Our Assumptions at a glance:

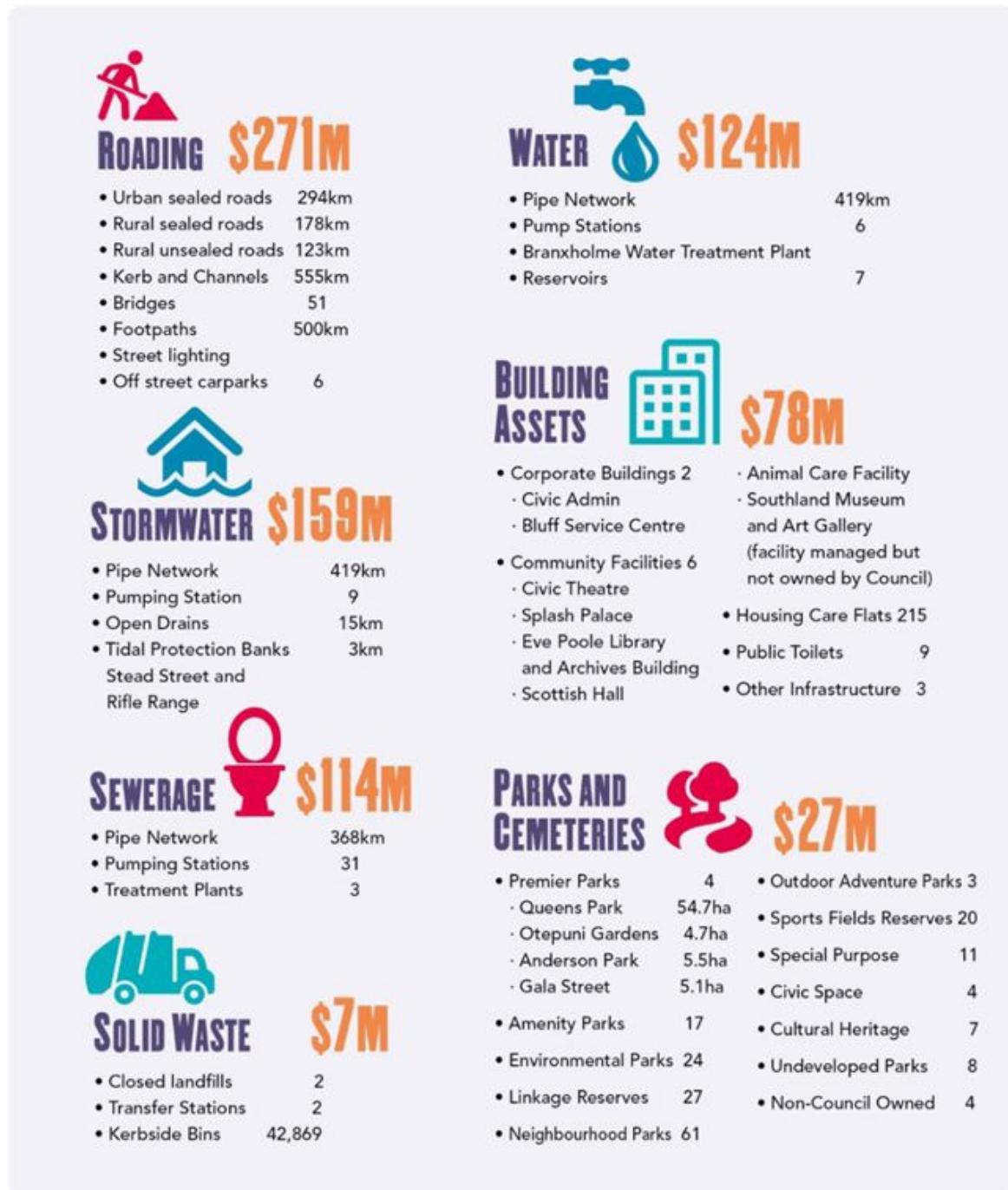
Assumption	Level of Uncertainty
Economic Climate and Growth	Moderate
Population Growth	Moderate
Climate Change	Low
Environmental Expectations	Moderate
Catastrophes	High
Delivery of Service	Moderate
Asset Valuations and Useful Lives	Low
Cost Change Factors	Moderate
Interest Rates on Borrowing	Moderate

Where will we be in 30 years?

- Infrastructure in Invercargill will continue to meet the needs of the community.
- The CBD will be a vibrant hub and have Community Facilities which support it.
- Assets will have had sufficient maintenance and renewal, and will operate by meeting the agreed community levels of service. Council will have good knowledge on how to sustain and support the assets over their lives.

Our Infrastructure Summary

Invercargill City Council owns and manages \$780m (current value as at 30 June 2017) of public infrastructure.



What do we deliver?

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

Water Supply – The Water Supply activity owns and maintains assets, and 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.

Sewerage – The Sewerage activity owns and maintains assets which include pipes, pump stations and treatment plants for the removal of sewage from residential, industrial and commercial properties in urban areas of Invercargill, Bluff, parts of Otatara and Omaui. 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 owns and maintains assets which include pipes and pump stations to provide for the removal of stormwater from residential, industrial and commercial properties to reduce the risk of property damage by flooding. Stormwater is discharged to natural waterways including the Waikiwi Stream, Waihopai River, Kingswell Creek, Clifton Channel, Otepuni Stream, the New River Estuary and Bluff Harbour.

Tidal Protection Banks - The City is protected by a series of flood protection schemes on the main waterways through the City which includes walls, banks and detention dams. The majority of these schemes are owned and managed by Environment Southland, with Invercargill City Council managing tide protection banks at the Waihopai Arm at Stead Street. These banks protect against the sea tidal movements rather than river flooding.

Other Infrastructure – Community Infrastructure where Council anticipates significant expenditure has also been included within this strategy. These community assets provide a key and significant connection to the community, and include building assets such as the Invercargill Public Library and the Southland Aquatic Centre (Splash Palace), Civic Theatre, Parks and Reserve areas and Solid Waste Services.

Background

In the coming years, Invercargill City will experience greater pressures on infrastructure renewals as the existing networks age towards their end of life. During the periods of the 1920s, 1960s and 1970s, large areas of our city and associated infrastructure were developed over short periods reflecting the growth of the City. These assets will require renewal as they reach end of life and the strategies deployed to manage this work will reflect in the cost to the Community.

Council has built good quality asset data over the last 30 years and this is included in its asset management plans. This has enabled Council to establish budgets that work to ascertain the level of expenditure necessary to ensure a reliable and consistent level of service in our infrastructure areas. Council has maintained its assets well and believes that there is not a large deferred risk on assets from the past but recognise that renewals are essential for service continuity as assets have a finite life.

Roading, Water Supply, Stormwater and Sewerage activities account for 23% of Council's operating expenditure and 62% of Council's capital renewal expenditure. Council is also proposing to invest in new Community projects.

Council is seen to be in good financial health with a debt ratio of 9.2% as at 30 June 2017, (External Borrowing over Total Assets). Council currently maintains an AA- credit rating which is one of the highest ratings available in New Zealand to a Council.

Council has renewal programmes in place; however these programmes are expected to increase. The increase is to enable Council to meet the end of life needs of the assets which were installed in the growth periods. During these times Central Government supported and assisted development and growth, however under current funding structures the renewals are now the financial responsibility of Council (apart from the New Zealand Transport Agency Funding Assistance). These development peaks need careful and structured renewal strategies to renew assets at the right time to meet well understood future demand. The Water Supply Activity has highlighted an area of pipe network where pipes may have to be renewed before their expected scheduled end of life, but have served more than 50 years currently. These pipe materials are widely used across New Zealand and most Councils will be experiencing similar responses as pipes become older and failure more likely.

For some of Council's infrastructure activities a decision has been made to reduce the rate of renewal against which depreciation forecasts. This 'sweating of the asset' is now more widely accepted as getting value for money, but has the potential for more risk. This will enable Council to manage change and extend the predicted life cycle of the asset and use better data and optimisation approaches to predict a just-in-time renewal of the asset. The use of criticality, resilience and risk to balance decisions with experienced practitioners mitigates the risk the community is exposed to.

For example, Council is proposing to under fund the renewal of the footpath programme as it can be done with low risk and has high 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 Activity Management Plan. The opposite approach has been taken with critically important parts of the water reticulation network where replacement is programmed to coincide with scheduled end of life.

Council needs to ensure that it is delivering the right level of infrastructure at a sustainable cost the community can afford, both now and into the future. Investment needs to be managed through business cases which support current evidence and future demands including possible shifts in demand.

To do this Council has looked closely at the renewals and maintenance of existing infrastructure as well as any planned new infrastructure projects; details of these options are expanded in the Activity Management Plans. 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.

Key Assumptions

Having suitable and relevant assumptions is a solid foundation for the Strategy. The following assumptions and potential impacts have been considered while developing and preparing Activity Management Plans and are seen to be the best and most likely influencing factors to consider and where appropriate develop into the strategy and Activity Management Plan. Assumptions are fully developed in the Long-term Plan Background and Assumptions 2018-28 document.

Economic Climate and Growth

It is Council's assumption that the local economy of Invercargill and Bluff will grow and diversify at a steady rate, over the life of the Long-term Plan. Any significant change to the economy would require Council to review and change its current activities and levels of service. Council has determined this to have a moderate level of uncertainty.

Population Growth

Council assumes that the population will increase from 53,200 (estimate 2013) to a peak of 56,300 by 2028 before decreasing to 55,500 five years before the end of the strategy in line with Statistics New Zealand's medium forecast. This is in line with the Council supported initiative, Southland Regional Development Strategy, which seeks to attract 10,000 people to the Southland region within the next ten years. Council has determined that this assumption has a moderate level of uncertainty.

This increase will impact existing Council infrastructure and services. If the population increases then there will be a demand for increased housing, there will be increased traffic and in turn, there may be an increased demand for public transport. If the population decreases, particularly by a significant amount, it would mean a smaller ratepayer base will be expected to meet the increasing infrastructure cost or Council may need to reduce the level of service provided in order to maintain rates at an affordable level.

Population at 30 June							Population change 2013-43	
2013	2018	2023	2028	2033	2038	2043	Number	Average annual (percent)
53,200	55,300	55,900	56,300	56,300	56,000	55,500	2,300	0.1

Climate Change

Council has made the assumption that climate changes will occur over the life of the Long-term Plan. It is assumed that:

- Median Annual Temperature increase of 0.8°C by 2040;
- Annual rainfall increase of 4% by 2040;
- Mean sea level rise of 0.2m by 2040 and 0.8m by 2090; and
- An increased number and intensity of storms.

Climate Change will impact the way activities are carried out, for example:

- a) Roading – increased frequency and intensity of rainfall may require extra draining works in the road network that may alter long-term maintenance costs;
- b) Water – longer period of drought may result in increased demand whilst flood events create turbidity and increase the cost to treat for consumption;

- c) Wastewater – increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated;
- d) Stormwater – increased frequency and intensity of rainfall events result in service levels falling.
- e) Flood Banks – more events which would test the structures.

Environmental Expectations

Council has made the assumption that resource consents for discharging of stormwater and sewerage will be obtained with conditions which are reasonable and achievable, expiring resource consents will be renewed with similar conditions during the period of the Long-term Plan. Council has assessed the level of uncertainty of this assumption as moderate.

Catastrophes

Council has made the assumption that there will be no major catastrophes that will impact on Invercargill or its economy. Council has assessed the level of uncertainty of this assumption as high. This is because the Alpine Fault is regularly reported as likely to rupture but the uncertainty lies in when and what level of impact this will have on Invercargill. A Civil Defense Emergency in the District would impact financially on Council and the Community. The financial risk to Council is reduced by maintaining insurance cover for emergency events and by ensuring there are some reserves available to sustain any upgrade or urgent replacements that may be required.

Delivery of Service

Council has made the assumption that there will be no significant changes to the way that it delivers its services – in-house or contractors. This assumption has been assessed as having a moderate level of uncertainty. Service delivery will be reviewed consistently in accordance with the requirements of the Local Government Act 2002.

Fixed Asset Valuations and Useful Lives of Assets

Council assumes there will be a three-yearly reassessment of useful lives of assets throughout the life of the Long-term Plan; the next assessment will be earlier than planned, being 2019. Council operates on the assumption that assets will be replaced at the end of their useful life. Any planned asset acquisitions (per Council's Capital Expenditure Programme) would be depreciated on the same basis as existing assets. The useful lives of significant assets will be shown in Council's Statement of Accounting Policies.

Asset lives and valuations are based upon estimates made by experienced Engineering Professionals and Registered Valuers aligned to industry knowledge and are peer reviewed independently of Council. There is a risk that these estimates do not match the actual asset life and are not accurate, for instance that these assets deteriorate at a faster or slower rate than predicted. Council is already aware that some of the pipe network is deteriorating at a faster rate than was initially assumed.

The risk will always be that Council activities direction and or demands change and this could result in decisions not to replace existing assets in their current location and size. Council has a comprehensive asset management planning process and if a decision is made not to replace an asset then this will be factored into capital projects.

Cost Change Factors

Council has made the assumption that the rate of inflation will remain steady over the life of this Long-term Plan and will follow the Local Government Cost Index (LGCI). There is a moderate level of uncertainty surrounding this assumption. Please see Financial Strategy for more details.

Expected Interest Rates on Borrowing

Council has assumed borrowing rates beginning at 4.75% and gradually increasing to 6.50% from the 2026/27 financial year. This has been assessed as having a moderate level of uncertainty. Higher than expected interest rates on borrowing will require Council to consider collecting a greater amount from rates to cover the additional interest costs or reducing the amount borrowed. Please see Financial Strategy for more details.

Significant Challenges and Issues

Like many parts of New Zealand, the area served by Invercargill City Council faces a number of strategic challenges in the years ahead.

Meeting our long-term renewal expectations for Infrastructure

Past investment cycles in the 1920's, particularly in piped networks, have created an echo of renewal requirements, which means that a significant part of Council's infrastructure will require renewal within the term of the Long-term Plan. These forecasts are in line with the assessed industry life expectation of the materials used.

The services provided from the piped network assets, namely water supply, stormwater and wastewater, will be subject to larger expenditure increases in coming years to meet demand. These increases are due to the pipes reaching the end of their useful life and the need to renew them before significant failure occurs.

The magnitude of renewals expected from within the Invercargill City District, the Southland Region and the South Island exceeds the capacity for the work to be undertaken in the market place. Work has, therefore, been planned so as to smooth both the financial and supplier impact. This means that higher risk assets, assessed by condition and criticality, will be replaced as a priority and non-critical pipes in networks will be replaced potentially after their nominated useful lives. To achieve this there could be an increase to maintenance costs and also an increase in complaints regarding breaks in supply.

Council's building infrastructure is also reaching half its useful life with significant renewals required.

Responding to the changing environment (both natural and technological) and retaining Invercargill's character including its built environment

Climate change is a significant issue for most activities. The most likely immediate risk to assets is the rise in sea level, the increased risk of flooding will need to be managed and costs to mitigate the impact will be significant. There will also be a need to review Invercargill's tidal flood protection with wider consultation on the future provision or renewal of flood banks alongside Environment Southland on the waterways through the City, or decide whether it is no longer viable to protect parts of the City.

Policy setting from Central Government will have the possibility for the most volatility. Responding to regulation can place extra cost pressures on Council, for example in the costs of meeting increasing environmental standards in fresh water or new Discharge Consent Conditions requiring improved discharge water quality.

Council has a good road network but has higher safety risks (when considered against national peers) particularly for cycling and pedestrians and at intersections, investment will be focused on intersection and safety improvements to reduce crashes, deaths and serious injuries, especially to vulnerable users.

More recent trends in technology, particularly around retail, accommodation and vehicle use will have the potential to change our society. This has already been seen in the use of community facilities which are changing to be more social and open spaces.

Monitoring the compliance of existing resource consent conditions will provide a record of compliance for future processes. The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time. If a resource consent was not granted, or failed to be renewed for a major Council activity, this would have significant impacts on

both costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required.

The City's changing demographic profile and its ability and willingness to pay

Council's network assets have sufficient capacity to manage the projected demographic profile; the continued and increasing investment required in our renewal programmes to maintain levels of service appropriately makes up a significant proportion of Council expenditure. The impact of this is that a relatively static ratepayer base (which is aging) is required to pay for a wave of infrastructure renewals on limited means. Council's debt to revenue ratio and Council's good "financial health" will be used to smooth out renewal expenditure. The Council's Financial Strategy sets out how we plan to fund our capital and operational expenditure long-term.

Longstanding and slowly advancing issues like population aging are progressively being felt. This can drive increased demand on community infrastructure such as housing care and pools, including accessibility and capacity at facilities. There is no longer adequate space at Splash Palace due to the current demand on the facility; there is also an increase in disabled users at the facility. As the population ages, Council considers that demand, particularly demand from disabled users, will continue to increase.

Encouraging growth projects whilst ensuring financial and operational sustainability for future generations

The Southland Regional Development Strategy action plan has two transformational projects noted for Invercargill. Their purpose is to rejuvenate the City. They are an art gallery and redevelopment of the museum. These projects are in the feasibility phase to establish if they will be viable. Other growth project options include increasing pool capacity at Splash Palace and the future use of Anderson House.

An option for operational sustainability of our provision of water is to investigate an alternative water supply and in turn increase the resilience of the network.

Ensuring Council works in a financially prudent manner that promotes the current and future interests of the community

The biggest challenge of all is one of funding; the changing demographic will mean a high percentage of our population will be on a fixed income. Based on the best information available, this document, in conjunction with the Financial Strategy, aims to provide a transparent response to the strategic challenges and ensure that the financial cost of providing the necessary infrastructure is predictable.

In the past Council has funded renewals as and when required. Council plans to increase the level of funding over the next 10 years to the rate of consumption of assets (renew at a rate equal to depreciation). Council aims to fully fund sewerage and stormwater by 2022, and roading and water by 2028. In some cases the work is not yet required or unachievable in a current year, and in these instances Council plan to put the difference of unspent rates into reserves to ensure the funds are available when required.

Each three years assets are revalued which requires a review of the amount of depreciation which is to be allocated each year. Each valuation considers the latest costings and understanding. In the last valuation the replacement cost and depreciation rose sharply as new information has been learnt from the Christchurch earthquakes and other experiences, which impact renewal cost.

One important funding source is a subsidy from New Zealand Transport Agency (NZTA) for roading activities; this is the Funding Assistance Rate (FAR). Council's 2017 rate is 58% but is

reducing to 51% by 2024. This will mean more ratepayer funding is necessary as less is contributed by NZTA.

Our Strategic Response to the Challenges and Issues

Council has recognised a number of important challenges and issues which will impact the community over the next 30 years and potentially longer given the expected lives of some asset components.

Council has developed a number of key responses which will be utilised in making decisions in day to day operations and the long-term planning for assets. The Strategy for the delivery of Activity Management is listed below.

Maintain Our Current Asset Base

Council sees that it is important not to encourage wider expansion in providing the core services beyond that which is currently serviced or outlined in the Activity Management Plans or District Plan. By limiting future growth of services, the long-term financial responsibility can be better managed. Invercargill has, through the district planning process, clearly set where planned growth is desirable and required. Limiting expansion to align with these processes is appropriate.

Focus on Asset Criticality

In a move to reduce large and sudden increases in rates on the Community, the strategy looks to balance the risks of failure of some elements of a system (e.g. water pipes). Simply put, pipes with a lower criticality rating will have their replacement delayed. This strategy will enable a reduced financial demand in the short-term but clearly needs to be understood that this approach increases potential failure risks which must have supporting financial mechanisms. These risks need to be understood and managed.

Focus on Sound Evidence based Activity Decision Making

Council has identified that making better investment decisions is an important response for managing long-term assets. Using tools such as the better business case approach are another way of supporting good asset decisions.

Incrementally Increase the Amounts of Renewal of Assets

Council has considered the impact of moving immediately to a fully funded depreciation model but has considered the appropriate strategic response is to take an incremental approach. This approach will allow the ratepayers managed increases in their rates over a period but this is balanced by increased risk that the earlier renewals of some infrastructure may be required. Improved asset management and its development are important to better understand and have better knowledge to reduce as many uncertainties as is possible.

Understand Our Community

Council has recognised that a better understanding and improved communication with the community will enhance how assets are delivered. It is key to align the communities expectation and its needs, given the assets which are managed are long life assets. The assumptions made in any planning process create the tangible to inputs in future designs and decision making. Council is developing an engagement strategy to assist with this understanding.

Other considerations are:

- Should unplanned failures occur, use a mix of Council's financial "good health", accumulated reserves and/or insurances (where appropriate) to manage risks.
- Ensure growth is focused on social, financial and operational sustainability, and aligned to the vision.

- Utilise subsidies, user payments, rates and loans to ensure that both current and future communities pay for the asset they are using.
- When arranging contracts or significant activities, consider how investment decisions may impact a viable competitive supplier market in the Region.

Our Tools to Deliver the Strategy

Strengthen our Asset Management

Council has recognised that strengthening its asset management delivery will produce more robust long term impacts on asset management.

Responding to this Council has established a whole of organisation approach to Asset Management, and aligned outcomes with the Asset Management Policy and Strategy.

Council continues to utilise the International Infrastructure Management Manual 2015 (IIMM) to identify what is achievable through adopting best international practice and also strengthen internal knowledge and expertise.

Having a strong platform for delivering asset management will allow robust plans to be developed and then delivered. Without this knowledge and ability to know and analyse the networks and assets, how future renewals are managed is less than optimal. The long term understanding (in its widest context) of the renewal of assets is the key to ensuring assets are delivered at the right level in the most appropriate way.

The Asset Management Policy confirms for Council, the asset management objectives and responsibilities, with the high level commitment of Councillors ensuring the appropriate stewardship decisions are developed, understood and through business case investment decisions processes are being made. Asset management is not now just how well the asset is managed but also understanding your assets and ensuring you are utilising an investment focused approach to the decision making for the community in both the short and long term.

The Asset Management Strategy defines a detailed approach to how Council will advance the management of infrastructure assets to appropriate levels of maturity, how the objectives in the Policy will be achieved, and the approach for developing and implementing Activity Management Plans. Council will continue to develop the quality of our asset data, better understand how the assets need to be managed and these improvements will be ongoing for the life of the strategy.

Using independent peer reviews of Activity Management Plans, the Asset Managers development work has been assessed by independent expertise to ensure that the future delivery plans meet the legislative requirements and where gaps in best practices expectations have been identified in the activity, improvements have been noted within the Improvement Plan section which highlights those future actions needed to strengthen the development of the activity.

The following diagram shows how each of the sections of asset management contribute to the successful delivery.



Better Investment Decision Making

Decisions within asset management have both short and long term impacts on the community. This strategy looks to ensure that these decisions are made with the best knowledge available and use current thinking about how investment is best understood, communicated and decisions made.

Government, through Treasury has accepted the “The Better Business Case (BBC) approach” as being a way to ensure that investment is well considered and appropriate decision making can occur.

The previous Asset Plans have now all been redeveloped in the form of an Activity Management Plan which has a focus on investment and is aligned to the Better Business Case approach.

This new format and approach has asked questions of the asset areas - what is the problem, what are the benefits of solving it and how would this occur (options available). This is a significant and important shift in thinking for asset management and this strategy looks to strengthen this approach through all levels of participation which includes how customers are involved and informed, Councillors understand the stewardship responsibility and making investment decisions, senior management accept and monitor policy and strategies.

Engage our Customers to better understand their needs and wants

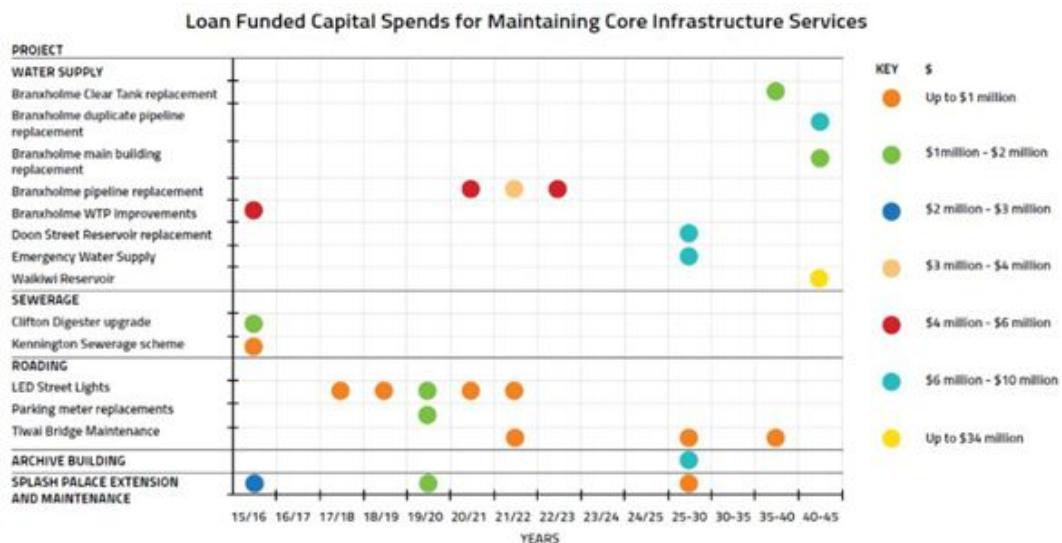
Council is currently developing an Engagement Strategy that will shape how each area of Council, including elected members and staff, will engage with our Community in the future. It is anticipated that the Engagement Strategy will assist in delivering positive outcomes to the Community by identifying how the different groups within our Community wish to be engaged on different topics.

Priority Projects and Options

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.

Update the draft infographic below that shows the timeline if the key projects, how much they will cost and when they will occur. An example from 2015 to be updated.



The Priority Projects are as follows:

Water – Alternative Water Source

Issue and Consequence	Option	Implication	Cost
Invercargill City is at high risk being reliant on one open source water supply. If this water supply is contaminated or not useable as a result of a catastrophic event, the City could be without access to water for a significant time.	Develop a new secondary water source.	Invercargill has a resilient supply of water, any event of significance will have a reduced risk to the community.	\$ 10,700,000
	Increase water storage. Either untreated water at the Branxholme Water Treatment Plant or within the City.	Level of protection will be limited to size of storage. And is likely to mitigate only for short term events. Any storage structure will be subject to being managed as any other constructed asset, i.e. maintenance and renewal plus exposure to damage during seismic events.	Not costed but likely to exceed that for option above.
	Do nothing.	Invercargill is vulnerable to the potential of having limited water after a catastrophic event. Should there be no water supply then evacuation of the city may become necessary.	\$0

Water – Renewal Pipe Network

Issue and Consequence	Option	Implication	Cost
<p>The asbestos cement (a/c) pipe within the water pipe network is reaching the end of useful life. The timing of their renewal will influence reliability of supply as well as have cost implications.</p> <p>Options identified relate to the level of risk exposure associated with the rate of renewal of non-critical pipes (those that if fail, will have a low impact on the likes of public health and amount of damage caused). All options identified allow for renewal of critical pipes by their nominated conservatively assessed asset life but vary according to the commitment in timing of renewal of non-critical pipes.</p>	All a/c pipes renewed by expiry of the shortest expected pipe life.	Maintains high network reliability and low risk but quantum of work larger than local contracting resources could complete within a very short timeframe.	\$59,000,000 varying from \$1 to \$38 million per annum.
	Critical a/c pipe renewed by expiry of the shortest expected pipe life. Non critical a/c pipe renewed by expiry of the longest expected pipe life.	Network reliability slightly reduced and risk elevated but quantum of work is still larger than local contracting resources could complete within the short timeframe.	\$45,000,000 varying from \$2 to \$15million per annum.
	Critical a/c pipe renewed by expiry of the shortest expected pipe life. Non-critical pipe renewed according to a budget set by affordability as set down within the parameters of the Financial Strategy.	Expect the occurrence of pipe failure to increase, thus network reliability will further reduce and risk exposure increase.	\$34,000,000 varying from \$2.2 to \$5.8 million per annum.

Stormwater – Renewal Pipe Network

Issue and Consequence	Option	Implication	Cost
<p>The oldest parts of the Invercargill stormwater network are reaching the end of their useful life, and renewal of these assets will reduce risk of failure, improve capacity and reduce the risk of stormwater contamination.</p>	Prioritise pipe renewals by material, criticality, capacity and condition. Renewal of non-critical pipes may be delayed until maintenance requirements and disruption to the end user become unacceptable.	Critical, aging, high cost infrastructure is renewed and overall quality of the network is maintained or improved.	Increase renewal spend to \$3,297,000 per annum (depreciation allocation) by 2022.
	Replace pipe network on age or condition factors alone.	Structural integrity and maintenance requirement would remain at current levels. Capacity issues and stormwater quality would take longer to resolve.	Increase renewal spend to \$3,297,000 per annum by 2022.
	Replace pipe network at twice rate of depreciation to address contamination problems more quickly.	Would require significant additional expenditure, and place high demand on the supply market which could inflate prices. Would not address contamination issues within private properties.	Increase renewal expenditure to \$6,594,000 per annum by 2022.

Stormwater – Investigate Infiltration Sources

Issue and Consequence	Option	Implication	Cost
The stormwater network receives stormwater from properties which are susceptible to contamination prior to entering the stormwater network. This may result in failure to comply with discharge consent conditions.	Increase monitoring of system to trace infiltration to the source, and require property owners to repair.	Improved data on the sources of contamination to the system. Improvement of water discharge quality in to the environment over time.	\$200,000 per annum for monitoring and investigation programmes. Additional costs of repair to property owners.
	Accept infiltration will happen in the system, put post collection treatment in place.	This option comes at an extremely high financial cost to Council and will not encourage the correct behaviours at the source of the issue. This also increases the cost to all ratepayers when it is not the fault of the community but sporadic private properties.	\$42,000,000 per annum for capital and financing costs, and maintenance of treatment systems.
	Do nothing.	Failure to comply with consent conditions would result in regulatory action by Environment Southland, and directive to fix.	Unknown cost to defend regulatory action, and for fines imposed by courts. Court imposed costs to correct may also apply.

Sewerage – Renewal Pipe Network

Issue and Consequence	Option	Implication	Cost
The oldest parts of the Invercargill sewerage network are reaching the end of useful life, and have increased risk of failure, public health issues, and of contamination of stormwater.	Prioritise pipe renewals by material, criticality, capacity and condition, at rate of depreciation. Renewal of non-critical pipes may be delayed until maintenance requirements and disruption to the end user become unacceptable.	High risk, high cost infrastructure is renewed and overall quality of the network is maintained or improved.	Increase renewal expenditure to \$2,401,000 per annum (depreciation allocation) by 2022.
	Replace pipe network on age and condition factors alone.	Structural integrity and maintenance would be maintained at current levels, or improved. Capacity issues and cross contamination of stormwater may take longer to resolve.	Increase renewal spend to \$2,401,000 per annum by 2022.
	Replace pipe network at twice the rate of depreciation to address contamination issues.	Additional cost to ratepayers would be a significant burden, and higher demand on the supply market may inflate prices. Cross contamination issues within private properties would not be addressed.	Increase renewal spend to \$4,802,000 per annum by 2022.

Sewerage – Discharge Consent Renewal 2029

Issue and Consequence	Option	Implication	Cost
Wastewater Treatment Plant Discharge Consents require renewal in 2025 for Bluff, and 2029 for Clifton.	Negotiate new consents for discharge to Coastal Marine Area.	Bluff: Impacts on receiving environment are low. Quality improvement may not be required. Invercargill: Nutrient removal likely to be required to reduce load on estuary.	Bluff: \$500,000 for consent renewal. Invercargill: \$10,000,000 plus for nutrient removal.
	Remove discharges from Coastal Marine Area. Pump Bluff effluent to Clifton (2025), and discharge Clifton effluent to land (2029).	Bluff: Discharge Consent not required. Receiving water improvement at Bluff, and additional effects at Clifton would both be minor. Clifton: Effects on estuary would reduce, and may be transferred to catchment in which land disposal area is located. Suitable disposal site has not been identified.	Bluff: \$3,100,000 capital plus \$164,000 per annum operational. Clifton: \$28,000,000 capital plus \$3,100,000 per annum operational.
	Do nothing.	Failure to renew consents would result in regulatory action by Environment Southland, and directive to fix.	Unknown cost to defend legal action, and for fines imposed by courts. Court imposed directives to upgrade may also apply.

Stormwater – Tidal Flood Protection 2019

Issue and Consequence	Option	Implication	Cost
Stead Street stopbank was overtopped in 2016. With expected sea level rise of 800mm this century, overtopping of this stopbank and other flood protection infrastructure is expected to become more frequent, and flood risk to become greater. The stopbank is about 100 years old, and its structural integrity is unknown.	Rebuild stopbank to protect against expected sea levels in 2100.	Consent required to build higher and wider stopbank into coastal marine area, or relocation of Stead Street to provide adequate space for embankment.	\$1,330,000 to construct bank into Coastal Marine Area plus consent costs. Cost to relocate road not determined.
	Maintain stopbank at current height and level.	Level of protection would reduce over time as sea level rises. More frequent flooding of airport, surrounding farms and residential areas would result. Retreat from some areas may need to be considered.	\$5,000 to \$10,000 per annum for maintenance costs. Unknown costs for flood damage and relocation of assets.
	Lobby Environment Southland to review flood protection infrastructure to protect against additional risks of sea level rise.	Flood banks along waterways through city are likely to be raised. Stormwater designs may also need to be reviewed, and additional pump stations considered. Retreat from some areas may need to be considered.	Costs of flood protection improvements and Environment Southland costs, which will be recovered from City ratepayers.

Community Facilities – New Pool 2022

Issue and Consequence	Option	Implication	Cost
There is no longer adequate space at Splash Palace due to current demand on the facility; there is also an increase in disabled users at the facility. In consideration of population and demographic projections, the demand will only continue to increase with special regard to the ageing and disabled users.	Build additional FINA standard pool space, a 25m x 25m and 2m deep, with accessibility ramp and stair access.	This will increase the available space in the water at the facility and improve accessibility. It will reduce tension between pool users as space is currently at a premium. Potential to engage more national water based competitions and meets to the City with FINA approved competition area.	Capital Cost \$ 6,000,000 – \$3,000,000 loan funded by Council and \$3,000,000 of proposed grant funding. Ongoing operational increase required from rates of \$322,000.
	Increase opening hours of the current facility.	May reduce overall demand, but demand peak times would remain the same (due to competing time demands on the customer).	Operational cost increase
	Increase admission costs.	This would reduce the demand for the facility, but would shift affordability to a wealthier demographic.	Unknown – could increase or decrease revenue to the facility.

Community Facilities – Anderson House 2019

Issue and Consequence	Option	Implication	Cost
Issue: Not up to EQ standard. Issue: Council has responsibility of stewardship for grounds, bush and buildings – expectations are that we continue to use the building for the public. Consequence: engage in public consultation to find out what the public want and what they are prepared to pay for.	Make the building safe to look at from the outside but not useable inside.	Public cannot use the inside of the building but it will be aesthetically pleasing as a background.	\$189,000
	Earthquake strengthen buildings to 33% - 67% and minimal work to open ground floor only.	Restricted use.	\$933,000 Capital Cost
	Strengthen, provide toilets, lift and regress but no fit out for restaurant and heritage displays.	Restricted use.	\$1,285,000 Capital Cost
	Complete all work as per Venture Southland's Report.	Very high cost and continual subsidisation.	\$1,875,000 Capital Cost

Roading – Safety

Issue and Consequence	Option	Implication	Cost
Invercargill has a number of unsafe road layouts and together with unsafe driving behaviours continues to cause too many fatal and serious crashes occurring, especially to vulnerable drivers.	A low-budget around 5% of the road renewals budgets and limit the projects which can be completed typically to one lane projects.	Limits to the speed in response to issues and problems wait until they are prioritised. Public do not see any improvements. Some major projects once identified can take 10 years to be enacted. A limited response to a key problem. Current budget range.	\$400,000 per annum increasing with inflation.
	A mid-range budget where two significant improvements are targeted each year.	A more proactive response. Still has limitations on budget but has greater ability to increase improvements in key areas, deliver two big improvements per year and reduce the deficiency listings.	\$600,000 per annum increasing with inflation.
	A high-range budget where the deficiencies identified are completed over 10 years with some projects having a lower priority.	A significant shift in project work needing skills and resources to ensure sound investment. Would require NZTA to also agree that the safety projects meet a national threshold of importance. Identified deficiencies would be removed in a more responsive manner.	\$1,200,000 per annum increasing with inflation.

Roading – Accessibility

Issue and Consequence	Option	Implication	Cost
Current infrastructure together with changing land use is restricting choices of travel for people around the city.	Low Budget Model \$4.0M – for resurfacing including chip sealing, asphalting and rehabilitation works.	The renewals of the road pavement model has suggested that the optimum investment is the low model and that given the available budget that less can be wisely invested to achieve the output of roughness and road gutting required from the model. The users however seek smoother roads and this option continues to deliver similar statistical indicators (STE) results.	\$3,400,000
	Normal Budget Model \$4.3M – for resurfacing including chip sealing, asphalting and rehabilitation works.	More investment would mean some roads are smoother earlier. NZTA are unlikely to agree to invest beyond the optimum model output.	\$4,300,000
	High Budget Model \$5.0M – for resurfacing including chip sealing, asphalting and rehabilitation works.	Smoothen roads in some targeted places which would allow wider access for heavier trucks earlier. Higher costs are not an optimum solution but potentially more aligned to customer wants (which may change when the cost impacts are tested). NZTA are unlikely to support or fund at the higher level making the extra investment much more expensive.	\$5,000,000

Special Project – Arts Centre Invercargill 2019

Issue and Consequence	Option	Implication	Cost
The Art Gallery was identified by the Southland Regional Development Strategy as a driver of inner city rejuvenation. The project identified there was a strong community interest in a dedicated Arts Centre with the opportunity to include and house the various local art collections.	Build a new art centre using a mixture of council, local and central government funds with the operation being delivered by council.	A new Art Centre would allow the collections to be better stored and would also assist the Southland Museum to refine its redevelopment to focus on areas other than art.	Council's estimated capital contribution \$13,000,000 (years 3 to 5) Ongoing operational costs: Year 1 \$160,000 Year 2 and 3 \$200,000 Year 4 \$350,000 Year 5 onwards \$727,000
	Status quo.	Non co-ordinated art activity and a regional missed opportunity.	No increased costs.

Special Project – Living Dinosaurs 2020

Issue and Consequence	Option	Implication	Cost
The tuataras current facility within the museum has a couple of issues. The presence of tuatara are a risk to the required environment of the museum collection which is significantly different to that of the tuatara and therefore they require separation. The current space that the tuatara are in requires significant renewals to improve appearance and prevent corrosion. DOC are looking for a permanent home for the kakapo chick rearing, the current temporary lab is not fit for purpose. The foyer at SMAG requires development for a seamless flow from SMAG reception to Living Dinosaur experience. Create tourism attractions in Invercargill. More tourists will visit Invercargill and stay for multiple days.	Renew current tuatara enclosure remaining in the Museum Building.	The tuatara roof requires renewal as it is believed that the degrading of the roof surface is reducing the success of the breeding programme. The climatic atmosphere and feeding requirements of the tuatara are in conflict with requirements for the Museum collection, posing a higher risk than desired.	Estimated cost is \$400,000.
	Build an enclosure beside the Southland Museum and Art Gallery suitable for an enhanced tuatara experience. Tuataras have a purpose built facility and continued success of the tuatara breeding programme.	<ul style="list-style-type: none"> Create tourism attractions in Invercargill. More tourists will visit Invercargill and stay for multiple days. A significant taonga species whose 'home' is Murihiku are celebrated. Risk to the tuatara and museum collection is reduced. The feasibility study indicates this can be cash positive from year one if partly co-funded or from year six if fully loan funded. 	Estimated capital cost is \$5M loan funded. Ongoing operational impact to the rates in Year 1 – \$100,000. From Year 2 there is an estimated \$260,000 contribution to the Museum Activity.
	Build an enclosure beside the Southland Museum and Art Gallery suitable for an enhanced tuatara experience; include facilities for rearing kakapo chicks which will also be a highly desirable attraction. Tuataras and Kakapō have a purpose built facility, continued success of the tuatara breeding programme.	<ul style="list-style-type: none"> Create tourism attractions in Invercargill. More tourists will visit Invercargill and stay for multiple days. Two significant taonga species whose 'home' is Murihiku are celebrated. Risk to the tuatara and museum collection is reduced. The feasibility study indicates this can be 	Estimated capital cost is \$5M loan funded. Ongoing operational impact to the rates in Year 1 – \$100,000. From Year 2 there is an estimated \$260,000 contribution to the Museum Activity. Cost of Kakapō funded by others (Sponsorship of project, income and ongoing operational cost responsibility of DOC)

Issue and Consequence	Option	Implication	Cost
		<p>cash positive from year one if partly co-funded or from year six if fully loan funded.</p> <ul style="list-style-type: none"> Purpose build facility for rearing of Kakapo chicks – they currently have no fixed facility. The chick will be present 10 weeks of the year every second, third or fourth year, dependant on their natural food source and success of breeding. 	

Special Project – Storage Facility 2025 and SMAG Re-development 2028

Issue and Consequence	Option	Implication	Cost
Southland Museum and Art Gallery has identified a need to provide better public areas and exhibition space, seismic strengthening and a weatherproof roof. The Museum and collection is needed to be relocated to a facility designed for purpose.	Remove the museum collection and art collection to a nearby purpose built building for separate storage of regional museum collections.	<p>Reduced risks to heritage of Southland by storing collection objects in optimum conditions.</p> <p>Heritage of Southland is catalogued in a common system.</p>	Estimated Council Capital Grant contribution \$8,600,000.
	Redevelop the existing pyramid building.	<p>Building will be more functional, attractive to visit and increase seismic capacity.</p> <p>Storage of collection will be off current site, allowing the Pyramid to have increased display and operational space.</p>	Estimated Council Capital Grant contribution \$10,800,000 (not including Storage Facility).
	Build additional areas associated with the development of an Arts Centre in the Invercargill.	One facility delivering a number of outcomes co-located. Additional costs in an Inner City location where land is more expensive.	Costs yet to be identified.

Changes to Levels of Service

Levels of Service (LOS) for asset groups included within this Strategy are not planned to have significant changes implemented unless noted below. During the Long-term Plan (10 years) and the Activity Management Plan (AMP) (30 years), ongoing consideration of the LOS will be undertaken and where changes are sought these will be included in future plans. This strategy looks to manage our existing assets at the same level of service. As Options are selected within the LTP process, some changes can occur. Where these are different from the recommended programmes within the AMP this document would need adjustment.

Council intends to maintain and renew its infrastructure assets to ensure that the assets remain in such a condition to continue to deliver a reliable and similar level of service to that currently being provided.

Required significant LOS adjustment

- For stormwater the proposed Southland Water and Land Plan will require improvements to stormwater quality

Propose options for LOS changes

- Additional pool at Splash Palace
- Alternative water supply
- Living Dinosaurs display
- ACI (Art Centre) development – museum changes

Our Approach to Asset Management

Council has recognised that to provide a better service to the community we must strengthen our approach to asset management and the systems we use. It must have sound evidence based information for decision making, the risks faced must be quantified in a consistent and formal way, and we must work closely as a coordinated team within Council across all departments.

We will deliver asset management by:

Statutory and regulatory requirements

Asset Managers ensure that all Statutory and Legislative requirements are known and are covered by the set levels of service which are monitored. Regular reports on performance against these targets are made through the Council Committees and Council structures.

Corporate wide approach to Health and Safety systems for all employees and contractors working on assets is in place and managed outside this strategy.

Asset Management Policy and Asset Management Strategy

Council must continue to maintain suitable governance and guidance documents in the form of policies and strategies to direct the delivery of asset management. These documents are considered by Council and when adopted they set the forward governance framework for staff to operate within. These documents also provide a high level plan which Council should expect itself to meet and exceed through having systems and processes which aid the delivery. These areas may include the level of maturity Council sets for each asset group, how it is resourced, and the level of expertise it holds in-house. These documents will also set the commitment to funding renewals and other activities, and need to be aligned and referenced when reviewing budgets or financial decision making.

Asset Management Information Systems (AMIS)

Council will have systems which are capable of storing asset information and data in a coordinated and managed way, which is able to assist with the stewardship of owning assets.

These systems will be nationally recognised and have a low Information Management operational risk.

Currently two systems are utilised being Infor IPS (for piped network, buildings and Parks) and RAMM for roading. Both are recognised systems and are capable of delivering analytical processes to assist in the development of advanced asset management solutions.

RAMM has been used by Council for nearly 30 years and has high data availability. Infor IPS is a suitable product which is currently being implemented and data is now being consolidated into the package.

Systems such as this need to be adequately resourced and funded.

Progressively improve asset evidence

All assets are collected and maintained accurately using Asset Management Information Systems (AMIS) which includes:

- Asset condition
- Performance
- Age and expected life
- Value and cost to replace
- Criticality

A common criticality framework is planned to be developed which considers risk and resilience in decisions. The future use of predictive modelling will be developed and used to implement preventative maintenance, improving predictable renewal programmes when and where data is available, and if it is not available, start to gather the data which is required.

Operate in a prudent manner

When assets are added to existing portfolios, lifecycle management including operational costs are considered.

Service will be regularly reviewed to ensure that they are being delivered effectively, efficiently and to best practice. Structures will also be reviewed (Section 17A of LGA) to ensure that any opportunities are understood and changes implemented.

When procuring operational and/or maintenance services (in house and outsourced) or renewal works, value for money is attained through competitive procurement processes aligned to best practice. Generally an open market process is used for contracts with key outcomes being whole of life cost, contractor performance, and Health and Safety.

Financial performance will be monitored and reported against Annual Plan Budgets aligned with six weekly reports to Council.

Renew in a financially prudent manner

Existing assets are maintained and networks are only extended in accordance with the District Plan, Activity Management Plans, or where Council resolves on a case by case basis. The strategy suggests that we need to maintain and manage existing assets and not look to grow or expand those services.

Risk, cost, whole of life operating costs and benefits will be considered before accepting any new privately funded assets constructed in association with property development.

Financial inputs are a key element to decision making and working closely with Council's finance teams is important. Making evidence driven sound investment decisions through the use of advanced asset management and business case analysis is the direction planned.

An organisational approach is taken to prepare for the Long-term, Annual and Activity Management Plans. This preparation prioritises renewal projects based on optimised decision making, major expenditure decisions prioritised in order from the highest benefit cost ratio with consideration to condition, criticality, performance and non-asset solutions are considered.

Valuations of all assets is planned to be undertaken during or prior to the review of the Activity Management Plans.

This strategy in conjunction with the Financial Strategy looks to develop the renewal funding level over a 10 year window to a level which is consistent with the calculated depreciation (unless agreed otherwise such as in footpaths). This approach utilises increasing rates funding, loan and risk to balance the financial demands.

The approach taken in Water is to focus renewals around criticality. Supply pipelines which are specific assets delivering the water in bulk and are not networked or have alternatives are key to being able to deliver a service and if they fail they disrupt thousands of users and a "system" failure occurs. Their renewals are significant and large expensive projects are planned to occur and be complete no later than end of expected life. Some repairs take days and could have consequences if multiple simultaneous failures occurred, meaning no water to distribute and reservoirs run dry. The risk of a failure in these assets is too high and an unacceptable community risk. Non critical infrastructure however have many connected options and when a failure occurs, typically disrupts only a few customers, is easily repaired and have low cost impacts. These would be monitored and only renewed after evidence of pending significant (rendering wider level of service disruptions) failure. This evidence may be several small failures in a street, area or specific material type. Pipes would be run to their most optimistic life age and beyond, which delivers maximum use of the asset and best value for money. This is a significant shift in strategy from the past. This approach allows for a better balanced depreciation funded focus but develops an understood and acknowledged risk profile for Council which can then be assessed and managed through financial and investment tools and techniques.

Levels of service and demand

Levels of service are consulted on and agreed through the Long-term Plan. This is the best time to review demand forecasts, and these are documented in AMPs. We seek to understand the customer and community requirements for level of service and identify any gaps or demands for change by:

- Monitoring requests for service
- Understanding the utilisation and capacity of our infrastructure
- Using satisfaction surveys and/or specific focus groups

Council endeavour to ensure that levels of service are set at agreed sustainable levels and moving forward any change to level of service will have an evidence based decision (benefit cost ratio or similar assessment factor) developed to demonstrate the impact of the changes.

Improve the asset management system

Activity Management Plans are developed to agreed maturity levels as outlined within the Asset Management Policy. This Policy is reviewed as part of the Long-Term Plan development and more frequently if required.

Each activity plan has been developed using a consistent framework approach with similar sections and layouts. This has been based on Treasury Better Business Case Model. This approach assists to ensure all components are developed consistently, has similar and high visibility of key areas for readers to compare activities and uses techniques developed for evidence based decision making. This is the first cycle of the plans in this format and will improve with future iterations.

Activity Plans have a 30 year minimum horizon for planning, particularly for renewals. The piped networks, bridges and kerbing, and building assets however have assets which have lives in excess of the plan length of 30 years. These assets, sometimes up to 100 years are considered (through analysis) over their whole of life periods and the AMP generally only reports the 30 year window. Technical analysis over the whole of life is used and wherever possible modelled for impacts. Should a significant impact be identified just beyond the AMP minimum report period, it will be included to show that material aspect of the future planning cycle.

Each plan has an improvement plan and proposed actions are a key area where future advancement is recognised to occur. The Improvement Plans and Actions are reviewed and ideally reported to the Executive Leadership Team.

The wider Asset Teams co-ordinate to ensure common direction and actions are known and best practice is acknowledged and shared. Where available resources are shared. Each plan has a specific owner and responsibility.

The Corporate Risk framework is under review with all plans having a specific risk register which is actively maintained and evaluated to reduce impacts.

Sustainability and Resilience

Environmental effects are considered in operational and renewal considerations to reduce negative impacts throughout the process where possible. Emerging technologies will be considered when appropriate for sustainability and if they can deliver service improvements. Both resilience and vulnerability are considered through corporate lifeline projects and as these plans are strengthened the inputs will be added to current AMPS.

Resilience is planned to be reviewed and improved along with the Corporate Risk framework, which includes contingency planning.

How Are We Going To Fund Infrastructure?

This Strategy develops the asset activities which are needed to be planned for and delivered over at least the next 30 years. This strategy needs to work and interact with the Financial Strategy and through these connections develop methods and options for the planned works to be funded in the short and long term in a sustainable way.

Council looks to use a mix of annual rates funding, dividends from investments, user pays, subsidies and other sources to balance the financial demands from assets with the ability and willingness from ratepayers and users to pay for them.

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.

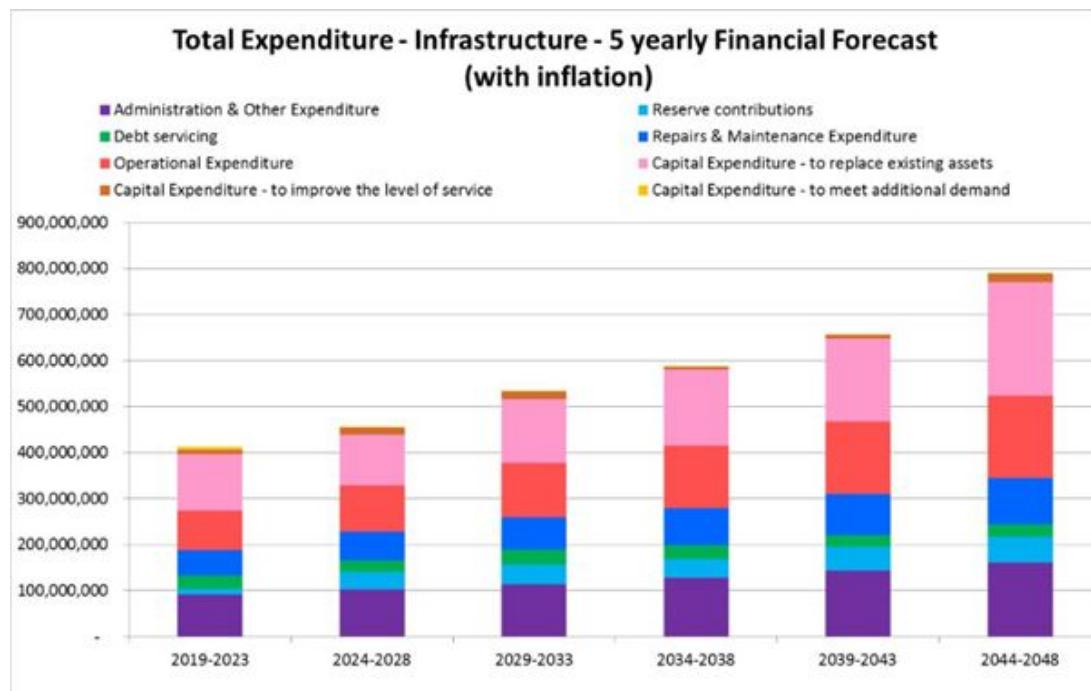
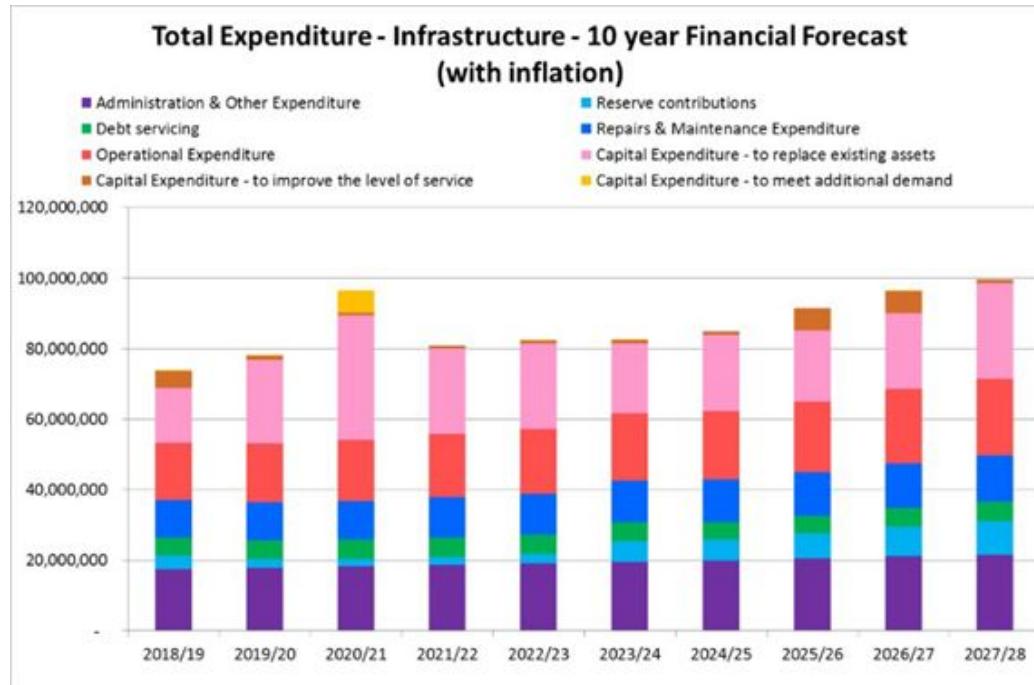
The Financial Strategy and Long-term Plan sets out which of the options are selected for each asset to pay for their activity.

Council believes it has a strong financial position which allows a 'safety net' if renewals demands are required sooner than anticipated and planned by the strategy timing. Council can increase debt in the short term to meet increasing costs.

Long Term Financial Estimates

Expenditure by Type

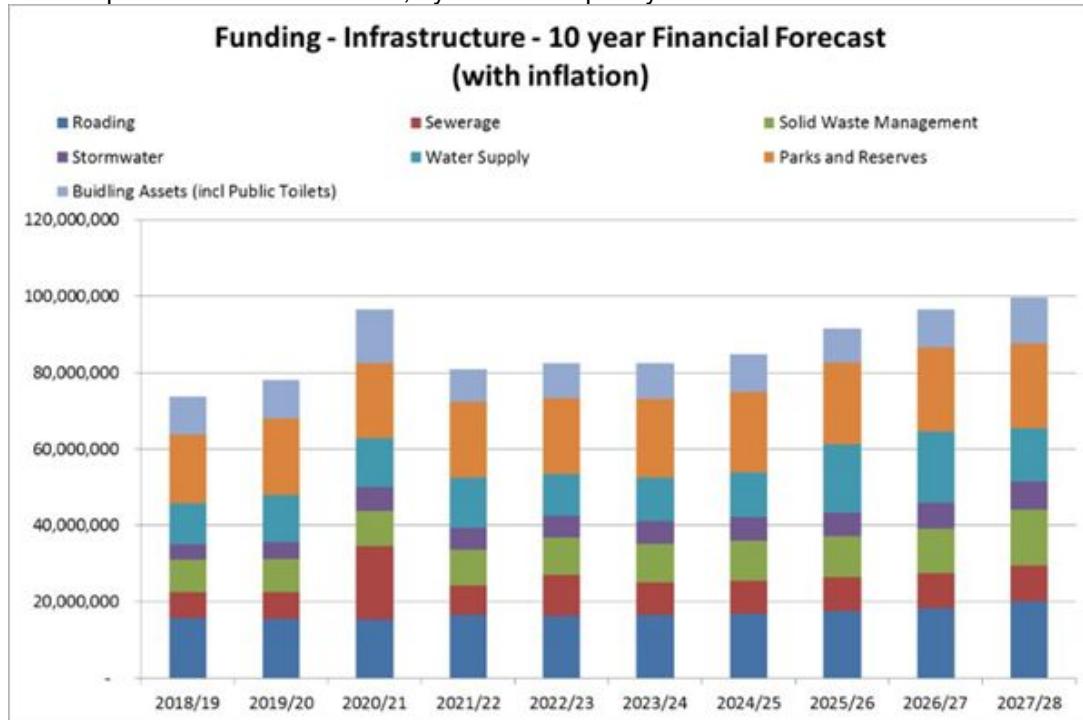
The two graphs below show, in detail for the first 10 years and then in five year blocks, the total infrastructure expenditure anticipated (excluding Special Projects) over the next 30 years.



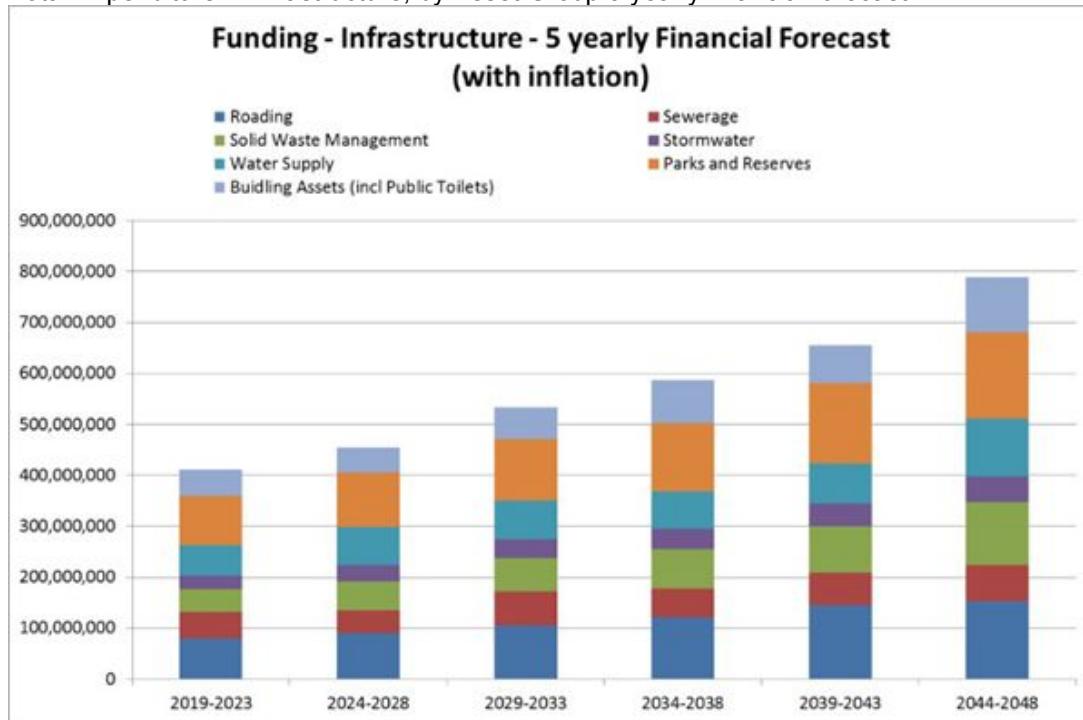
Expenditure by Asset Group

The two graphs below (in detail for the first 10 years and then in five year blocks) show the total infrastructure funding anticipated (excluding Special Projects) over the next 30 years.

Total Expenditure – Infrastructure, by Asset Group 10 year financial forecast

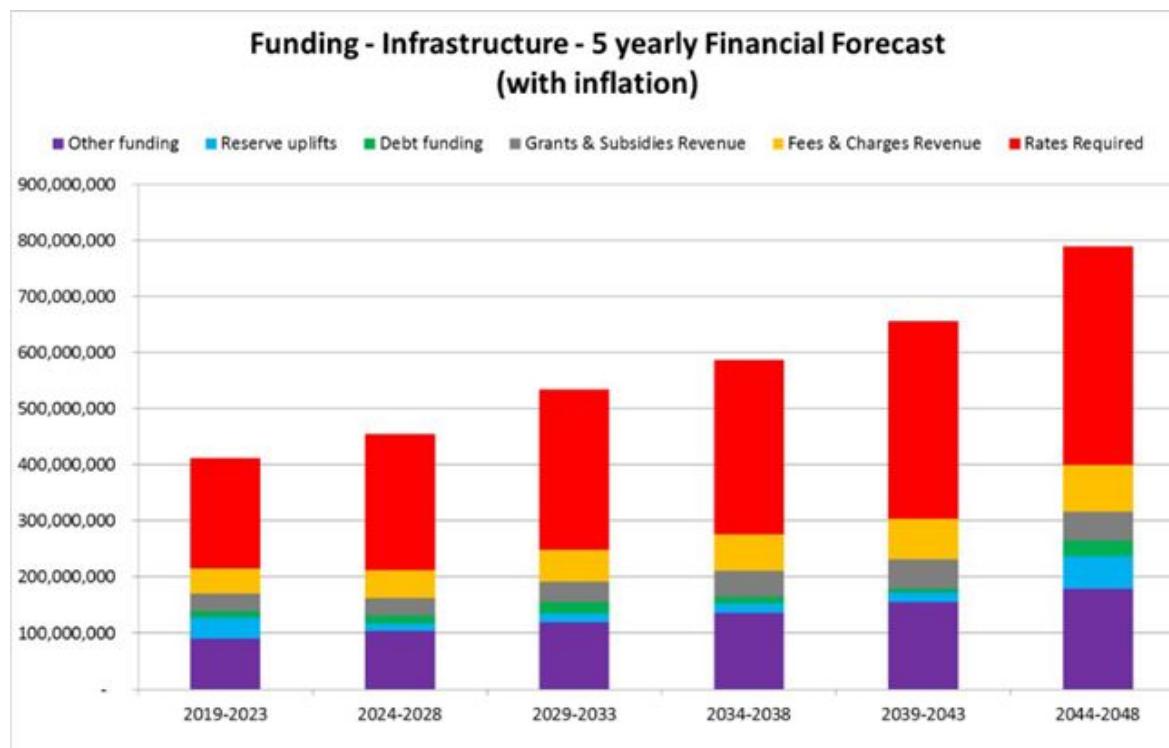
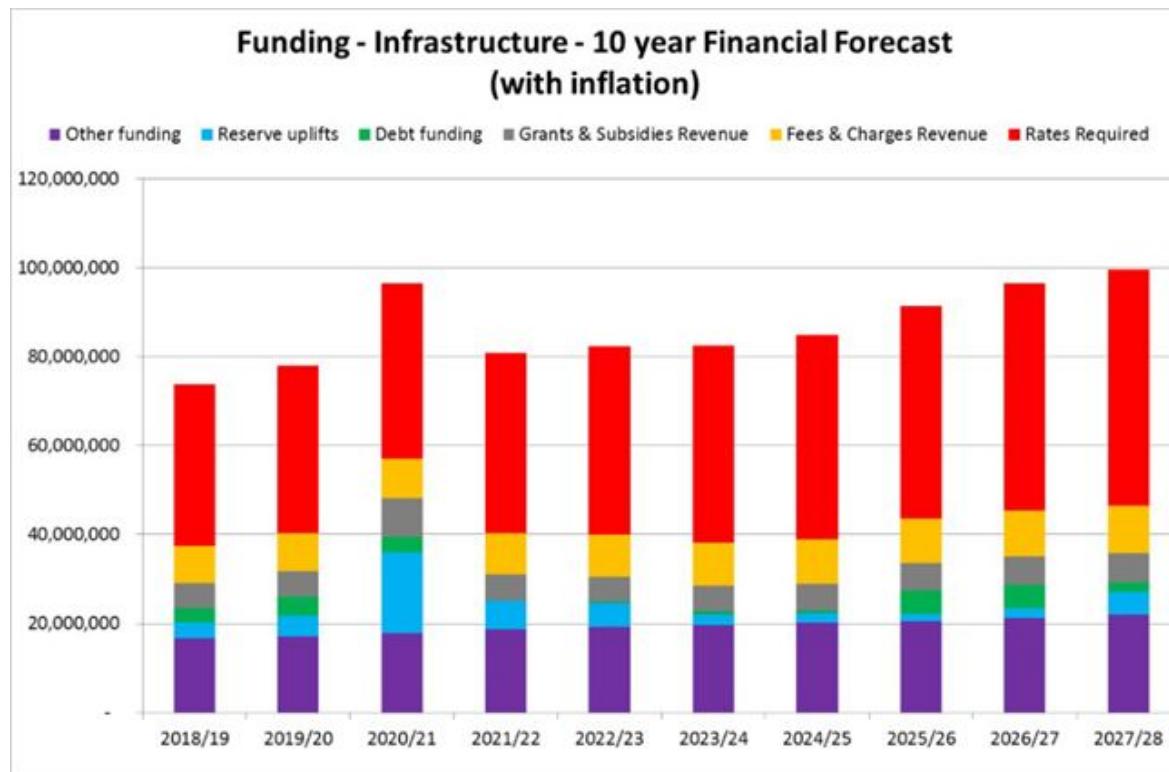


Total Expenditure – Infrastructure, by Asset Group 5 yearly financial forecast



Funding Forecast

The two graphs below (in detail for the first 10 years and then in five year blocks) show the total infrastructure funding anticipated (excluding Special Projects) over the next 30 years.



TO: COUNCIL
FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

SUPPORTING DOCUMENTS FOR LONG-TERM PLAN

Report Prepared by: Melissa Short – Manager, Strategy and Policy

SUMMARY

A number of supporting documents need to be adopted by Council for the Long-term Plan Consultation Document audit and engagement processes. This report covers two documents.

RECOMMENDATIONS

That the “Development of Maori Capacity to Contribute to Decision Making” and the “Significance and Engagement Policy-Summary” are adopted.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> These form part of the development of the Long-term Plan.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Public consultation occurs as part of the Long-term Plan process.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Not applicable.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

SUPPORTING INFORMATION

The draft Development of Maori Capacity to Contribute to Decision Making and the Significance and Engagement Policy-Summary are attached as **Appendix 1**. These documents need to be adopted as supporting documentation for the Consultation Document.

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 mō Ngā Uri Whakatupu* in place between the four Southland councils, three Otago councils, and the four Southland/Murihiku papatipu rūnanga. The Charter sets out the basis and conduct of the councils and rūnanga 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 rūnanga 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 rūnanga in Southland through Te Ao Marama and with Te Rūnanga o Ngāi Tahu, the iwi authority. This is essential for achieving the sustainable management of the natural resources within the Southland and Otago regions.

Significance and Engagement Policy - Summary

Council's Significance and Engagement Policy lets the Community know when and how they can expect to be engaged in Council's decision-making processes.

The final decision on a matter's significance rests with Council, but the following criteria are used in the assessment:

- ❖ Contribution to Community Outcomes or Key Projects
- ❖ Consistency with the Long-term Plan
- ❖ Net cost to Council
- ❖ Variation of options
- ❖ Reversibility
- ❖ Level of controversy
- ❖ Precautionary approach
- ❖ Impact on funders

Council's engagement with the Community can occur in a number of ways and at a number of different levels. Council has adapted the IAP2 Spectrum of Engagement for its use. The five levels of engagement are:

- 1) Inform
- 2) Consult
- 3) Involve
- 4) Collaborate
- 5) Empower

Council determines the most appropriate level for each community engagement process.

Council has determined to develop and implement an Engagement Strategy in 2018. As part of this process the Significance and Engagement Policy will be reviewed and opened for feedback from the Community.

A copy of the full Significance and Engagement Policy can be found on Council's website – www.icc.govt.nz.

TO: COUNCIL
FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

UNBALANCED BUDGET

Report Prepared by: Melissa Short – Strategy and Policy Manager
Dale Booth – Financial Manager

SUMMARY

Under the Local Government Act 2002, Council is required to set a balanced budget where operating revenue is equal to expenditure. Council may only operate an unbalanced budget where this can be shown to be financially prudent. Council intends to operate an unbalanced budget during the term of the Long-term Plan.

RECOMMENDATIONS

That the unbalanced budget proposed in the Draft Long-term Plan is considered by Council to be prudent in the circumstances of Council's current financial situation;

AND

That the Director of Finance and Corporate Services be authorised to include a statement within the Financial Strategy disclosing that there is an unbalanced budget and the reasons for it;

AND

That the Consultation Document include the statement contained within the body of this report to disclose the unbalanced budget and reasons for it.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> This forms part of the development of the Long-term plan.
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> The unbalanced budget is highlighted in the Financial Strategy that will be available as supporting information to the Consultation Document; it is also referenced in the Consultation Document, and open for submission during the Long-term Plan consultation process.

6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i>
	N/A

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

BALANCED BUDGET REQUIREMENT

Under the Local Government Act 2002, local authorities are required to set balanced budgets, where operating revenue is equal to expenditure. Council's may operate an unbalanced budget only where this can be shown to be financially prudent.

ASSESSMENT OF SECTION 100(2) OF THE LOCAL GOVERNMENT ACT

Section 100(2) of the Local Government Act 2002 (LGA) sets out the matters that Council must have regard to when determining that it is prudent to operate an unbalanced budget.

These matters are:

- (a) the estimated expense of achieving and maintaining the predicted levels of service provision set out in the Long-term Plan, including estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (b) the projected revenue available to fund the estimated expense associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under section 102.

The following paragraphs are the staff assessment of the matters included in section 100(2) as they relate to the unbalanced budget proposed.

The proposed Long-term Plan has set projected operating revenues for some years at levels less than would be required to meet projected operating costs (**Appendix 1**). This occurs in all years with the exception of 2021/22 and 2026/27 where operating surpluses are recorded. The key reason for the unbalanced budget deficits in these years is that the full cost of depreciation within the infrastructure areas of Council is not being fully met. Over the course of the ten year plan the gaps between depreciation and funding decreases. The Council moves towards 100% funding by the end of the Long-term Plan period. Council has decided that it is prudent to take this approach as it allows Council to achieve its long-term goal but in a way and pace that is affordable to our ratepayers.

In certain years the depreciation gap deficit is somewhat offset by the receiving of subsidies and grants for capital projects. This occurs in the 2019/20 and 2020/21 years with a grant being received for the Living Dinosaurs Experience project and for the new pool at Splash Palace. Both grants will be used for capital development rather than for operating expenditure, resulting in reduced deficits in those years. The 2021/22 year proposes a large grant (\$9.7 million) being received for the proposed new Art Centre, this results in a surplus being recorded in that year.

The 2022/23 and 2023/24 years again see deficits being recorded due to underfunding of depreciation, although the deficit is steadily decreasing. The 2024/25 year sees a large deficit due to Council paying a significant grant for the Regional Storage Facility. 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 \$8.5 million in one year.

The 2025/26 year sees a smaller deficit as the depreciation funding gap is now reducing. The 2027/28 year has a large deficit; this is due to the payment of a grant to the Southland Museum and Art Gallery Trust Board for the redevelopment of the Museum facility. The grant will be funded by a loan. As above, 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 \$10.8 million in one year.

ASSESSMENT OF SECTION 101 OF THE LOCAL GOVERNMENT ACT

Section 101 of the Local Government Act requires that Council manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

In all years the reason for not balancing the operating budget has been to keep projected rate increases within what Council considers to be reasonable levels to ensure that the increases are affordable for our Community.

Given Council's healthy financial position, and the detailed assessments and programming that have been made for expected infrastructure renewals, there is confidence that a high degree of financial sustainability will be retained on an ongoing basis. The Council is running a deficit in eight of the ten years, but as this mainly relates to non-cash depreciation, Council will still be in a position to meet all of its operating requirements.

The unbalanced budget is prudent financial management in Council's current financial state and best promotes the current and future interests of the community.

LONG TERM PLAN AND CONSULTATION DOCUMENT

Council must disclose the fact that the budget is not balanced and the reasons for the budget not being balanced within its Long-term Plan and also in the Consultation Document. Staff recommend using the text, included under "Assessment of Section 100(2) Local Government Act 2002" as part of the Financial Strategy as the means of including it within the Long-term Plan.

Staff further recommend that the following statement be included within the Consultation Document, under the Financial Strategy Summary:

The Council is required to develop budgets where income equals expenditure. Over the next ten years there will be eight years where we will not be achieving this.

We are doing this for three reasons:

1. *To manage the level of rates increases over the ten years by avoiding significant fluctuations.*
2. *To reflect the underfunding of infrastructure asset depreciation, particularly within the early years of the plan, with the goal being 100% funding of depreciation by 2028.*
- 3.. *To enable us to provide the \$8.5 million grant towards the capital development of a Regional Storage Facility in 2021/22 and the \$10.8 million grant to the Southland Museum and Art Gallery Trust for the redevelopment of the Southland Museum in 2027/28, both being funded by loans rather than rates.*

The Council is taking this approach because we are in a healthy financial position and we are confident that we are managing operating and capital expenditure to provide our community with the most cost effective solution.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

	Annual Plan		Long-Term Plan 2018 - 2028								
	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Revenue											
Rates revenue excluding targeted water supply rates	42,520	42,520	44,416	46,245	47,926	49,511	51,795	53,738	55,752	57,584	60,183
Rates revenue - targeted water supply rates	7,548	7,548	7,634	7,867	8,255	8,331	9,031	9,473	9,790	10,341	11,204
Fines	0	519	486	497	503	519	531	543	556	570	585
Subsidies and grants	0	7,344	7,721	10,308	10,660	17,610	7,680	7,723	7,430	7,589	7,818
Direct charges revenue	0	19,542	19,469	20,587	22,445	23,457	24,081	24,629	25,493	26,218	26,840
Rental revenue	0	2,453	3,044	3,137	3,208	3,281	3,358	3,436	3,519	3,605	3,696
Other revenue	37,132	2,465	2,295	2,462	1,862	1,898	1,958	1,974	2,014	2,058	2,104
Finance revenue	2,070	2,070	2,127	2,344	2,558	2,708	3,029	3,113	3,285	3,709	3,858
Dividends	0	5,850	5,850	6,000	6,200	6,450	6,725	7,000	7,275	7,550	7,875
Total revenue	89,270	90,311	93,042	99,447	103,622	113,846	107,844	111,545	114,942	118,800	124,014
Expenses											
Employee expenses	24,502	24,602	25,725	26,328	27,412	28,100	28,670	29,244	29,835	30,443	31,056
Depreciation and amortisation	22,081	22,081	27,058	27,804	28,935	30,409	31,077	31,843	32,552	33,357	34,273
Other expenses	40,878	41,450	40,656	41,354	41,935	42,920	44,461	45,987	54,999	47,877	49,679
Finance expenses	4,323	4,323	4,302	4,750	5,923	6,569	7,039	7,530	7,520	7,706	8,180
Total expenses	91,784	92,456	97,781	100,276	104,205	108,098	111,237	114,604	125,006	119,383	123,188
Surplus / (deficit) before tax	(2,514)	(2,145)	(4,739)	(529)	(533)	5,748	(3,393)	(3,059)	(10,064)	(583)	826
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Surplus / (deficit) after tax	(2,514)	(2,145)	(4,739)	(329)	(533)	5,748	(3,393)	(3,059)	(10,064)	(583)	826
Other comprehensive revenue and expense											
Property, plant and equipment revaluation gains / (losses)	0	0	46,112	0	0	44,706	0	0	79,408	0	0
Investment property revaluations - gain / (loss)	720	720	720	720	720	720	720	720	720	720	720
Total other comprehensive revenue & expense	720	42,093	(109)	137	51,174	(2,673)	(2,339)	(2,064)	70,064	137	1,546
Total comprehensive revenue & expense	(1,794)	(1,425)	(4,739)	(329)	(533)	5,748	(3,393)	(3,059)	(10,064)	(583)	826

* Annual Plan (Restated) 2017/18 represents the Annual Plan 2017/18 including adjustments for actuals from Annual report 2016/17 and large transactions which have occurred during the 2017/18 financial year, which are not included in Annual Plan 2017/18.

TO: COUNCIL
FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

VARIATIONS BETWEEN PLANS

Report Prepared by: Melissa Short – Manager, Strategy and Policy

SUMMARY

A number of supporting documents need to be adopted by Council for the Long-term Plan Consultation Document audit and engagement processes. This report covers two documents.

RECOMMENDATIONS

That the short statement on our Assessment of Water and Sanitary Services and Waste Management and Minimisation Plan be included in the supporting information for the Long-term Plan Consultation Document.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Forms part of the development of the Long-term Plan
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Available through the Long-term Plan process.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Not applicable.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

VARIATION BETWEEN PLANS

The Long-term Plan must identify and explain any significant variations between the proposals in the Long-term Plan and Council's Assessment of Water and Sanitary Services, and its Waste Management and Minimisation Plans. As our Assessment of Water and Sanitary Services and Waste Management and Minimisation Plan are being developed in conjunction with the Long-term Plan there are no significant variations to note.

Staff recommend including the following statement in the supporting information for the Long-term Plan Consultation Document:

No significant variations between Council's Long-term Plan and its Assessment of Water and Sanitary Services or Waste Management and Minimisation Plans have been identified. Council's Assessment of Water and Sanitary Services and Waste Management and Minimisation Plan are available to view on our website – www.icc.govt.nz.

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TO: COUNCIL
FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

DRAFT FINANCIAL PACK

Report Prepared by: Dale Booth – Financial Controller

SUMMARY

A draft financial pack has been prepared.

RECOMMENDATIONS

That the draft financials be adopted for audit purposes.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Forms part of the Long-term Plan
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> The public will have opportunity to make submissions on the budget as part of the Long-term Plan process.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Not applicable.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

FINANCIAL PACK

Attached as Appendix 1 are the draft financials for the Long-term Plan process. Audit NZ will be forming an opinion on these during its audit of our Consultation Document and supporting information.

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 (whole of council)

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028									
	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	6,477	6,924	7,375	7,263	7,558	7,997	8,084	8,580	9,022	8,973	9,345
Targeted rates	44,221	45,756	47,381	49,576	51,157	53,517	55,831	57,683	59,642	63,172	65,501
Subsidies and grants for operating purposes	3,514	4,172	4,177	4,072	4,052	4,052	4,083	3,685	3,768	3,866	3,970
Fees and charges	14,878	15,636	16,183	18,019	18,939	19,377	19,855	20,609	21,124	21,701	22,351
Interest and dividends from investments	7,920	7,977	8,344	8,758	9,039	9,433	10,029	10,388	10,835	11,584	12,058
Local authorities fuel tax, fines, infringement fees, and other receipts	9,100	9,028	9,856	9,346	9,543	9,840	10,023	10,252	10,588	10,766	11,039
Total operating funding (A)	86,110	89,493	93,316	97,034	100,288	104,216	107,905	111,197	114,979	120,062	124,264
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	65,381	66,421	67,723	69,389	71,063	73,175	75,276	84,880	78,367	80,783	93,252
Finance costs	4,322	4,302	4,790	5,923	6,669	7,029	7,530	7,520	7,706	8,180	8,229
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	69,703	70,723	72,513	75,312	77,732	80,204	82,806	92,400	86,073	88,963	101,481
Surplus (deficit) of operating funding (A - B)	16,407	18,770	20,803	21,722	22,556	24,012	25,099	18,797	28,906	31,099	22,783
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	3,160	3,549	6,131	6,588	13,558	3,628	3,640	3,745	3,821	3,952	4,026
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	414	508	5,558	17,561	5,012	927	(4,626)	4,874	(1,406)	(2,370)	3,750
Gross proceeds from sale of assets	156	318	193	194	271	160	145	271	168	174	280
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	3,730	4,375	11,882	24,343	18,841	4,715	(841)	8,890	2,583	1,756	8,056
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	377	438	6,545	8,004	13,470	132	167	183	111	290	197
- to improve the level of service	3,211	4,736	1,194	867	916	938	959	982	6,286	6,448	1,061
- to replace existing assets	18,457	17,387	25,466	36,329	25,751	25,581	21,027	24,104	21,697	22,817	28,923
Increase (decrease) in reserves	(2,399)	584	(520)	865	1,260	2,076	2,105	2,418	3,395	3,300	658
Increase (decrease) of investments	491	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	20,137	23,145	32,685	46,065	41,397	28,727	24,258	27,687	31,489	32,855	30,839
Surplus (deficit) of capital funding (C - D)	(16,407)	(18,770)	(20,803)	(21,722)	(22,556)	(24,012)	(25,099)	(18,797)	(28,906)	(31,099)	(22,783)
FUNDING BALANCE {(A - B) + (C - D)}	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	22,081	27,098	27,804	28,935	30,409	31,077	31,843	32,652	33,357	34,273	35,276

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for ROADING

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	368	345	347	330	337	345	353	372	415	460	509
Targeted rates	7,673	7,424	7,923	7,737	8,515	8,469	8,654	8,849	9,254	9,644	10,182
Subsidies and grants for operating purposes	2,203	2,183	2,146	2,145	2,130	2,139	2,146	2,198	2,254	2,311	2,373
Fees and charges	335	382	390	399	408	417	427	437	448	460	472
Internal charges and overheads recovered	336	276	284	292	301	310	319	327	335	344	353
Local authorities fuel tax, fines, infringement fees, and other receipts	978	1,079	1,130	1,157	1,186	1,214	1,289	1,318	1,352	1,388	1,426
Total operating funding (A)	11,893	11,689	12,220	12,060	12,877	12,894	13,188	13,501	14,058	14,607	15,315
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	6,658	6,512	6,574	6,711	6,997	7,218	7,368	7,499	7,752	7,933	8,101
Finance costs	172	136	130	117	98	80	75	64	55	50	73
Internal charges and overheads applied	336	276	284	292	301	310	319	327	335	344	353
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	7,166	6,924	6,988	7,120	7,396	7,608	7,762	7,890	8,142	8,327	8,527
Surplus (deficit) of operating funding (A - B)	4,727	4,765	5,232	4,940	5,481	5,286	5,426	5,611	5,916	6,280	6,788
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	3,160	3,499	3,594	3,455	3,858	3,628	3,640	3,745	3,821	3,952	4,026
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(565)	82	(587)	(321)	(374)	(238)	(187)	(175)	(134)	(143)	832
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	2,595	3,581	3,007	3,134	3,484	3,390	3,453	3,570	3,687	3,809	4,858
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	40	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	778	968	989	627	640	655	670	686	704	722	741
- to replace existing assets	6,384	7,356	7,019	7,216	8,197	7,806	7,994	8,191	8,366	8,635	9,876
Increase (decrease) in reserves	120	22	231	231	128	215	215	304	533	732	1,029
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	7,322	8,346	8,239	8,074	8,965	8,676	8,879	9,181	9,603	10,089	11,646
Surplus (deficit) of capital funding (C - D)	(4,727)	(4,765)	(5,232)	(4,940)	(5,481)	(5,286)	(5,426)	(5,611)	(5,916)	(6,280)	(6,788)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	9,938	9,708	9,921	10,139	10,362	10,601	10,845	11,105	11,383	11,678	11,994

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for SEWERAGE

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	5,609	5,848	6,023	6,521	6,580	7,202	7,554	7,625	7,889	8,132	8,436
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	675	675	690	705	721	737	754	772	791	811	834
Total operating funding (A)	6,284	6,523	6,713	7,226	7,301	7,939	8,308	8,397	8,680	8,943	9,270
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,129	3,141	3,208	3,278	3,350	3,441	3,727	3,586	3,673	3,765	3,864
Finance costs	343	198	181	434	622	760	823	741	667	622	486
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,472	3,339	3,389	3,712	3,972	4,201	4,550	4,327	4,340	4,387	4,350
Surplus (deficit) of operating funding (A - B)	2,812	3,184	3,324	3,514	3,329	3,738	3,758	4,070	4,340	4,556	4,920
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(655)	(595)	(586)	10,110	256	2,884	(967)	(1,086)	(994)	(1,207)	(1,711)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(655)	(595)	(586)	10,110	256	2,884	(967)	(1,086)	(994)	(1,207)	(1,711)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	2,157	1,500	2,322	15,129	3,585	6,622	2,791	2,984	3,346	3,349	3,209
Increase (decrease) in reserves	0	1,089	416	(1,505)	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	2,157	2,589	2,738	13,624	3,585	6,622	2,791	2,984	3,346	3,349	3,209
Surplus (deficit) of capital funding (C - D)	(2,812)	(3,184)	(3,324)	(3,514)	(3,329)	(3,738)	(3,758)	(4,070)	(4,340)	(4,556)	(4,920)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	2,357	3,616	3,696	3,777	3,860	3,948	4,039	4,136	4,239	4,350	4,467

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for SOLID WASTE MANAGEMENT

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	4,295	4,295	4,390	4,711	4,915	5,026	5,385	5,612	5,748	6,513	6,697
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	2,443	2,441	2,495	2,549	2,606	2,665	2,727	2,792	2,862	2,936	3,016
Internal charges and overheads recovered	1,762	1,762	1,801	1,840	1,881	1,924	1,968	2,016	2,066	2,289	2,351
Local authorities fuel tax, fines, infringement fees, and other receipts	69	60	61	63	64	66	67	69	70	72	74
Total operating funding (A)	8,569	8,558	8,747	9,163	9,466	9,681	10,147	10,489	10,746	11,810	12,138
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	6,707	6,736	6,885	7,261	7,421	7,592	8,012	8,205	8,410	9,249	9,500
Finance costs	0	0	0	0	0	0	0	0	0	0	9
Internal charges and overheads applied	1,762	1,762	1,801	1,840	1,881	1,924	1,968	2,016	2,066	2,289	2,351
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	8,469	8,498	8,686	9,101	9,302	9,516	9,980	10,221	10,476	11,538	11,860
Surplus (deficit) of operating funding (A - B)	100	60	61	62	164	165	167	268	270	272	278
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	281
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	281
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	100	100	102	104	107	109	112	114	117	120	2,595
Increase (decrease) in reserves	0	(40)	(41)	(42)	57	56	55	154	153	152	(2,036)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	100	60	61	62	164	165	167	268	270	272	559
Surplus (deficit) of capital funding (C - D)	(100)	(60)	(61)	(62)	(164)	(165)	(167)	(268)	(270)	(272)	(278)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	339	384	393	402	410	420	429	440	451	463	475

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for STORMWATER

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	3,489	4,040	4,286	4,519	4,401	4,933	5,407	5,919	6,402	6,883	7,404
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	(1)	0	0	0	0
Total operating funding (A)	3,489	4,040	4,286	4,519	4,401	4,933	5,406	5,919	6,402	6,883	7,404
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,460	1,694	1,730	1,769	1,808	1,849	1,891	1,937	1,984	2,034	2,088
Finance costs	47	103	108	173	278	333	427	444	442	451	395
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,507	1,797	1,838	1,942	2,086	2,182	2,318	2,381	2,426	2,485	2,483
Surplus (deficit) of operating funding (A - B)	1,982	2,243	2,448	2,577	2,315	2,751	3,088	3,538	3,976	4,398	4,921
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(32)	28	325	1,896	1,481	1,133	884	584	194	(120)	(429)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(32)	28	325	1,896	1,481	1,133	884	584	194	(120)	(429)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,471	171	205	240	276	283	289	296	304	311	320
- to replace existing assets	1,809	2,100	2,568	4,233	3,520	3,601	3,683	3,826	3,866	3,967	4,172
Increase (decrease) in reserves	(1,330)	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,950	2,271	2,773	4,473	3,796	3,884	3,972	4,122	4,170	4,278	4,492
Surplus (deficit) of capital funding (C - D)	(1,982)	(2,243)	(2,448)	(2,577)	(2,315)	(2,751)	(3,088)	(3,538)	(3,976)	(4,398)	(4,921)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	2,252	3,404	3,479	3,556	3,634	3,718	3,803	3,894	3,992	4,095	4,206

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for WATER SUPPLY

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028		2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING		2018/19 (\$000)	2019/20 (\$000)								
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	7,548	7,634	7,867	8,255	8,531	9,031	9,473	9,790	10,341	11,204	11,813
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,439	1,530	1,657	1,788	1,924	1,969	2,014	2,062	2,114	2,169	2,227
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	8,987	9,164	9,524	10,043	10,455	11,000	11,487	11,852	12,455	13,373	14,040
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	4,538	4,729	4,886	5,010	5,136	5,270	5,388	5,515	5,649	5,789	5,939
Finance costs	945	769	795	1,011	1,284	1,319	1,427	1,359	1,419	1,737	1,752
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	5,483	5,498	5,681	6,021	6,420	6,589	6,815	6,874	7,068	7,526	7,691
Surplus (deficit) of operating funding (A - B)	3,504	3,666	3,843	4,022	4,035	4,411	4,672	4,978	5,387	5,847	6,349
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(691)	(696)	1,307	2,090	2,572	(481)	(2,137)	(1,521)	2,704	2,559	(3,098)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(691)	(696)	1,307	2,090	2,572	(481)	(2,137)	(1,521)	2,704	2,559	(3,098)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	1,482	0	0	0	0	0	0	5,278	5,415	0
- to replace existing assets	3,013	2,248	5,873	6,112	6,607	3,930	2,535	3,457	2,813	2,991	3,251
Increase (decrease) in reserves	(200)	(760)	(723)	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	2,813	2,970	5,150	6,112	6,607	3,930	2,535	3,457	8,091	8,406	3,251
Surplus (deficit) of capital funding (C - D)	(3,504)	(3,666)	(3,843)	(4,022)	(4,035)	(4,411)	(4,672)	(4,978)	(5,387)	(5,847)	(6,349)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	3,231	3,880	3,966	4,053	4,142	4,237	4,335	4,439	4,550	4,668	4,794

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for DEVELOPMENT AND REGULATORY SERVICES

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028		2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING		2018/19 (\$000)	2019/20 (\$000)								
General rates, uniform annual general charge, rates penalties	2,219	2,271	2,408	2,456	2,548	2,595	2,694	2,657	2,746	2,744	2,792
Targeted rates	1,269	1,592	1,641	1,670	1,702	1,741	1,787	1,819	1,862	1,897	1,951
Subsidies and grants for operating purposes	70	0	0	0	0	0	0	0	0	0	0
Fees and charges	3,432	3,406	3,454	3,530	3,635	3,690	3,775	3,896	3,962	4,065	4,208
Internal charges and overheads recovered	205	1,163	1,186	1,210	1,235	1,260	1,285	1,312	1,339	1,367	1,395
Local authorities fuel tax, fines, infringement fees, and other receipts	1,340	1,297	1,328	1,363	1,390	1,420	1,460	1,491	1,526	1,573	1,610
Total operating funding (A)	8,535	9,729	10,017	10,229	10,510	10,706	11,001	11,175	11,435	11,646	11,956
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	8,147	8,505	8,693	8,827	9,044	9,183	9,439	9,588	9,856	10,045	10,312
Finance costs	32	23	21	19	16	11	8	4	1	0	0
Internal charges and overheads applied	205	1,163	1,186	1,210	1,235	1,260	1,285	1,312	1,339	1,367	1,395
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	8,384	9,691	9,900	10,056	10,295	10,454	10,732	10,904	11,196	11,412	11,707
Surplus (deficit) of operating funding (A - B)	151	38	117	173	215	252	269	271	239	234	249
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(56)	(63)	(66)	(69)	(73)	(77)	(74)	(70)	(19)	0	0
Gross proceeds from sale of assets	30	78	49	19	85	63	20	78	70	34	84
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(26)	15	(17)	(50)	12	(14)	(54)	8	51	34	84
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	92	269	134	64	279	213	85	253	219	113	279
Increase (decrease) in reserves	33	(216)	(34)	59	(52)	25	130	26	71	155	54
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	125	53	100	123	227	238	215	279	290	268	333
Surplus (deficit) of capital funding (C - D)	(151)	(38)	(117)	(173)	(215)	(252)	(269)	(271)	(239)	(234)	(249)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	115	65	131	140	124	185	197	168	215	229	210

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for COMMUNITY SERVICES

	Annual Plan 2017/18 (\$'000)	Long-Term Plan 2018 - 2028 2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	4,177	4,538	4,672	4,890	4,979	5,034	5,129	5,819	6,210	6,303	6,886
Targeted rates	14,102	14,721	15,045	15,951	16,139	16,578	17,014	17,512	17,588	18,323	18,442
Subsidies and grants for operating purposes	1,241	1,989	2,031	1,927	1,922	1,913	1,937	1,487	1,514	1,555	1,597
Fees and charges	5,721	5,939	6,206	6,345	6,857	7,012	7,169	7,549	7,727	7,911	8,107
Internal charges and overheads recovered	12,966	13,195	13,495	14,121	14,813	15,254	15,607	15,981	16,321	16,804	17,259
Local authorities fuel tax, fines, infringement fees, and other receipts	2,459	2,749	3,183	3,173	3,236	3,305	3,375	3,452	3,532	3,616	3,706
Total operating funding (A)	40,666	43,131	44,632	46,407	47,946	49,096	50,231	51,800	52,892	54,512	55,997
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	24,011	26,474	26,832	27,233	27,922	28,514	29,065	38,191	30,272	30,897	42,397
Finance costs	624	615	776	995	1,020	960	996	1,205	1,409	1,441	1,734
Internal charges and overheads applied	12,966	13,195	13,495	14,121	14,813	15,254	15,607	15,981	16,321	16,804	17,259
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	37,601	40,284	41,103	42,349	43,755	44,728	45,668	55,377	48,002	49,142	61,390
Surplus (deficit) of operating funding (A - B)	3,065	2,847	3,529	4,058	4,191	4,368	4,563	(3,577)	4,890	5,370	(5,393)
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	50	0	3,133	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(306)	2,199	2,892	2,197	(1,245)	(937)	(829)	7,950	(1,283)	(1,324)	10,233
Gross proceeds from sale of assets	52	56	57	58	59	61	62	63	65	67	69
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(254)	2,305	2,949	5,388	(1,186)	(876)	(767)	8,013	(1,218)	(1,257)	10,302
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	337	238	172	6,804	170	132	167	183	111	290	197
- to improve the level of service	149	2,115	0	0	0	0	0	0	0	0	0
- to replace existing assets	2,512	2,758	5,808	2,446	2,715	2,662	2,993	3,512	2,297	2,846	3,434
Increase (decrease) in reserves	(187)	41	498	196	120	698	636	741	1,264	977	1,278
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	2,811	5,152	6,478	9,446	3,005	3,492	3,796	4,436	3,672	4,113	4,909
Surplus (deficit) of capital funding (C - D)	(3,065)	(2,847)	(3,529)	(4,058)	(4,191)	(4,368)	(4,563)	3,577	(4,890)	(5,370)	5,393
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	3,136	5,213	5,285	5,514	6,176	6,233	6,453	6,694	6,775	7,038	7,326

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for OTHER GRANTS

	Annual Plan 2017/18 (\$'000)	Long-Term Plan 2018 - 2028 2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	2,343	2,561	2,629	2,679	2,704	2,728	2,759	3,002	3,031	3,067	3,580
Targeted rates	252	252	253	255	256	257	258	260	261	263	264
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	165	135	138	141	144	147	151	154	158	162	167
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	(1)	0	0	0	1	0	0
Total operating funding (A)	2,760	2,948	3,020	3,075	3,103	3,132	3,168	3,416	3,451	3,492	4,011
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,479	3,228	2,906	2,687	2,712	2,736	2,762	3,006	3,036	3,067	13,906
Finance costs	102	96	118	131	124	118	121	113	104	103	441
Internal charges and overheads applied	165	135	138	141	144	147	151	154	158	162	167
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,746	3,459	3,162	2,959	2,980	3,001	3,034	3,273	3,298	3,332	14,514
Surplus (deficit) of operating funding (A - B)	14	(511)	(142)	116	123	131	134	143	153	160	(10,503)
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(86)	516	147	(112)	(118)	(125)	(129)	(137)	(146)	(154)	10,511
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(86)	516	147	(112)	(118)	(125)	(129)	(137)	(146)	(154)	10,511
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	34	0	0	0	8	0	115	0	0
Increase (decrease) in reserves	(72)	5	(29)	4	5	6	5	(2)	7	(109)	8
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(72)	5	5	4	5	6	5	6	7	6	8
Surplus (deficit) of capital funding (C - D)	(14)	511	142	(116)	(123)	(131)	(134)	(143)	(153)	(160)	10,503
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	14	35	35	36	37	38	39	40	41	42	43

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for SOUTHLAND REGIONAL HERITAGE COMMITTEE

	Annual Plan		Long-Term Plan 2018 - 2028								
	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	368	740	769	769
Targeted rates	866	885	902	944	962	981	1,001	1,021	1,044	1,067	1,093
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	332	578	559	492	500	508	516	526	535	545	556
Total operating funding (A)	1,198	1,463	1,461	1,436	1,462	1,489	1,517	1,915	2,319	2,381	2,418
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,198	1,463	1,461	1,436	1,462	1,489	1,517	10,127	1,579	1,613	1,649
Finance costs	0	0	0	0	0	0	0	254	502	528	513
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,198	1,463	1,461	1,436	1,462	1,489	1,517	10,381	2,081	2,141	2,162
Surplus (deficit) of operating funding (A - B)	0	0	0	0	0	0	0	(8,466)	238	240	256
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	8,466	(238)	(240)	(256)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	8,466	(238)	(240)	(256)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding (C - D)	0	0	0	0	0	0	0	8,466	(238)	(240)	(256)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	0	0	0	0	0	0	0	0

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for COMMUNITY DEVELOPMENT

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028									
		2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	309	314	336	343	347	354	366	373	379	387	402
Targeted rates	120	124	127	129	132	135	138	140	144	147	150
Subsidies and grants for operating purposes	0	35	25	25	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	2	3	3	3	3	3	3	3	3	3	3
Total operating funding (A)	431	476	491	500	482	492	507	516	526	537	555
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	421	468	478	488	472	482	491	502	514	525	537
Finance costs	5	4	4	5	4	4	4	4	4	4	3
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	426	472	482	493	476	486	495	506	518	529	540
Surplus (deficit) of operating funding (A - B)	5	4	9	7	6	6	12	10	8	8	15
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(6)	(6)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(6)	(6)	(6)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	15	0	0	0	16	0	0	0	18	0
Increase (decrease) in reserves	1	(15)	5	3	2	(15)	7	5	3	(16)	9
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1	0	5	3	2	1	7	5	3	2	9
Surplus (deficit) of capital funding (C - D)	(5)	(4)	(9)	(7)	(6)	(6)	(12)	(10)	(8)	(8)	(15)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	1	0	5	3	2	2	7	5	3	2	9

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for HOUSING CARE SERVICES

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,022	1,121	1,171	1,199	1,228	1,257	1,288	1,318	1,350	1,382	1,416
Internal charges and overheads recovered	775	791	808	826	844	863	883	905	927	951	977
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	1,797	1,912	1,979	2,025	2,072	2,120	2,171	2,223	2,277	2,333	2,393
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	838	878	889	908	930	950	972	995	1,021	1,045	1,075
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	775	791	808	826	844	863	883	905	927	951	977
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,613	1,669	1,697	1,734	1,774	1,813	1,855	1,900	1,948	1,996	2,052
Surplus (deficit) of operating funding (A - B)	184	243	282	291	298	307	316	323	329	337	341
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	19	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	20	198	128	326	96	126	214	109	47	54	105
Increase (decrease) in reserves	145	45	154	(35)	202	181	102	214	282	283	236
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	184	243	282	291	298	307	316	323	329	337	341
Surplus (deficit) of capital funding (C - D)	(184)	(243)	(282)	(291)	(298)	(307)	(316)	(323)	(329)	(337)	(341)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	293	1,159	1,184	1,211	1,237	1,266	1,295	1,326	1,359	1,394	1,432

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for LIBRARIES AND ARCHIVES

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	4,035	4,162	4,249	4,333	4,424	4,519	4,615	4,717	4,822	4,931	5,046
Subsidies and grants for operating purposes	5	5	5	5	5	5	5	5	5	6	6
Fees and charges	151	146	149	152	156	160	163	167	172	176	181
Internal charges and overheads recovered	751	820	838	856	875	895	916	938	961	986	1,013
Local authorities fuel tax, fines, infringement fees, and other receipts	31	31	32	33	34	34	35	36	37	38	39
Total operating funding (A)	4,973	5,164	5,273	5,379	5,494	5,613	5,734	5,863	5,997	6,137	6,285
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,375	3,453	3,524	3,598	3,672	3,750	3,829	3,911	3,997	4,085	4,177
Finance costs	147	127	127	131	123	114	114	103	92	86	103
Internal charges and overheads applied	751	820	838	856	875	895	916	938	961	986	1,013
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	4,273	4,400	4,489	4,585	4,670	4,759	4,859	4,952	5,050	5,157	5,293
Surplus (deficit) of operating funding (A - B)	700	764	784	794	824	854	875	911	947	980	992
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(108)	(142)	(147)	(150)	(159)	(168)	(175)	(186)	(197)	(210)	713
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(108)	(142)	(147)	(150)	(159)	(168)	(175)	(186)	(197)	(210)	713
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	72	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	441	735	485	448	788	690	479	634	503	516	1,609
Increase (decrease) in reserves	79	(113)	152	196	(123)	(4)	221	91	247	254	96
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	592	622	637	644	665	686	700	725	750	770	1,705
Surplus (deficit) of capital funding (C - D)	(700)	(764)	(784)	(794)	(824)	(854)	(875)	(911)	(947)	(980)	(992)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	1,109	1,144	1,133	1,218	1,308	1,253	1,351	1,456	1,398	1,514	1,639

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for PARKS AND RESERVES

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028		2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING		2018/19 (\$000)	2019/20 (\$000)								
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	6,182	6,350	6,440	6,960	6,905	6,980	7,229	7,513	7,347	7,823	7,698
Subsidies and grants for operating purposes	10	9	10	10	10	10	11	11	11	11	12
Fees and charges	1,052	1,071	1,095	1,119	1,143	1,170	1,197	1,225	1,256	1,289	1,323
Internal charges and overheads recovered	8,138	8,179	8,359	8,543	8,730	8,931	9,137	9,356	9,590	9,839	10,105
Local authorities fuel tax, fines, infringement fees, and other receipts	1,095	1,087	1,111	1,136	1,161	1,187	1,215	1,244	1,275	1,308	1,343
Total operating funding (A)	16,477	16,696	17,015	17,768	17,949	18,278	18,789	19,349	19,479	20,270	20,481
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	7,226	7,247	7,354	7,554	7,713	7,877	8,047	8,222	8,405	8,593	8,791
Finance costs	25	19	59	113	113	108	122	125	116	115	106
Internal charges and overheads applied	8,138	8,179	8,359	8,543	8,730	8,931	9,137	9,356	9,590	9,839	10,105
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	15,389	15,445	15,772	16,210	16,556	16,916	17,306	17,703	18,111	18,547	19,002
Surplus (deficit) of operating funding (A - B)	1,088	1,251	1,243	1,558	1,393	1,362	1,483	1,646	1,368	1,723	1,479
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(82)	(83)	1,642	111	(94)	(99)	232	(145)	(154)	(151)	(157)
Gross proceeds from sale of assets	52	56	57	58	59	61	62	63	65	67	69
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(30)	(27)	1,699	169	(35)	(38)	294	(82)	(89)	(84)	(88)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	238	172	537	170	132	167	183	111	290	197
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	1,527	1,119	2,755	1,495	1,567	1,292	1,476	1,412	1,566	1,387	1,189
Increase (decrease) in reserves	(469)	(133)	15	(305)	(379)	(100)	134	(31)	(398)	(38)	5
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,058	1,224	2,942	1,727	1,358	1,324	1,777	1,564	1,279	1,639	1,391
Surplus (deficit) of capital funding (C - D)	(1,088)	(1,251)	(1,243)	(1,558)	(1,393)	(1,362)	(1,483)	(1,646)	(1,368)	(1,723)	(1,479)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	770	1,051	1,066	1,138	1,162	1,190	1,220	1,261	1,305	1,348	1,392

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for PASSENGER TRANSPORT

	Annual Plan 2017/18 (\$'000)	Long-Term Plan 2018 - 2028 2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	216	237	239	249	260	246	258	296	303	278	285
Targeted rates	464	515	691	686	617	700	702	722	761	750	771
Subsidies and grants for operating purposes	1,051	1,308	1,346	1,227	1,232	1,208	1,215	1,240	1,262	1,295	1,330
Fees and charges	287	278	272	279	286	293	300	307	315	323	332
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	48	48	49	50	51	52	54	55	56	58	59
Total operating funding (A)	2,066	2,386	2,597	2,491	2,446	2,499	2,529	2,620	2,697	2,704	2,777
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,041	2,320	2,216	2,389	2,342	2,423	2,451	2,508	2,600	2,638	2,709
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,041	2,320	2,216	2,389	2,342	2,423	2,451	2,508	2,600	2,638	2,709
Surplus (deficit) of operating funding (A - B)	25	66	381	102	104	76	78	112	97	66	68
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	25	126	381	102	104	76	78	112	97	66	68
Increase (decrease) in reserves	0	(60)	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	25	66	381	102	104	76	78	112	97	66	68
Surplus (deficit) of capital funding (C - D)	(25)	(66)	(381)	{102}	(104)	(76)	(78)	{112}	(97)	(66)	(68)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	34	30	30	31	32	32	33	34	35	36	37

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for POOLS

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,183	2,433	2,383	2,644	2,843	3,006	3,071	3,139	3,209	3,342	3,420
Subsidies and grants for operating purposes	135	158	161	165	169	173	177	181	185	190	195
Fees and charges	829	825	946	966	1,361	1,393	1,425	1,459	1,495	1,534	1,576
Internal charges and overheads recovered	1,812	1,867	1,908	2,161	2,576	2,737	2,800	2,867	2,939	3,075	3,158
Local authorities fuel tax, fines, infringement fees, and other receipts	791	993	1,011	1,032	1,052	1,074	1,095	1,120	1,145	1,172	1,200
Total operating funding (A)	5,750	6,276	6,409	6,968	8,001	8,383	8,568	8,766	8,973	9,313	9,549
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,483	3,761	3,839	3,918	4,273	4,366	4,459	4,559	4,660	4,767	4,880
Finance costs	160	207	285	401	471	462	500	486	467	479	450
Internal charges and overheads applied	1,812	1,867	1,908	2,161	2,576	2,737	2,800	2,867	2,939	3,075	3,158
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	5,455	5,835	6,032	6,480	7,320	7,565	7,759	7,912	8,066	8,321	8,488
Surplus (deficit) of operating funding (A - B)	295	441	377	488	681	818	809	854	907	992	1,061
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	50	0	3,133	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	94	2,342	307	2,862	(332)	28	(195)	(231)	(419)	(436)	(457)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	94	2,392	307	5,995	(332)	28	(195)	(231)	(419)	(436)	(457)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	212	0	0	6,267	0	0	0	0	0	0	0
- to improve the level of service	21	2,115	0	0	0	0	0	0	0	0	0
- to replace existing assets	42	523	555	31	106	416	688	201	35	623	361
Increase (decrease) in reserves	114	195	129	185	243	430	(74)	422	453	(67)	243
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	389	2,833	684	6,483	349	846	614	623	488	556	604
Surplus (deficit) of capital funding (C - D)	(295)	(441)	(377)	(488)	(681)	(818)	(809)	(854)	(907)	(992)	(1,061)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	477	1,192	1,218	1,245	1,754	1,794	1,835	1,879	1,926	1,976	2,030

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INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for PUBLIC TOILETS

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	343	386	395	404	411	420	431	433	436	447	459
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	343	386	395	404	411	420	431	433	436	447	459
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	279	311	319	326	333	341	349	357	365	375	386
Finance costs	16	20	19	20	18	16	16	14	13	12	10
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	295	331	338	346	351	357	365	371	378	387	396
Surplus (deficit) of operating funding (A - B)	48	55	57	58	60	63	66	62	58	60	63
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	104	(26)	(27)	(28)	(29)	(31)	(33)	(29)	(24)	(25)	(27)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	104	(26)	(27)	(28)	(29)	(31)	(33)	(29)	(24)	(25)	(27)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	125	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	57	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(30)	29	30	30	31	32	33	33	34	35	36
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	152	29	30	30	31	32	33	33	34	35	36
Surplus (deficit) of capital funding (C - D)	(48)	(55)	(57)	(58)	(60)	(63)	(66)	(62)	(58)	(60)	(63)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	24	28	28	29	30	30	31	32	33	34	34

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for THEATRE SERVICES

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	966	1,040	1,073	1,215	1,257	1,286	1,315	1,347	1,321	1,355	1,391
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	920	998	1,030	1,171	1,212	1,239	1,268	1,298	1,271	1,304	1,339
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	1,886	2,038	2,103	2,386	2,469	2,525	2,583	2,645	2,592	2,659	2,730
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	357	408	416	426	436	446	456	467	479	491	504
Finance costs	169	142	164	194	167	138	119	106	111	114	108
Internal charges and overheads applied	920	998	1,030	1,171	1,212	1,239	1,268	1,298	1,271	1,304	1,339
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,446	1,548	1,610	1,791	1,815	1,823	1,843	1,871	1,861	1,909	1,951
Surplus (deficit) of operating funding (A - B)	440	490	493	595	654	702	740	774	731	750	779
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(224)	(404)	974	(482)	(509)	(537)	(524)	217	(100)	(102)	(88)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(224)	(404)	974	(482)	(509)	(537)	(524)	217	(100)	(102)	(88)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure:											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	213	20	1,437	21	31	22	22	1,011	23	41	62
Increase (decrease) in reserves	3	66	30	92	114	143	194	(20)	608	607	629
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	216	86	1,467	113	145	165	216	991	631	648	691
Surplus (deficit) of capital funding (C - D)	(440)	(490)	(493)	(595)	(654)	(702)	(740)	(774)	(731)	(750)	(779)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	399	553	565	578	590	604	618	633	648	665	683

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for CORPORATE SERVICES

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	4,528	4,805	5,168	5,313	5,360	5,448	5,597	5,635	5,734	5,883	5,934
Targeted rates	72	73	74	75	75	76	77	78	79	80	80
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,052	1,510	1,543	1,574	1,602	1,638	1,676	1,716	1,759	1,805	1,854
Internal charges and overheads recovered	670	738	752	764	777	793	807	822	841	857	874
Local authorities fuel tax, fines, infringement fees, and other receipts	2,223	1,833	2,018	1,491	1,521	1,553	1,587	1,622	1,658	1,699	1,740
Total operating funding (A)	8,545	8,959	9,555	9,217	9,335	9,508	9,744	9,873	10,071	10,324	10,482
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	7,309	6,992	7,344	7,165	7,076	7,214	7,607	7,516	7,671	8,102	8,017
Finance costs	938	1,002	1,039	1,121	1,098	1,075	1,150	1,122	1,099	1,164	1,139
Internal charges and overheads applied	670	738	752	764	777	793	807	822	841	857	874
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	8,917	8,732	9,135	9,050	8,951	9,082	9,564	9,460	9,611	10,123	10,030
Surplus (deficit) of operating funding (A - B)	(372)	227	420	167	384	426	180	413	460	201	452
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	(250)	(410)	(410)	(410)	(410)	(410)	(410)	(410)	(410)	(410)
Gross proceeds from sale of assets	0	33	0	16	35	0	17	38	0	18	41
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	(217)	(410)	(394)	(375)	(410)	(393)	(372)	(410)	(392)	(369)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	100	175	97	235	186	82	140	200	88	150	216
Increase (decrease) in reserves	(472)	(165)	(87)	(462)	(177)	(66)	(353)	(159)	(38)	(341)	(133)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(372)	10	10	(227)	9	16	(213)	41	50	(191)	83
Surplus (deficit) of capital funding (C - D)	372	(227)	(420)	(167)	(384)	(426)	(180)	(413)	(460)	(201)	(452)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	118	80	104	89	96	120	101	107	135	113	120

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for DEMOCRATIC PROCESS

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	3,052	3,273	3,364	3,459	3,503	3,598	3,699	3,746	3,851	3,960	4,018
Targeted rates	72	73	74	75	75	76	77	78	79	80	80
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	645	673	686	697	709	724	737	751	769	784	800
Local authorities fuel tax, fines, infringement fees, and other receipts	8	8	8	8	8	9	9	9	9	10	10
Total operating funding (A)	3,777	4,027	4,132	4,239	4,295	4,407	4,522	4,584	4,708	4,834	4,908
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,103	3,257	3,324	3,623	3,466	3,538	3,859	3,693	3,771	4,119	3,947
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	645	673	686	697	709	724	737	751	769	784	800
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,748	3,930	4,010	4,320	4,175	4,262	4,596	4,444	4,540	4,903	4,747
Surplus (deficit) of operating funding (A - B)	29	97	122	(81)	120	145	(74)	140	168	(69)	161
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	33	0	16	35	0	17	38	0	18	41
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	33	0	16	35	0	17	38	0	18	41
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	50	125	26	78	133	27	84	143	29	90	154
Increase (decrease) in reserves	(21)	5	96	(143)	22	118	(141)	35	139	(141)	48
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	29	130	122	(65)	155	145	(57)	178	168	(51)	202
Surplus (deficit) of capital funding (C - D)	(29)	(97)	(122)	81	(120)	(145)	74	(140)	(168)	69	(161)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	94	59	82	67	73	97	77	83	110	87	94

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for ENTERPRISE

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	1,805	1,958	2,059	2,110	2,147	2,184	2,223	2,264	2,307	2,351	2,399
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,349	893	1,058	510	519	527	537	547	557	568	579
Total operating funding (A)	3,154	2,851	3,117	2,620	2,666	2,711	2,760	2,811	2,864	2,919	2,978
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,154	2,851	3,117	2,620	2,666	2,711	2,760	2,811	2,864	2,919	2,978
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,154	2,851	3,117	2,620	2,666	2,711	2,760	2,811	2,864	2,919	2,978
Surplus (deficit) of operating funding (A - B)	0	0	0	0	0	0	0	0	0	0	0
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding (C - D)	0	0	0	0	0	0	0	0	0	0	0
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	0	0	0	0	0	0	0	0

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for INVESTMENT PROPERTY

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028 2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	(329)	(426)	(255)	(256)	(290)	(334)	(325)	(375)	(424)	(428)	(483)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,052	1,510	1,543	1,574	1,602	1,638	1,676	1,716	1,759	1,805	1,854
Internal charges and overheads recovered	25	65	66	67	68	69	70	71	72	73	74
Local authorities fuel tax, fines, infringement fees, and other receipts	866	932	952	973	994	1,017	1,041	1,066	1,092	1,121	1,151
Total operating funding (A)	1,614	2,081	2,306	2,358	2,374	2,390	2,462	2,478	2,499	2,571	2,596
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,052	884	903	922	944	965	988	1,012	1,036	1,064	1,092
Finance costs	938	1,002	1,039	1,121	1,098	1,075	1,150	1,122	1,099	1,164	1,139
Internal charges and overheads applied	25	65	66	67	68	69	70	71	72	73	74
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,015	1,951	2,008	2,110	2,110	2,109	2,208	2,205	2,207	2,301	2,305
Surplus (deficit) of operating funding (A - B)	(401)	130	298	248	264	281	254	273	292	270	291
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	(250)	(410)	(410)	(410)	(410)	(410)	(410)	(410)	(410)	(410)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	(250)	(410)								
APPLICATION OF CAPITAL FUNDING											
Capital expenditure:											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	50	50	71	157	53	55	56	57	59	60	62
Increase (decrease) in reserves	(451)	(170)	(183)	(319)	(199)	(184)	(212)	(194)	(177)	(200)	(181)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(401)	(120)	(112)	(162)	(146)	(129)	(156)	(137)	(118)	(140)	(119)
Surplus (deficit) of capital funding (C - D)	401	(130)	(298)	(248)	(264)	(281)	(254)	(273)	(292)	(270)	(291)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	24	21	22	22	23	23	24	24	25	26	26

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for CITY CENTRE REVITALISATION

	Annual Plan 2017/18 (\$'000)	Long-Term Plan 2018 - 2028 2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	164	129	132	137	299	461	480	479	479	496	496
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	164	129	132	137	299	461	480	479	479	496	496
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	10	0	(1)	(1)	0	0	1	0	0	0	0
Finance costs	94	78	80	85	188	288	304	293	282	292	279
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	104	78	79	84	188	288	305	293	282	292	279
Surplus (deficit) of operating funding (A - B)	60	51	53	53	111	173	175	186	197	204	217
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,164	(51)	(53)	(53)	(111)	(173)	(175)	(186)	(197)	(204)	(217)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	1,164	(51)	(53)	(53)	(111)	(173)	(175)	(186)	(197)	(204)	(217)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	1,224	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,224	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding (C - D)	(60)	(51)	(53)	(53)	(111)	(173)	(175)	(186)	(197)	(204)	(217)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	0	0	0	0	0	0	0	0	0	0	0

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

INVERCARGILL CITY COUNCIL: Funding impact statement for 2018 - 2028 for INVERCARGILL DEVELOPMENT STRATEGY

	Annual Plan 2017/18 (\$000)	Long-Term Plan 2018 - 2028		2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
SOURCES OF OPERATING FUNDING		2018/19 (\$000)	2019/20 (\$000)								
General rates, uniform annual general charge, rates penalties	0	168	367	238	528	999	998	1,047	1,095	1,081	1,035
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	1,387	1,450	1,518	1,589	1,667	1,750	1,840	1,938
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	0	168	367	1,625	1,978	2,517	2,587	2,714	2,845	2,921	2,973
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	500	160	200	1,117	1,272	1,662	1,703	1,747	1,793	1,841	1,893
Finance costs	0	5	105	245	361	439	455	448	436	432	389
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	500	165	305	1,362	1,633	2,101	2,158	2,195	2,229	2,273	2,282
Surplus (deficit) of operating funding (A - B)	(500)	3	62	263	345	416	429	519	616	648	691
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	2,537	0	9,700	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	197	3,774	937	3,255	(416)	(429)	210	(616)	(648)	(691)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	197	6,311	937	12,955	(416)	(429)	210	(616)	(648)	(691)
APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	200	6,373	1,200	13,300	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	729	0	0	0
Increase (decrease) in reserves	(500)	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(500)	200	6,373	1,200	13,300	0	0	729	0	0	0
Surplus (deficit) of capital funding (C - D)	500	(3)	(62)	(263)	(345)	(416)	(429)	(519)	(616)	(648)	(691)
FUNDING BALANCE ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Depreciation expense (not included in the above FIS)	0	4	31	407	700	716	733	750	635	651	669

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	Annual Plan:		Annual Plan (Restated)*		Long-Term Plan 2018 - 2028									
	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28		
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)		
ASSETS														
Cash and cash equivalents	8,385	1,330	1,175	1,094	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	
Trade and other receivables	12,556	7,045	7,045	7,199	7,359	7,520	7,693	7,872	8,063	8,261	8,477	8,706		
Inventories	676	753	753	770	786	804	822	841	861	883	906	930		
Other financial assets	20,275	27,508	28,166	27,717	28,593	29,853	31,930	34,033	36,449	39,847	43,146	43,805		
Current assets	41,892	36,636	37,139	36,780	37,821	39,260	41,528	43,829	46,456	50,074	53,612	54,524		
Property, plant and equipment	711,838	800,257	841,514	848,389	864,355	922,432	917,846	908,011	979,765	974,334	969,442	1,057,541		
Intangible assets	837	910	910	910	910	910	910	910	910	910	910	910		
Forestry assets	3,093	3,626	3,626	3,626	3,626	3,626	3,626	3,626	3,626	3,626	3,626	3,626		
Investment property	39,829	38,397	39,117	39,837	40,662	41,382	42,102	42,822	43,542	44,262	44,982	45,702		
Investment in CCO's and similar entities	36,069	36,069	36,069	36,069	36,069	36,069	36,069	36,069	36,069	36,069	36,069	36,069		
Other financial assets - other investments	28,254	34,463	34,544	34,555	34,555	34,555	34,555	34,555	34,555	34,555	34,555	34,555		
Non-current assets	819,920	913,722	955,780	963,386	980,177	1,038,974	1,035,108	1,025,993	1,098,467	1,093,756	1,089,584	1,178,403		
TOTAL ASSETS	861,812	950,358	992,919	1,000,166	1,017,998	1,078,234	1,076,636	1,069,822	1,144,923	1,143,830	1,143,196	1,232,927		
LIABILITIES														
Trade and other payables	9,608	10,143	10,143	10,238	10,336	10,436	10,547	10,660	10,785	10,923	11,073	11,237		
Provisions	149	40	41	42	43	44	45	46	47	48	49	51		
Employee benefit liabilities	2,497	2,578	2,578	2,630	2,682	2,736	2,791	2,846	2,903	2,961	3,021	3,081		
Borrowings	3,842	49,249	49,757	56,982	74,543	83,469	84,396	79,770	84,644	83,238	80,868	84,618		
Derivative financial instruments	11	188	188	188	188	188	188	188	188	188	188	188		
Current liabilities	16,107	62,198	62,707	70,080	87,792	96,873	97,967	93,510	98,567	97,358	95,199	99,175		
Provisions	646	848	807	765	723	679	634	589	542	493	444	393		
Employment benefit liabilities	1,238	1,231	1,231	1,256	1,281	1,306	1,332	1,359	1,386	1,414	1,442	1,471		
Borrowings	101,922	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500		
Derivative financial instruments	1,111	521	521	521	521	521	521	521	521	521	521	521		
Non-current liabilities	104,917	53,100	53,059	53,042	53,025	53,006	52,987	52,969	52,949	52,928	52,907	52,885		
TOTAL LIABILITIES	121,024	115,298	115,766	123,122	140,817	149,879	150,954	146,479	151,516	150,286	148,106	152,060		
Retained earnings	396,521	396,500	391,897	392,307	391,579	396,787	392,037	387,595	375,835	372,575	370,822	362,466		
Restricted reserves	22,560	27,300	27,884	27,365	28,230	29,490	31,567	33,670	36,086	39,483	42,782	43,441		
Hedging reserves	(1,122)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)		
Carbon credit revaluation reserves	0	335	335	335	335	335	335	335	335	335	335	335		
Asset revaluation reserves	322,829	411,426	457,538	457,538	457,538	502,244	502,244	502,244	581,652	581,652	581,652	675,126		
TOTAL EQUITY	740,788	835,060	877,153	877,044	877,181	928,355	925,682	923,343	993,407	993,544	995,090	1,080,867		
TOTAL LIABILITIES AND EQUITY	861,812	950,358	992,919	1,000,166	1,017,998	1,078,234	1,076,636	1,069,822	1,144,923	1,143,830	1,143,196	1,232,927		

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Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

	Annual Plan		Annual Plan [Restated]*		Long-Term Plan 2018 - 2028																			
	2017/18		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2025/26		2026/27		2027/28	
	(\$'000)		(\$'000)		(\$'000)		(\$'000)		(\$'000)		(\$'000)		(\$'000)		(\$'000)		(\$'000)		(\$'000)		(\$'000)			
Revenue																								
Rates revenue excluding targeted water supply rates	42,520	42,520	44,416	46,245	47,926	49,511	51,795	53,738	55,752	57,584	60,183	62,255												
Rates revenue - targeted water supply rates	7,548	7,548	7,634	7,867	8,255	8,531	9,031	9,473	9,790	10,341	11,204	11,813												
Fines	0	519	486	497	508	519	531	543	556	570	585	601												
Subsidies and grants	0	7,344	7,721	10,308	10,660	17,610	7,680	7,723	7,430	7,589	7,818	7,996												
Direct charges revenue	0	19,542	19,469	20,587	22,445	23,457	24,081	24,629	25,493	26,218	26,840	27,622												
Rental revenue	0	2,453	3,044	3,137	3,208	3,281	3,358	3,436	3,519	3,605	3,696	3,792												
Other revenue	37,132	2,465	2,295	2,462	1,862	1,898	1,935	1,974	2,014	2,058	2,104	2,153												
Finance revenue	2,070	2,070	2,127	2,344	2,558	2,589	2,708	3,029	3,113	3,285	3,709	3,858												
Dividends	0	5,850	5,850	6,000	6,200	6,450	6,725	7,000	7,275	7,550	7,875	8,200												
Total revenue	89,270	90,311	93,042	99,447	103,622	113,846	107,844	111,545	114,942	118,800	124,014	128,290												
Expenses																								
Employee expenses	24,502	24,602	25,725	26,328	27,412	28,100	28,670	29,244	29,835	30,443	31,056	31,688												
Depreciation and amortisation	22,081	22,081	27,098	27,804	28,935	30,409	31,077	31,843	32,652	33,357	34,273	35,276												
Other expenses	40,878	41,450	40,656	41,354	41,935	42,920	44,461	45,987	54,999	47,877	49,679	61,514												
Finance expenses	4,323	4,323	4,302	4,790	5,923	6,669	7,029	7,530	7,520	7,706	8,180	8,229												
Total expenses	91,784	92,456	97,781	100,276	104,205	108,098	111,237	114,604	125,006	119,383	123,188	136,707												
Surplus / (deficit) before tax	(2,514)	(2,145)	(4,739)	(829)	(583)	5,748	(3,393)	(3,059)	(10,064)	(583)	826	(8,417)												
Income tax expense	0	0	0	0	0	0	0	0	0	0	0	0												
Surplus / (deficit) after tax	(2,514)	(2,145)	(4,739)	(829)	(583)	5,748	(3,393)	(3,059)	(10,064)	(583)	826	(8,417)												
Other comprehensive revenue and expense																								
Property, plant and equipment revaluation gains /(losses)	0	0	46,112	0	0	44,706	0	0	79,408	0	0	93,474												
Investment property revaluations - gain/(loss)	720	720	720	720	720	720	720	720	720	720	720	720												
Total other comprehensive revenue & expense	720	720	46,832	720	720	45,426	720	720	80,128	720	720	94,194												
Total comprehensive revenue & expense	(1,794)	(1,425)	42,093	(109)	137	51,174	(2,673)	(2,339)	70,064	137	1,546	85,777												

* Annual Plan [Restated] 2017/18 represents the Annual Plan 2017/18 including adjustments for actuals from Annual report 2016/17 and large transactions which have occurred during the 2017/18 financial year, which are not included in Annual Plan 2017/18.

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	Annual Plan 2017/18 (\$000)	Annual Plan (Restated)* 2017/18 (\$000)	Long-Term Plan 2018 - 2028									
			2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Balance at 1 July	742,582	836,485	835,060	877,153	877,044	877,181	928,355	925,682	923,343	993,407	993,544	995,090
Total comprehensive revenue & expense for the year	(1,794)	(1,425)	42,093	(109)	137	51,174	(2,673)	(2,339)	70,064	137	1,546	85,777
Balance at 30 June	740,788	835,060	877,153	877,044	877,181	928,355	925,682	923,343	993,407	993,544	995,090	1,080,867
COMPONENTS OF EQUITY												
Retained earnings at 1 July	395,916	393,975	396,500	391,897	392,307	391,579	396,787	392,037	387,595	375,835	372,575	370,822
Net surplus/(deficit) for the year	(1,794)	(1,425)	42,093	(109)	137	51,174	(2,673)	(2,339)	70,064	137	1,546	85,777
Transfers (to)/from restricted reserves	2,399	3,950	(584)	519	(865)	(1,260)	(2,077)	(2,103)	(2,416)	(3,397)	(3,299)	(659)
Transfers (to) /from hedging reserves	0	0	0	0	0	0	0	0	0	0	0	0
Transfers (to) /from carbon credit revaluation reserves	0	0	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from asset revaluation reserves	0	0	(46,112)	0	0	(44,706)	0	0	(79,408)	0	0	(93,474)
Retained earnings at 30 June	396,521	396,500	391,897	392,307	391,579	396,787	392,037	387,595	375,835	372,575	370,822	362,466
Restricted reserves at 1 July	24,959	31,250	27,300	27,884	27,365	28,230	29,490	31,567	33,670	36,086	39,483	42,782
Transfers to/(from) reserves	(2,399)	(3,950)	584	(519)	865	1,260	2,077	2,103	2,416	3,397	3,299	659
Restricted reserves at 30 June	22,560	27,300	27,884	27,365	28,230	29,490	31,567	33,670	36,086	39,483	42,782	43,441
Hedging reserves at 1 July	(1,122)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)
Transfers to/(from) reserves	0	0	0	0	0	0	0	0	0	0	0	0
Hedging reserves at 30 June	(1,122)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)	(501)
Carbon credit revaluation reserves at 1 July	0	335	335	335	335	335	335	335	335	335	335	335
Transfers to/(from) reserves	0	0	0	0	0	0	0	0	0	0	0	0
Carbon credit revaluation reserves at 30 June	0	335	335	335	335	335	335	335	335	335	335	335
Asset revaluation reserves at 1 July	322,829	411,426	411,426	457,538	457,538	457,538	502,244	502,244	502,244	581,652	581,652	581,652
Transfers to/(from) reserves	0	0	46,112	0	0	44,706	0	0	79,408	0	0	93,474
Asset revaluation reserves at 30 June	322,829	411,426	457,538	457,538	457,538	502,244	502,244	502,244	581,652	581,652	581,652	675,126

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Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

PROSPECTIVE STATEMENT OF CASHFLOWS

	Annual Plan (\$000)	Annual Plan (Restated)* (\$000)	Long-Term Plan 2018 - 2028									
			2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts from rates revenue	50,068	50,068	52,050	54,112	56,181	58,042	60,826	63,211	65,542	67,925	71,387	74,068
Receipts from other revenue	29,447	30,488	31,350	35,172	37,479	45,539	36,339	37,035	37,718	38,721	39,697	40,790
Interest received	2,070	2,070	2,127	2,344	2,558	2,589	2,708	3,029	3,113	3,285	3,709	3,858
Dividend received	5,850	5,850	5,850	6,000	6,200	6,450	6,725	7,000	7,275	7,550	7,875	8,200
Payments to suppliers and employees	(63,627)	(64,257)	(64,756)	(65,903)	(68,185)	(69,837)	(71,928)	(74,008)	(83,588)	(77,046)	(79,438)	(91,877)
Interest paid	(4,323)	(4,323)	(4,302)	(4,790)	(5,923)	(6,669)	(7,029)	(7,530)	(7,520)	(7,706)	(8,180)	(8,229)
Net cash flows from operating activities	19,485	19,896	22,319	26,935	28,310	36,114	27,641	28,737	22,540	32,729	35,050	26,810
CASH FLOWS FROM INVESTING ACTIVITIES												
Proceeds from sale of property, plant and equipment	156	1,959	318	193	194	271	160	145	271	168	174	280
Proceeds from sale of investments	6,020	7,571	5,380	5,030	3,868	3,933	3,370	3,690	3,999	3,469	4,101	7,195
Purchase of property, plant and equipment	(22,045)	(43,792)	(22,491)	(33,131)	(45,018)	(40,056)	(26,568)	(22,067)	(25,182)	(28,005)	(29,465)	(30,090)
Purchase of biological assets	0	(200)	0	0	0	0	0	0	0	0	0	0
Purchase of Intangible assets	0	(40)	(70)	(74)	(78)	(81)	(83)	(86)	(87)	(89)	(90)	(91)
Purchase of Investment property	0	0	0	0	(104)	0	0	0	0	0	0	0
Purchase of Investments	(4,112)	(4,112)	(6,119)	(4,592)	(4,744)	(5,193)	(5,447)	(5,793)	(6,415)	(6,866)	(7,400)	(7,854)
Net cash flows from investing activities	(19,981)	(38,614)	(22,982)	(32,574)	(45,882)	(41,126)	(28,568)	(24,111)	(27,414)	(31,323)	(32,680)	(30,560)
CASH FLOWS FROM FINANCING ACTIVITIES												
Proceeds from borrowings	3,595	19,785	3,991	9,414	21,874	9,865	6,069	573	9,953	5,278	5,415	13,063
Repayments of borrowings	(3,181)	(3,418)	(3,483)	(3,856)	(4,313)	(4,853)	(5,162)	(5,199)	(5,079)	(6,684)	(7,785)	(9,313)
Net cash flows from financing activities	414	16,367	508	5,558	17,561	5,012	927	(4,626)	4,874	(1,406)	(2,370)	3,750
Net (decrease) increase in cash and cash equivalents	(82)	(2,351)	(155)	(81)	(11)	0						
Cash and cash equivalents at the beginning of the year	8,468	3,681	1,330	1,175	1,094	1,083	1,083	1,083	1,083	1,083	1,083	1,083
Cash and cash equivalents at end of the year	8,385	1,330	1,175	1,094	1,083							

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Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

**RATES REVENUE RECONCILIATION FROM FUNDING IMPACT STATEMENTS
TO STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**

	Annual Plan	Long-Term Plan 2018 - 2028									
	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Roading	8,041	7,769	8,270	8,067	8,852	8,814	9,007	9,221	9,669	10,104	10,691
Sewerage	5,609	5,848	6,023	6,521	6,580	7,202	7,554	7,625	7,889	8,132	8,436
Solid Waste Management	4,295	4,295	4,390	4,711	4,915	5,026	5,385	5,612	5,748	6,513	6,697
Stormwater	3,489	4,040	4,286	4,519	4,401	4,933	5,407	5,919	6,402	6,883	7,404
Water Supply	7,548	7,634	7,867	8,255	8,531	9,031	9,473	9,790	10,341	11,204	11,813
Infrastructural Services	28,982	29,586	30,836	32,073	33,279	35,006	36,826	38,167	40,049	42,836	45,041
Development and Regulatory Services	3,488	3,863	4,049	4,126	4,250	4,336	4,481	4,476	4,608	4,641	4,743
Community Development	429	438	463	472	479	489	504	513	523	534	552
Housing Care Services	0	0	0	0	0	0	0	0	0	0	0
Libraries and Archives	4,035	4,162	4,249	4,333	4,424	4,519	4,615	4,717	4,822	4,931	5,046
Parks and Reserves	6,182	6,350	6,440	6,960	6,905	6,980	7,229	7,513	7,347	7,823	7,698
Passenger Transport	680	752	930	935	877	946	960	1,018	1,064	1,028	1,056
Pools	2,183	2,433	2,383	2,644	2,843	3,006	3,071	3,139	3,209	3,342	3,420
Public Toilets	343	386	395	404	411	420	431	433	436	447	459
Theatre Services	966	1,040	1,073	1,215	1,257	1,286	1,315	1,347	1,321	1,355	1,391
Southland Museum & Art Gallery	0	0	0	0	0	0	0	0	0	0	0
Southland Regional Heritage Committee	866	885	902	944	962	981	1,001	1,389	1,784	1,836	1,862
Provision of Specialised Community Services	2,595	2,813	2,882	2,934	2,960	2,985	3,017	3,262	3,292	3,330	3,844
Community Services	18,279	19,259	19,717	20,841	21,118	21,612	22,143	23,331	23,798	24,626	25,328
Democratic Process	3,124	3,346	3,438	3,534	3,578	3,674	3,776	3,824	3,930	4,040	4,098
Enterprise (including Destinational Marketing)	1,805	1,958	2,059	2,110	2,147	2,184	2,223	2,264	2,307	2,351	2,399
Investment Property	(329)	(426)	(255)	(256)	(290)	(334)	(325)	(375)	(424)	(428)	(483)
Corporate Services	4,600	4,878	5,242	5,388	5,435	5,524	5,674	5,713	5,813	5,963	6,014
CBD Redevelopment	164	129	132	137	299	461	480	479	479	496	496
Invercargill Development Strategy	0	168	367	238	528	999	998	1,047	1,095	1,081	1,035
Special Projects	164	297	499	375	827	1,460	1,478	1,526	1,574	1,577	1,531
Non significant activities	(4,815)	(5,203)	(5,587)	(5,964)	(6,194)	(6,424)	(6,687)	(6,950)	(7,178)	(7,498)	(7,811)
Total general rates, uniform annual general charges, targeted rates, and rates penalties - per FIS	50,698	52,680	54,756	56,839	58,715	61,514	63,915	66,263	68,664	72,145	74,846
Less rates penalties (disclosed in other revenue in statement of comprehensive revenue and expense)	(630)	(630)	(644)	(658)	(673)	(688)	(704)	(721)	(739)	(758)	(778)
Total rates (excluding rates penalties) - per FIS	50,068	52,050	54,112	56,181	58,042	60,826	63,211	65,542	67,925	71,387	74,068
Per statement of comprehensive revenue and expense:											
Rates revenue excluding targeted water supply rates	42,520	44,416	46,245	47,926	49,511	51,795	53,738	55,752	57,584	60,183	62,255
Rates revenue - targeted water supply rates	7,548	7,634	7,867	8,255	8,531	9,031	9,473	9,790	10,341	11,204	11,813
"Rates revenue" (SOCRAE "Rates" excludes Rates Penalties)	50,068	52,050	54,112	56,181	58,042	60,826	63,211	65,542	67,925	71,387	74,068

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

**OPERATING REVENUE RECONCILIATION FROM FUNDING IMPACT STATEMENTS
TO STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**

	Annual Plan	Long-Term Plan 2018 - 2028									
	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)
Roading	11,893	11,689	12,220	12,060	12,877	12,894	13,188	13,501	14,058	14,607	15,315
Sewerage	6,284	6,523	6,713	7,226	7,301	7,939	8,308	8,397	8,680	8,943	9,270
Solid Waste Management	8,569	8,558	8,747	9,163	9,466	9,681	10,147	10,489	10,746	11,810	12,138
Stormwater	3,489	4,040	4,286	4,519	4,401	4,933	5,406	5,919	6,402	6,883	7,404
Water Supply	8,987	9,164	9,524	10,043	10,455	11,000	11,487	11,852	12,455	13,373	14,040
Infrastructural Services	39,222	39,974	41,490	43,011	44,500	46,447	48,536	50,158	52,341	55,616	58,167
Development and Regulatory Services	8,535	9,729	10,017	10,229	10,510	10,706	11,001	11,175	11,435	11,646	11,956
Community Development	431	476	491	500	482	492	507	516	526	537	555
Housing Care Services	1,797	1,912	1,979	2,025	2,072	2,120	2,171	2,223	2,277	2,333	2,393
Libraries and Archives	4,973	5,164	5,273	5,379	5,494	5,613	5,734	5,863	5,997	6,137	6,285
Parks and Reserves	16,477	16,696	17,015	17,768	17,949	18,278	18,789	19,349	19,479	20,270	20,481
Passenger Transport	2,066	2,386	2,597	2,491	2,446	2,499	2,529	2,620	2,697	2,704	2,777
Pools	5,750	6,276	6,409	6,968	8,001	8,383	8,568	8,766	8,973	9,313	9,549
Public Toilets	343	386	395	404	411	420	431	433	436	447	459
Theatre Services	1,886	2,038	2,103	2,386	2,469	2,525	2,583	2,645	2,592	2,659	2,730
Southland Museum & Art Gallery	2,985	3,386	3,889	3,975	4,057	4,145	4,234	4,054	4,145	4,239	4,339
Southland Regional Heritage Committee	1,198	1,463	1,461	1,436	1,462	1,489	1,517	1,915	2,319	2,381	2,418
Provision of Specialised Community Services	2,760	2,948	3,020	3,075	3,103	3,132	3,168	3,416	3,451	3,492	4,011
Community Services	40,666	43,131	44,632	46,407	47,946	49,096	50,231	51,800	52,892	54,512	55,997
Democratic Process	3,777	4,027	4,132	4,239	4,295	4,407	4,522	4,584	4,708	4,834	4,908
Enterprise (including Destinational Marketing)	3,154	2,851	3,117	2,620	2,666	2,711	2,760	2,811	2,864	2,919	2,978
Investment Property	1,614	2,081	2,306	2,358	2,374	2,390	2,462	2,478	2,499	2,571	2,596
Corporate Services	8,545	8,959	9,555	9,217	9,335	9,508	9,744	9,873	10,071	10,324	10,482
CBD Redevelopment	164	129	132	137	299	461	480	479	479	496	496
Invercargill Development Strategy	0	168	367	1,625	1,978	2,517	2,587	2,714	2,845	2,921	2,973
Special Projects	164	297	499	1,762	2,277	2,978	3,067	3,193	3,324	3,417	3,469
Non significant activities	18,743	22,187	22,711	23,139	23,669	24,390	25,125	25,742	26,594	27,476	28,236
Total operating funding - per activity FIS's	115,875	124,277	128,904	133,765	138,237	143,125	147,704	151,941	156,657	162,991	168,307
LESS: Internal charges and overheads recovered - Per FIS	(29,765)	(34,784)	(35,588)	(36,731)	(37,949)	(38,909)	(39,799)	(40,744)	(41,678)	(42,929)	(44,043)
Total operating funding - per council FIS	86,110	89,493	93,316	97,034	100,288	104,216	107,905	111,197	114,979	120,062	124,264
PLUS: Capital funding - "subsidies and grants for capital expenditure"	3,160	3,549	6,131	6,588	13,558	3,628	3,640	3,745	3,821	3,952	4,026
Total revenue - per statement of comprehensive revenue and expense	89,270	93,042	99,447	103,622	113,846	107,844	111,545	114,942	118,800	124,014	128,290
Per statement of comprehensive revenue and expense:											
Rates revenue excluding targeted water supply rates	42,520	44,416	46,245	47,926	49,511	51,795	53,738	55,752	57,584	60,183	62,255
Rates revenue - targeted water supply rates	7,548	7,634	7,867	8,255	8,531	9,031	9,473	9,790	10,341	11,204	11,813
Fines	0	486	497	508	519	531	543	556	570	585	601
Subsidies and grants	0	7,721	10,308	10,660	17,610	7,680	7,723	7,430	7,589	7,818	7,996
Direct charges revenue	0	19,469	20,587	22,445	23,457	24,081	24,629	25,493	26,218	26,840	27,622
Rental revenue	0	3,044	3,137	3,208	3,281	3,358	3,436	3,519	3,605	3,696	3,792
Other revenue	37,132	2,295	2,462	1,862	1,898	1,935	1,974	2,014	2,058	2,104	2,153
Finance revenue	2,070	2,127	2,344	2,558	2,589	2,708	3,029	3,113	3,285	3,709	3,858
Dividends	0	5,850	6,000	6,200	6,450	6,725	7,000	7,275	7,550	7,875	8,200
Total revenue	89,270	93,042	99,447	103,622	113,846	107,844	111,545	114,942	118,800	124,014	128,290

Council Agenda - REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

**OPERATING EXPENDITURE RECONCILIATION FROM FUNDING IMPACT STATEMENTS
TO STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**

	Annual Plan	Long-Term Plan 2018 - 2028									
	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Roading	7,166	6,924	6,988	7,120	7,396	7,608	7,762	7,890	8,142	8,327	8,527
Sewerage	3,472	3,339	3,389	3,712	3,972	4,201	4,550	4,327	4,340	4,387	4,350
Solid Waste Management	8,469	8,498	8,686	9,101	9,302	9,516	9,980	10,221	10,476	11,538	11,860
Stormwater	1,507	1,797	1,838	1,942	2,086	2,182	2,318	2,381	2,426	2,485	2,483
Water Supply	5,483	5,498	5,681	6,021	6,420	6,589	6,815	6,874	7,068	7,526	7,691
Infrastructural Services	26,097	26,056	26,582	27,896	29,176	30,096	31,425	31,693	32,452	34,263	34,911
Development and Regulatory Services	8,384	9,691	9,900	10,056	10,295	10,454	10,732	10,904	11,196	11,412	11,707
Community Development	426	472	482	493	476	486	495	506	518	529	540
Housing Care Services	1,613	1,669	1,697	1,734	1,774	1,813	1,855	1,900	1,948	1,996	2,052
Libraries and Archives	4,273	4,400	4,489	4,585	4,670	4,759	4,859	4,952	5,050	5,157	5,293
Parks and Reserves	15,389	15,445	15,772	16,210	16,556	16,916	17,306	17,703	18,111	18,547	19,002
Passenger Transport	2,041	2,320	2,216	2,389	2,342	2,423	2,451	2,508	2,600	2,638	2,709
Pools	5,455	5,835	6,032	6,480	7,320	7,565	7,759	7,912	8,066	8,321	8,488
Public Toilets	295	331	338	346	351	357	365	371	378	387	396
Theatre Services	1,446	1,548	1,610	1,791	1,815	1,823	1,843	1,871	1,861	1,909	1,951
Southland Museum & Art Gallery	2,719	3,342	3,844	3,926	4,009	4,096	4,184	4,000	4,091	4,185	4,283
Southland Regional Heritage Committee	1,198	1,463	1,461	1,436	1,462	1,489	1,517	10,381	2,081	2,141	2,162
Provision of Specialised Community Services	2,746	3,459	3,162	2,959	2,980	3,001	3,034	3,273	3,298	3,332	14,514
Community Services	37,601	40,284	41,103	42,349	43,755	44,728	45,668	55,377	48,002	49,142	61,390
Democratic Process	3,748	3,930	4,010	4,320	4,175	4,262	4,596	4,444	4,540	4,903	4,747
Enterprise (including Destinational Marketing)	3,154	2,851	3,117	2,620	2,666	2,711	2,760	2,811	2,864	2,919	2,978
Investment Property	2,015	1,951	2,008	2,110	2,110	2,109	2,208	2,205	2,207	2,301	2,305
Corporate Services	8,917	8,732	9,135	9,050	8,951	9,082	9,564	9,460	9,611	10,123	10,030
CBD Redevelopment	104	78	79	84	188	288	305	293	282	292	279
Invercargill Development Strategy	500	165	305	1,362	1,633	2,101	2,158	2,195	2,229	2,273	2,282
Special Projects	604	243	384	1,446	1,821	2,389	2,463	2,488	2,511	2,565	2,561
Non significant activities	17,865	20,501	20,997	21,246	21,683	22,364	22,753	23,222	23,979	24,387	24,925
Total applications of operating funding - per activity FIS's	99,468	105,507	108,101	112,043	115,681	119,113	122,605	133,144	127,751	131,892	145,524
LESS: Internal charges and overheads recovered - per FIS	(29,765)	(34,784)	(35,588)	(36,731)	(37,949)	(38,909)	(39,799)	(40,744)	(41,678)	(42,929)	(44,043)
Total applications of operating funding - per council FIS	69,703	70,723	72,513	75,312	77,732	80,204	82,806	92,400	86,073	88,963	101,481
LESS: Landfill aftercare provision used - Solid Waste activity	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
PLUS: Depreciation expenses (not in FIS)	22,081	27,098	27,804	28,935	30,409	31,077	31,843	32,652	33,357	34,273	35,276
Total expenses - per statement of comprehensive revenue and expense	91,784	97,781	100,276	104,205	108,098	111,237	114,604	125,006	119,383	123,188	136,707
Per statement of comprehensive revenue and expense:											
Employee expenses	24,502	25,725	26,328	27,412	28,100	28,670	29,244	29,835	30,443	31,056	31,688
Depreciation and amortisation	22,081	27,098	27,804	28,935	30,409	31,077	31,843	32,652	33,357	34,273	35,276
Other expenses	40,878	40,656	41,354	41,935	42,920	44,461	45,987	54,999	47,877	49,679	61,514
Finance expenses	4,323	4,302	4,790	5,923	6,669	7,029	7,530	7,520	7,706	8,180	8,229
Total expenses	91,784	97,781	100,276	104,205	108,098	111,237	114,604	125,006	119,383	123,188	136,707

TO: COUNCIL
FROM: DIRECTOR - FINANCE AND CORPORATE SERVICES
MEETING DATE: 30 JANUARY 2018

RATING POLICY

Report Prepared by: Melissa Short – Manager, Strategy and Policy

SUMMARY

Amendments to the Rating Policy need to be approved for consultation.

RECOMMENDATIONS

That the draft Rating Policy is adopted for consultation to be carried out alongside the Long-term Plan consultation.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Forms part of the development of the Long-term Plan.
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Amend a policy.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Available through the Long-term Plan process.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Not applicable.

FINANCIAL IMPLICATIONS

No financial implications arise from this report, the Policy amends from whom Council gathers its Rates revenue.

Rating Policy

It is important that our rates are collected in a fair and equitable way. The following amendments are recommended to the Rating Policy:

1. The maximum value on which an industrial property is rated be increased from \$21 million to \$25 million.
2. The Rural Farming differential be decreased from -30% to -25%.
3. The Resource Management Rate be renamed 'Regulatory Services' Rate and include all rates for Regulatory Services which will be removed from the General Rate.
4. The Waste Minimisation Rate be changed from a Uniform Annual Charge to a rate in the dollar based on the capital value of a property. This will be targeted on all ratepayers with the exception of the Rural-Farming Ratepayer category.

* * * * *

RATING POLICY

This Rating Policy should be read in conjunction with the Revenue and Financing Policy and the funding principles included in the Long-term Plan. Figures in this Policy are GST inclusive.

The following rates will be set by Council for the financial year commencing 1 July 2018 and ending 30 June 2019.

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 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	-25.00

GENERAL RATE

The general rate is to fund the activities of Emergency Management, Grants, Total Mobility, Civic Theatre, Democratic Process, Destination Marketing, Enterprise, Community Development 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.

	2017/18 \$	2018/19 \$
General Base Rate	0.00101215*	0.00062416

* In 2017 included Building Services, Environmental Health, Animal Services and Compliance that are now part of Regulatory Services Rate.

UNIFORM ANNUAL CHARGE AND TARGETED RATE

A uniform annual charge on all ratepayers will be levied for both the Parks and Reserves Activity and for 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.

	2017/18 \$	2018/19 \$
Parks and Reserves Uniform Annual Charge	57.50	57.50
Parks and Reserves Base Rate	0.00106817	0.00093500
Pools Uniform Annual Charge	28.75	28.75
Pools Base Rate	0.00035944	0.00035225

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.

Regulatory Services Rate is to fund the functions of Resource Management, Environmental Health, Animal Services, Compliance and Building Services.

Roading Rate is to fund the provision of roading services.

Cemeteries Rate is to fund the operation of Council's cemeteries.

	2017/18 \$	2018/19 \$
Resource Management Base Rate	0.00021095	-
Regulatory Services Base Rate	-	0.00049898
Roading Base Rate	0.00088018	0.00075984
Cemeteries Base Rate	0.00004807	0.00004284

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 Fund* is to fund Council's contribution to the operation of Southland regional facilities.

	2017/18 \$	2018/19 \$
Libraries Base Rate	188.04	193.44

Regional Heritage Base Rate	40.36	41.13
Regional Facilities Base Rate	0	0

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.

	2017/18 \$	2018/19 \$
Business Development Base Rate	0.00060448	0.00046729

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 Co-ordinator Rate (Map H)* (previously City Centre Rejuvenation Rate)

	2017/18 \$	2018/19 \$
Economic Development Base Rate	0.00018415	0.00016647
City Centre Co-ordinator Base Rate	0.00031042	0.00029298

- **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 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.

	2017/18 \$	2018/19 \$
Footpaths Base Rate	0.00038129	0.00031001

Street Lighting Base Rate	0.00010847	0.00008094
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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.

	2017/18 \$	2018/19 \$
Transport Base Rate	0.00011052	0.00015272

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.

	2017/18 \$	2018/19 \$
Drainage Makarewa Base Rate	79.93	81.93

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.

	2017/18 \$	2018/19 \$
Drainage Myross Bush Base Rate	79.49	82.13

5. *Rateable Land within 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 – Myross Bush Rate*
- *Community Centre – Awarua Rate*
- *Community Centre – Otatara Rate*
- *Town Hall – Bluff Rate*

	2017/18 \$	2018/19 \$
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	16.50	16.50

6. *Rateable Land within the Bluff Ward* (Map F). These targeted rates 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.

	2017/18 \$	2018/19 \$
Bluff Community Board Base Rate	0.00035754	0.00031110

7. *Rateable Land within the Redmayne Road Drainage District* (Map G). The Redmayne Road targeted drainage rate will be set for each rating unit on a fixed charge per rating unit basis.

- Drainage – Redmayne Road Rate* to fund costs in the Redmayne Road Drainage area.

	2017/18 \$	2018/19 \$
Drainage Redmayne Road Base Rate	80.30	78.86

8. *Land within the Inverurie Rating Area* (Map I).

- Inverurie Maintenance Rate* – Requested by the developer of Inverurie subdivision.

	2017/18 \$	2018/19 \$
Inverurie Maintenance Rate	0	0

- **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 Play centres, Halls, Services and Sports Facilities are included in the Non-Residential category. Residential multi-units are charged on the basis of SUIP.

	2017/18 \$	2018/19 \$
Water Base Rate	370.19	373.24
Sewerage Base Rate	232.46	241.80
Drainage Base Rate	146.05	168.77

The following differentials will be applied to these targeted rates:

- *Water* – those rating units designated residential will meet 84% of the total water rate. Non-Residential rating units will meet 16% (Base rate: \$495.62)
- *Sewerage* – those rating units designated residential will meet 75% of the total water rate. Non-Residential rating units will meet 25% (Base rate: \$586.30)
- *Drainage* – those rating units designated residential will meet 75% of the total water rate. Non-Residential rating units will meet 25% (Base rate: \$437.84)
- *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

* Base rate

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.

The General Waste Management Rate is 17% of the total solid waste service cost and is to fund the education and administration service provided to all ratepayers, with the exclusion of those within the Rural – Farming rating category.

Each additional wheelie bin provided for refuse or recycling costs \$191.00 per annum.

	2017/18 \$	2018/19 \$
Refuse Collection Base Rate	191.67	191.00
Additional Wheelie Bin	191.67	191.00
General Waste Management Rate	34.90 Uniform Charge	0.00011343 Capital value

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
- Regulatory Services Rate
- Roading Rate
- Parks and Reserves Rate
- Cemeteries Rate
- Libraries Rate
- Pools Rate
- Regional Heritage Rate

All utilities are rated as industrial properties as 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 the Act).

These rating units will be assessed in the same manner as other ratepayer 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 Charges

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 in \$25,000,000.

TO: COUNCIL
FROM: DIRECTOR OF FINANCE & CORPORATE SERVICES
MEETING DATE: 30 JANUARY 2018

LONG-TERM PLAN CONSULTATION DOCUMENT – WORKING DRAFT

Report Prepared by: Melissa Short – Manager, Strategy and Policy

SUMMARY

A copy of the working draft of the Long Term Plan Consultation Document has been provided for comment from Council.

RECOMMENDATIONS

It is recommended that the working draft of the Consultation Document be approved for audit.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> This forms part of the development of the Long Term Plan.
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Consultation will be undertaken using the Special Consultative Procedure when the audited Consultation Document for the Long-term Plan is adopted by Council.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> N/A

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

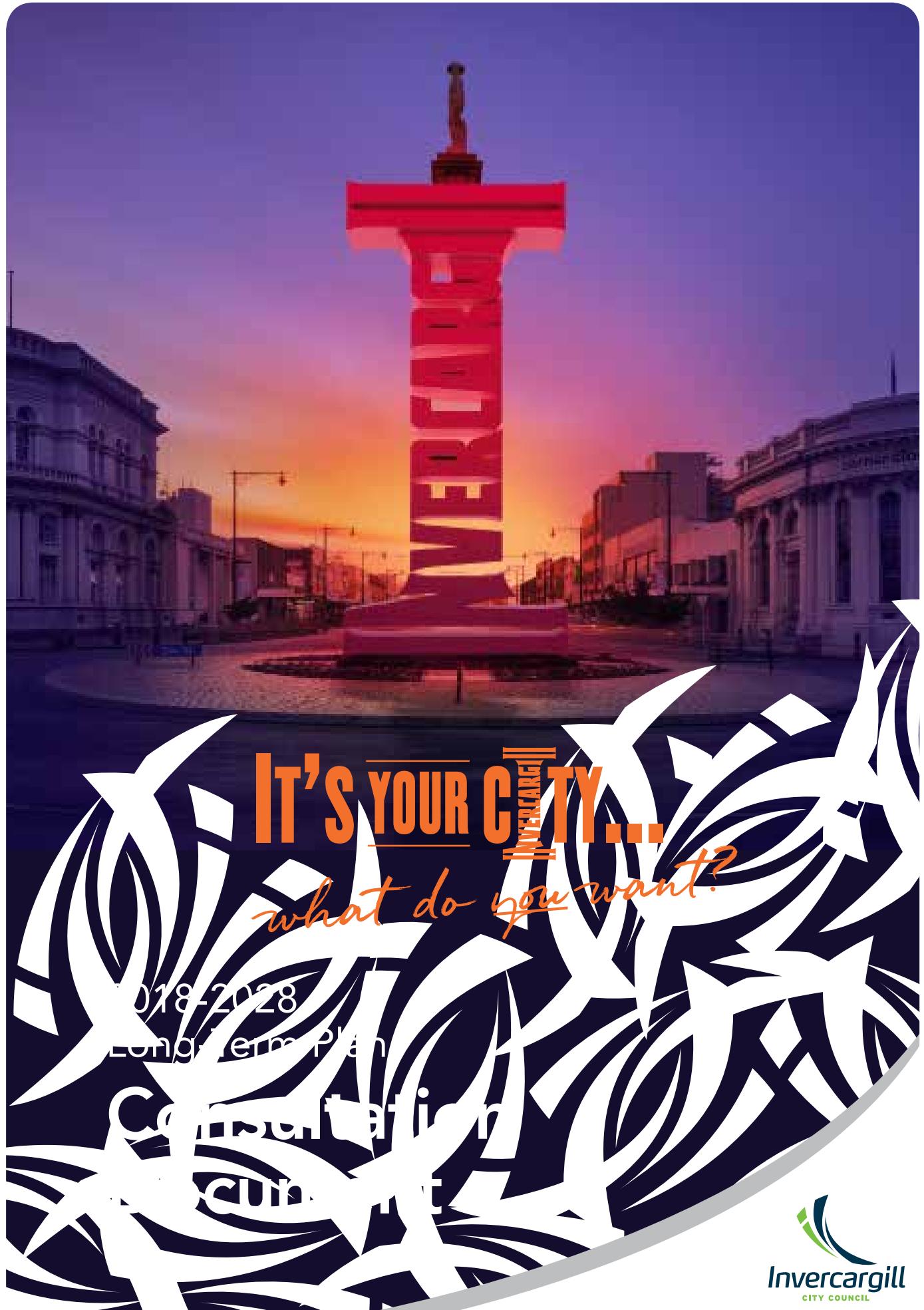
WORKING DRAFT OF LONG -TERM PLAN CONSULTATION DOCUMENT

The Long-term Plan assists Council and the community to maintain a long-term focus on the decisions and activities of Council. The plan sets out Council's priorities for the next ten years and shows the community how Council intends to promote community interests and sustainable development.

A working draft of the Long-term Plan Consultation Document has been provided (**Appendix 1**). The working draft has been prepared using the information contained within the Activity and Asset Management Plans, feasibility study reports and other information adopted by Council. Audit New Zealand, Council's auditors will be reviewing the proposed Consultation Document and providing a report for the community. During the audit process, changes may need to be made to clarify issues and provide further explanation.

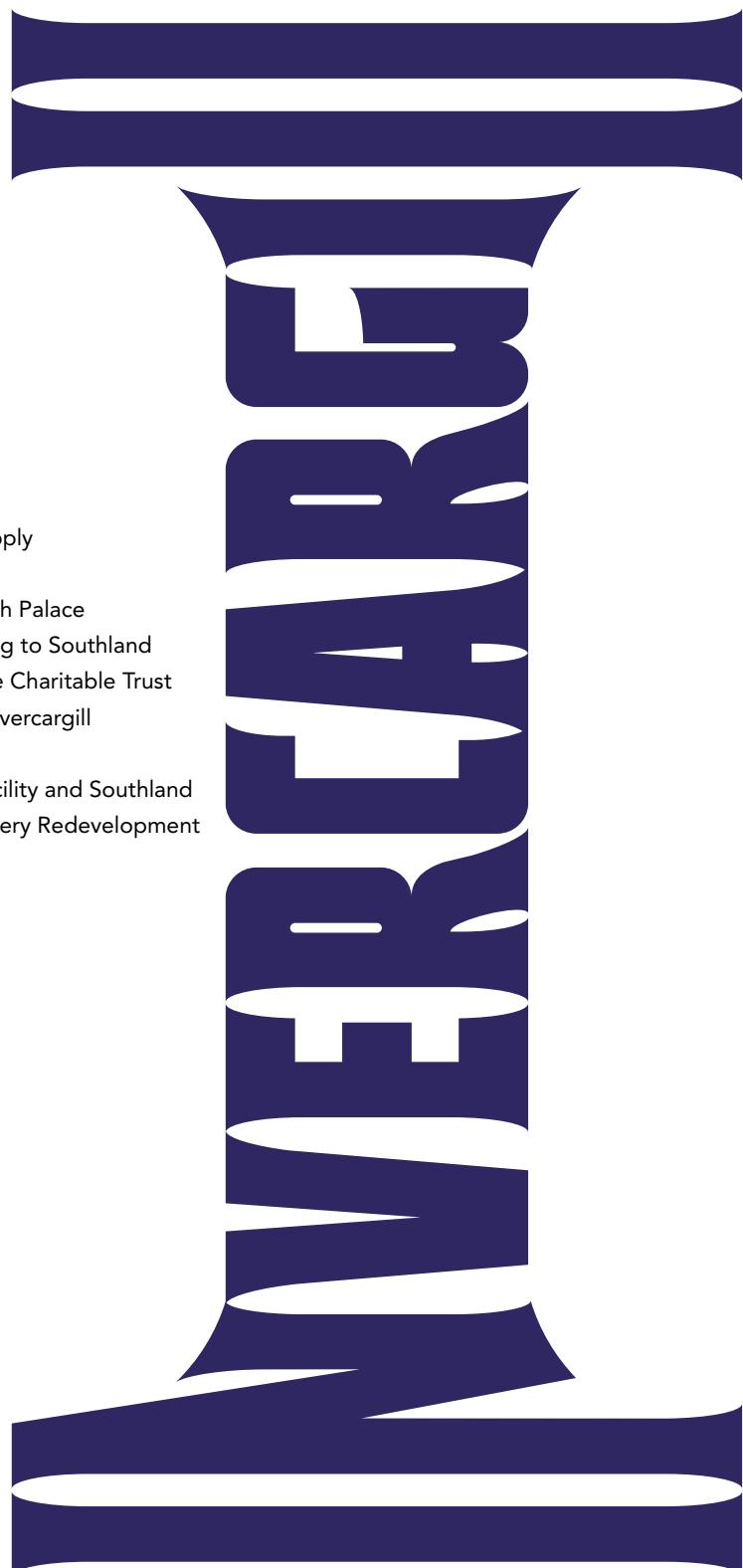
CONCLUSION

The Consultation Document will be presented to Council for adoption following its review by Audit.



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IT'S YOUR CITY... what do you want?

At the Invercargill City Council we are currently planning the next ten years of Council services, activities and projects. As part of our planning we want to hear from you. Tell us what is important to you, what we can't do without and what you would prefer we don't do. C

As with previous years, the key focus of our Council this year is the City's infrastructure. In the coming years, Invercargill City will experience increasing pressure on infrastructure renewals as the existing networks age towards their end of life. During the periods of the 1920s, 1960s and 1970s, large areas of our city were developed over short periods of time reflecting the growth of the City. Council has previously funded core infrastructure on a "when-required" basis. How we move towards funding the depreciation of our assets is a key challenge for Council. We aim to fully fund the depreciation on core infrastructure assets by 2028. We need to ensure that we are delivering the right level of infrastructure services at a cost that the community can afford, both now and into the future.

Although we are focusing on our core business, we also have some exciting new projects planned that we are asking for your feedback on. We understand that we can't do everything all at once so we are staggering our project initiatives over the next ten years. Please tell us what you think about the proposal for an Alternative Water Supply, earthquake strengthening Anderson House and its potential for future use, providing an additional pool at our popular swimming facility, Splash Palace and whether you believe we should be giving extra funding to assist with the running of Stadium Southland.

As a part of our Inner-City rejuvenation, we are looking at arts and culture projects. These projects include developing an Art Centre, a Living Dinosaurs Experience, the upgrade of the Southland Museum and working with the other councils in Southland to develop a regional storage facility.

The most important thing to us here at Council is delivering the services that you want at a cost you can afford, that's why it is so important that you tell us what you think about our plans. We have many different ways to engage, our formal submission process, online feedback and even popping in to the caravan and chatting with Councillors or staff about the different projects.

Remember, it's your City – what do you want?



A handwritten signature in black ink that reads "Tim Shadbolt".

Tim Shadbolt
MAYOR OF INVERCARGILL



A handwritten signature in black ink that reads "Richard King".

Richard King
CHIEF EXECUTIVE

OUR FUTURE

This is the Council's Consultation Document for its 2018-28 Long-term Plan. It forms the basis of discussion between the Council and the community about issues facing Invercargill City over the next 10 years and how we propose to address them.

This new plan builds on our previous Long-Term Plans and what we are already doing.

The Council receives regular feedback from residents and from this we understand the community's priorities are:

- Maintaining core infrastructure services
- Keeping the high quality of community facilities and services
- Ensuring our environment is protected
- Sustaining the city's business and social fabric
- Recognising the importance of rates affordability

Our challenge is to create a 10-year plan that meets the different priorities of our community and determines how we balance them against each other. Our priorities change as we age. Each generation uses our services and facilities differently and there is always a demand for new/upgraded facilities.

The Council provides many services to our community and we are not proposing to change the way most are funded or provided. These are not included in this consultation document.

The Council is consulting on new projects, those that fall outside of our core business or make a change to our business as usual.

We also discuss rates affordability and how we manage our infrastructure.

The Long-term Plan will set out the Council's direction and commitments for the next 10 years. This is supported by the Financial Strategy which sets the overall direction for the Council's finances, and the Infrastructure Strategy which sets out the key infrastructural issues that Council is likely to face over the next 30 years.

The Plan will be adopted after we receive and consider feedback on the key issues contained in this document.

INSPIRATIONAL

INVERCARGILL

KEY ISSUES FOR DISCUSSION



Core infrastructure services

Infrastructure provides a foundation for building strong and resilient communities. We are facing a number of challenges over the coming years. These challenges include meeting our long-term renewal expectations for infrastructure, responding to our changing environment (both natural and technological), and the City's changing demographic and its ability and willingness to pay. We also face the challenge of encouraging growth projects while ensuring that we operate in a financially prudent way that promotes both the current and future interests of the community. To meet these challenges we intend to maintain our current asset base, focus on critical assets, make evidence-based decisions and increase the amount we spend on renewing our assets. We have previously funded our core asset renewals on a 'when-required' basis. Over the next 10 years we aim to increase our funding to 100% of depreciation.

As a large proportion of our infrastructure assets are reaching the end of their useful life they need replacement. As we replace assets we may have the opportunity to upgrade the level of service provided, improving our environmental impact. We are also looking to build resilience into our Water Supply Network. We would like to hear your views on the Alternative Water Supply Project (See page ??).

How we will manage our core infrastructure assets over the next 30 years is detailed in the Infrastructure Strategy Summary. (See page ??).

Community facilities and services

We are proud of the high level of community facilities and services we make available to our residents. The Council also funds other organisations to provide specialist community facilities, such as the Southland Museum and Art Gallery and Stadium Southland.

During the next 10 years we propose to make significant improvements to Splash Palace by building an additional pool. (See page 20)

We are intending to undertake a number of Community Facility projects over the next 10 years. These projects will not only give our residents and ratepayers more social options in the City, but will also attract tourists and help grow our economy. The key projects are:

- Anderson House (see page 17)
- Art Centre (see page 24)
- Living Dinosaurs (see page 26)
- Regional Storage and the Southland Museum (see page 28)

DISCUSSION

IT'S YOUR CITY...

Supporting Community-led initiatives

We have changed the way that we allocate Community Funding. Council is aware that we are not always the best placed to deliver projects within the community, and that through financial assistance we can assist the wider community to be a catalyst for positive change. Through our Community Development Service we administer the Creative Communities Invercargill and the Invercargill Active Community funds. Council also offers three of its own community funds; the Community Grants Fund, the Events Fund and the Neighbourhood Fund.

The Community Grants Fund is a contestable fund of \$250,000 and is to support projects and activities that will help achieve Council's vision – "to enhance our City and preserve its character while embracing innovation and change".

The Events Fund provides financial assistance to encourage the holding of significant events or performances in Invercargill or Bluff. The Neighbourhood Fund replaces the Urban Rejuvenation Project that Council has been undertaking. This is a \$50,000 fund that will fund smaller projects and events that benefit neighbourhoods.

Rates affordability

The Council recognises that Invercargill's population is ageing and that by the end of this 10 year plan, over 22% of our population will be aged 65 years or older.

It is important to us that our rates are collected in a fair and equitable way. For this reason we have made the following changes to our Rating Policy for the 2018/19 year:

- The maximum value which an industrial property is rated has been increased from \$12 million to \$25 million.
- The Rural Farming differential has been decreased from -30% to -25%.
- The Resource Management rate has been renamed 'Regulatory Services Rate' and now includes all rates for regulatory services which have been removed from the General Rate. This aligns with the new Regulatory Services Activity, combining Resource Management, Environmental Health, Compliance, Animal Services and Building Services.
- We have changed the Waste Minimisation rate from a Uniform Annual Charge into a rate in the dollar based on the capital value of your property. This rate will be targeted on all ratepayers with the exception of the Rural-Farming ratepayer type.

We recognise that because of what we need to purchase, the cost of providing Council services is rising at a higher rate than usual household costs. We are mindful of affordability issues among our ratepayers. We continue to investigate cost-cutting methods to ensure the revenue required to run the Council is kept relatively steady.

HOW YOU CAN PARTICIPATE



This Consultation Document identifies the key issues and possible options for you to consider. We are taking a 10-year view of how we believe the district will develop and the priorities for Council spending.

This document is supported by a number of strategies and plans, which can be found on the Council's website – www.icc.govt.nz.

You can make submissions on the Consultation Document or the supporting strategies and plans by using the form in the middle of this booklet. If you have a different option for any of the issues that you think the Council should consider, please tell us.

The Council is also carrying out a separate consultation on its Fees and Charges for 2018/19 and also on its Revenue and Financing Policy. You are also welcome to make a submission on either or both of these. The outcome of these consultations will form part of the final Long-term Plan 2018-2028.

Copies of the proposed Fees and Charges and the proposed Revenue and Financing policy are available at the Civic Administration Building, or at www.icc.govt.nz.

SUBMISSION FORM		2018-2028 Long-Term Plan	
Consultation Document		It's YOUR CITY... what do you want?	
Submitter Details			
First Name	Surname	Postcode	
Organisation	Post Address	Phone	
Address	City	Email	
If this is a residential address, property will be located in:			
Returning your submission			
Return by Sun, Friday April 8.			
Deliver to: Civic Administration Building 101 Eak Street Invercargill			
Email: Policy@icc.govt.nz			
Post to: Submission Annual Plan Invercargill City Council Private Bag 90104 Invercargill 9540			
Submission details			
If you have a different option for any of the issues that you think the Council should consider, please tell us.			
Tips for making an effective submission			
<ul style="list-style-type: none"> + Head each of your topics with a title so we clearly know what issue you are submitting on. + Make it clear what you are supporting or opposing and give reasons why. + Bullet points help you form ideas clearly and are easy for the Mayor and Councillors to read. + Dark coloured pens make it easier to read and copy your submission. 			
<small>Please note: Submissions received on the Proposed 2016/17 Annual Plan will be considered in accordance with the Local Government Act 2002 and subject to the Local Government Official Information and Meetings Act 1987. This will include the name and address of submitters.</small>			

Submissions close at 5pm, date for the Long-term Plan Consultation Document, Fees and Charges and Proposed Revenue and Financing Policy.

If you want to discuss anything you have read in this Consultation Document, please give one of your Councillors a call.

- His Worship The Mayor Tim Shadbolt
03 211 1777
- Cr Rebecca Amundsen (Deputy Mayor)
03 214 1755
- Cr Lindsay Abbott
03 216 7111
- Cr Allan Arnold
027 433 6408
- Cr Karen Arnold
027 268 8613
- Cr Toni Biddle
Phone: 027 869 2065
- Cr Alex Crackett
021 535 953
- Cr Lloyd Esler
03 213 0404
- Cr Graham Lewis
03 218 6385
- Cr Darren Ludlow
Phone: 03 215 4777
- Cr Ian Pottinger
03 217 4579
- Cr Lesley Soper
03 216 6427
- Cr Lindsay Thomas
027 472 4730

IT'S YOUR CITY...

FINANCIAL STRATEGY SUMMARY

The Council's Financial Strategy explains how our finances will be managed over the next 10 years. We intend to maintain our assets at an effective and efficient level and minimise the risk of our critical assets failing. Council also intends to minimise the impact on rates.

The balance that we are trying to achieve depends on many factors; the following are key:

- Focusing on core infrastructure (roads, pipes, water supply, parks etc). We are aiming to maintain existing levels of service, renewing core infrastructure in a planned, cyclic fashion and improving the quality of service to ratepayers and residents;
- Ensuring core Council debt remains below \$140 million;
- Receiving increasing dividends from Invercargill City Holdings Limited;
- Researching ways to get funding other than rates and loans;
- Continuously reviewing operational expenditure for short and long term cost savings.

The key corporate strategic issues and challenges facing the Council are:

- Meeting our long-term renewal expectations for infrastructure.
- Encouraging growth projects, such as the Art Centre, while ensuring financial and operational sustainability for future generations.
- Ensuring that we work in a financially prudent manner to benefit both the current and future needs of our community.
- The City's changing demographic profile and our community's ability and willingness to pay.

- Responding to the changing environment (both natural and technological) and retaining Invercargill's character including its built environment.

We are heading into a period of increased expenditure over the next five years, particularly for our sewerage, stormwater and water supply systems. Expenditure will then level out for the last five years of this Long-term Plan. Some of the infrastructure work that we need to do requires significant expenditure and we will use debt to spread the cost when this is appropriate. Debt would largely be used where there is a new project or the spending relates to growth although debt will also be required for renewal capital. You can find more information on these core capital projects in our Infrastructure Strategy.

The Council is required to develop balanced budgets where income equals expenditure. We will not achieve this over eight of the next 10 years.

We are doing this for three reasons:

1. To manage the level of rates increases over the 10 years by avoiding significant fluctuations.
2. To reflect the underfunding of infrastructure asset depreciation, particularly within the early years of the plan, with the goal being 100% funding of depreciation by 2028.
3. To enable us to provide the \$8.5 million grant towards the capital development of a Regional Storage Facility in 2021/22 and the \$10.8 million grant to the Southland Museum and Art Gallery Trust for the redevelopment of the Southland Museum in 2027/28, both being funded by loans rather than rates.



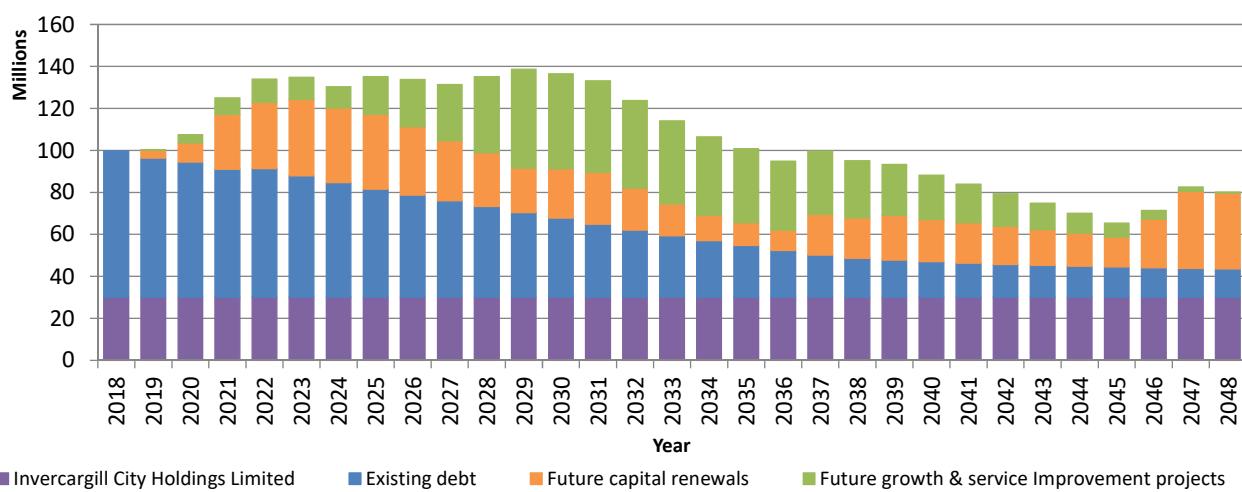
The Council is taking this approach because we are in a healthy financial position and we are confident that we are managing operating and capital expenditure to provide our community with the most cost-effective solution.

Council has previously funded core infrastructure on a "when-required" basis. How we move towards funding the depreciation of our assets is a key challenge for Council. We aim to fully fund the depreciation on core infrastructure assets by the following dates:

- Stormwater capital work to be funded at 100% of depreciation by 2028
 - Pipe network capital expenditure to 100% by 2022 funding the difference by loans

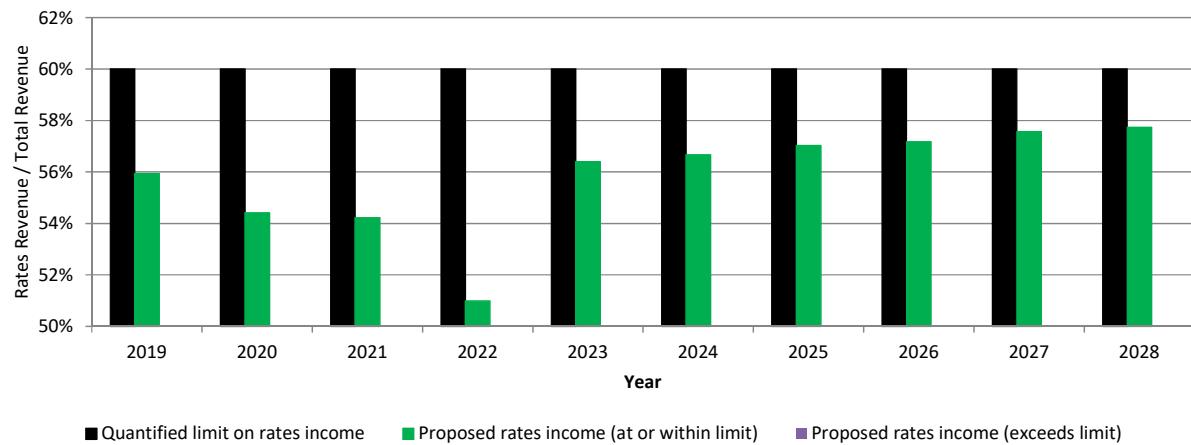
- Wastewater capital work to be funded at 100% of depreciation by 2028
 - Pipework capital expenditure to 100% by 2022, funding the difference by loans
- Water Supply capital work to be funded at 100% of depreciation by 2028
- Roads, bridges and footpaths to be funded at 100% of depreciation by 2028.

ICC Debt Forecast Profile

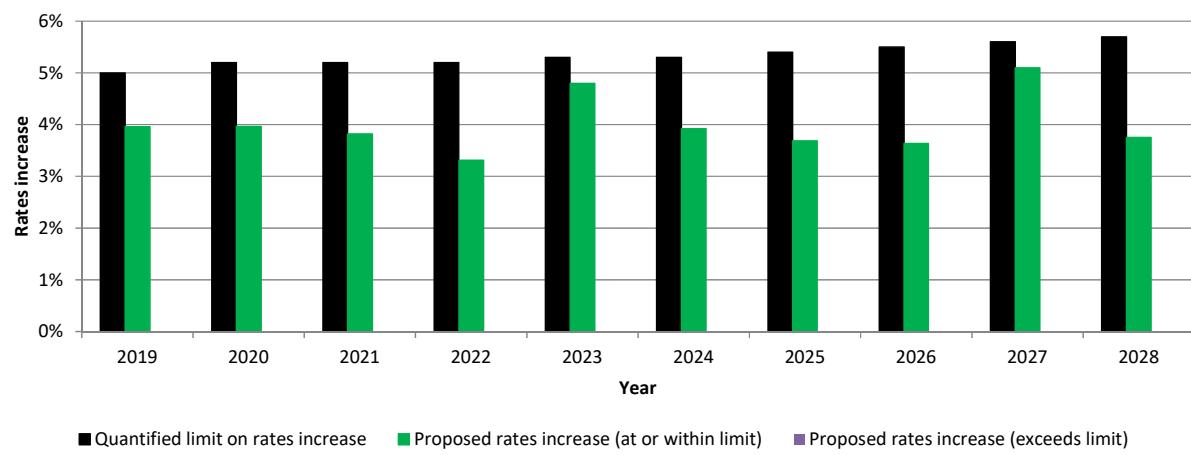


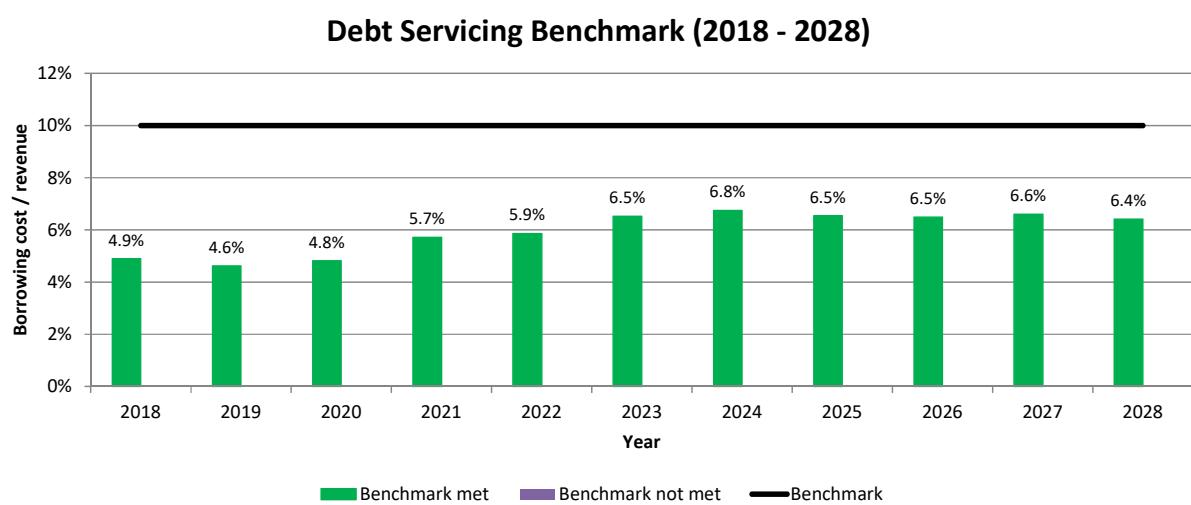
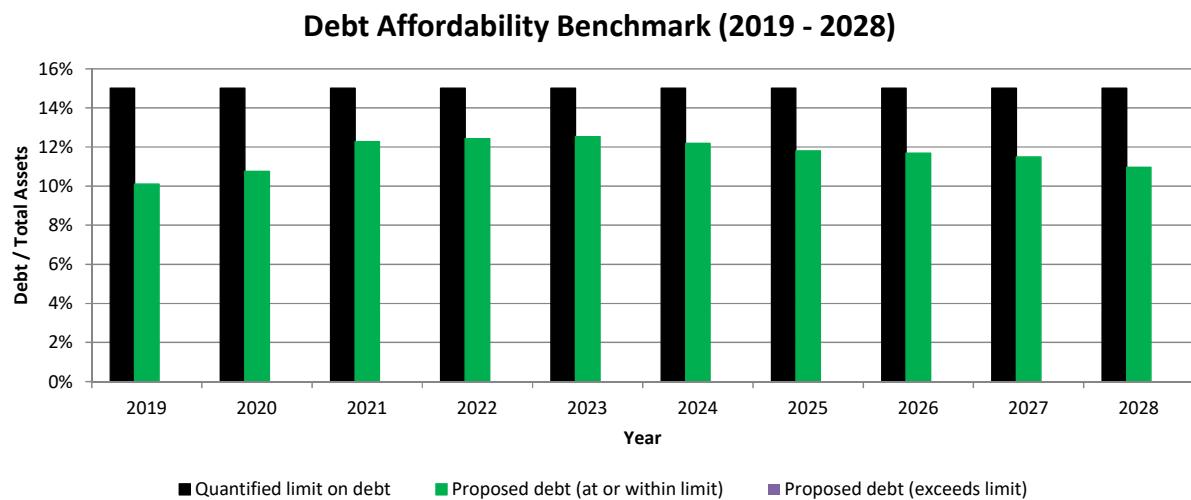
FINANCIAL STRATEGY SUMMARY CONTINUED

Rates (Income) Affordability Benchmark (2019 - 2028)



Rates (Increases) Affordability Benchmark (2019 - 2028)





INFRASTRUCTURE STRATEGY SUMMARY



The following is a summary of the Invercargill City Council's Infrastructure Strategy. A copy of the full strategy is available on our website - www.icc.govt.nz.

Infrastructure provides a foundation for building strong and resilient communities. Our Strategy sets out how the Council will use its existing infrastructure base of roading, water supply, sewerage, stormwater, building assets, and parks assets to support the community. Council operates against a background of legislation contained in the Local Government Act. While the legislation only requires that we develop a strategy for roading, water supply, sewerage and stormwater, Council has chosen to also include solid waste, building assets, parks and cemeteries. By doing this the full picture of planned infrastructure management, including renewals, can be seen for the next 30 years and beyond.

The Strategy identifies how we will meet the demands of long-term renewals for significant assets, adapting to the changing environment and population trends while embracing growth projects aligned with Council's vision. It also sets out how we plan to manage the renewal funding demands for Invercargill's infrastructure over the next 30 years within a constrained funding environment.

OUR INFRASTRUCTURE SUMMARY

We own and manage \$780m (value as at 30 June 2017) of public infrastructure.



ROADING \$271M

- Urban sealed roads 294km
- Rural sealed roads 178km
- Rural unsealed roads 123km
- Kerb and Channels 555km
- Bridges 51
- Footpaths 500km
- Street lighting
- Off street carparks 6



STORMWATER \$159M

- Pipe Network 419km
- Pumping Station 9
- Open Drains 15km
- Tidal Protection Banks Stead Street and Rifle Range 3km



SEWERAGE \$114M

- Pipe Network 368km
- Pumping Stations 31
- Treatment Plants 3



SOLID WASTE \$7M

- Closed landfills 2
- Transfer Stations 2
- Kerbside Bins 42,869



WATER \$124M

- Pipe Network 419km
- Pump Stations 6
- Branxholme Water Treatment Plant
- Reservoirs 7



BUILDING ASSETS \$78M

- Corporate Buildings 2
 - Civic Admin
 - Bluff Service Centre
- Community Facilities 6
 - Civic Theatre
 - Splash Palace
 - Eve Poole Library and Archives Building
 - Scottish Hall
- Animal Care Facility
- Southland Museum and Art Gallery (facility managed but not owned by Council)
- Housing Care Flats 215
- Public Toilets 9
- Other Infrastructure 3



PARKS AND CEMETERIES \$27M

- Premier Parks 4
 - Queens Park 54.7ha
 - Otepuni Gardens 4.7ha
 - Anderson Park 5.5ha
 - Gala Street 5.1ha
- Amenity Parks 17
- Environmental Parks 24
- Linkage Reserves 27
- Neighbourhood Parks 61
- Outdoor Adventure Parks 3
- Sports Fields Reserves 20
- Special Purpose 11
- Civic Space 4
- Cultural Heritage 7
- Undeveloped Parks 8
- Non-Council Owned 4

INFRASTRUCTURE STRATEGY CONTINUED



Background

In the coming years, Invercargill City will experience increasing pressure on infrastructure renewals as the existing networks age towards their end of life. During the periods of the 1920s, 1960s and 1970s, large areas of our city were developed over short time periods reflecting the growth of the City. The Governments of the time assisted development of growth including installing pipes and building roads but, under current funding structures, the renewals are now the financial responsibility of Council (the exception to this is some aspects of roading which is partially funded by the New Zealand Transport Agency). The strategies planned to manage this work will be reflected in the costs to our community.

Development peaks need careful and structured renewal strategies to ensure that we are renewing assets at the right time to meet future demand. The Water Supply Activity has highlighted a type of pipe network (asbestos cement pipes), where pipes may

have to be renewed before their previously expected end of life. However, those pipes have currently served more than 50 years. They are widely used in New Zealand and many councils will be experiencing similar issues.

For some of our infrastructure activities Council has decided to spend less than the renewal rate predicted by our calculation of the use and consumption (our depreciation forecasts). 'Pushing the asset harder' is now more widely accepted as getting value for money, but has the potential for more risk. This approach enables Council to better manage, through the use of its data and optimisation approaches, renewals through a 'just-in-time' method for each asset. The knowledge about level of importance, resilience and risk will help our staff to make informed decisions about how the risk to the community should be managed.



For example, Council is proposing to defer the renewal of the footpath programme as it understands it can be done at low risk and we can see and regularly inspect the footpaths. We can respond if a problem occurs and remove risks quickly. Because of that, Council plans to extend the overall life of all of the footpath assets beyond what was earlier estimated and signalled in previous Roading Activity Management Plans. The opposite approach has been taken with important parts of the water reticulation network where some critical pipe replacements are planned to happen earlier than the originally scheduled end of life.

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

We plan to manage investment in our network through a business case approach, which is supported by good evidence and data and also considers what the future demand may be including possible shifts over time as factors such as technology change.

To do this we have looked closely at planned new infrastructure projects, renewals and the maintenance of existing infrastructure. The detail and options available for addressing these matters are expanded on in our Activity Management Plans. The Strategy sets out what Council believes to be the most likely scenario for infrastructure needs in the future. It also assesses the options available to address these needs.

INFRASTRUCTURE STRATEGY CONTINUED

What is our Strategy?

- Maintain our current asset base while responding to the challenges.
- Focus on critical ageing assets and allow non-critical assets to experience limited failure before renewal (more specifically water piped assets).
- Don't expand the existing infrastructure networks (especially at our own cost), only improve levels of service to meet consent and legislated requirements, utilise the networks current capacity to meet forecast growth.
- Focus on sound evidence-based activity investment decisions, rather than just the management of assets.
- Incrementally increase the dollar amounts allocated to renewal of assets to meet the calculated level of annual depreciation (as a baseline measure).
- Should unplanned failures occur, use a mix of Council's financial "good health", accumulated reserves and/or insurance (where appropriate) to manage risks.
- Ensure growth is focused on social, financial and operational sustainability and aligned to the Council's vision.
- Better understand our community's needs through consultation and agreed levels of service.
- Utilise subsidies, user payments, rates and loans to ensure that both current and future communities pay for the asset they are using.

The tools we are going to use:

- Strengthen our asset management to improve cost-efficiency and make better informed decisions.
We will have robust and detailed asset management plans which will be updated regularly to reflect changes in the sector and develop these aligned with best practice.
- Improve business decisions when investing by using an evidence-based business case approach.
We will challenge and test when decision making, so we can demonstrate the decision to be the right choice.
- Engage our customers to better understand their needs and desires.
We will ask and listen more to know and understand what is needed, challenge and test theories and communicate the result so what is planned is widely understood.

Our assumptions at a glance

Our Strategy has used a number of assumptions to help us plan for the next 30 years. These assumptions have been consistently used across Council and are summarised as:

- There will be a gradual positive growth in the Invercargill and Southland economy but the growth can be accommodated within the existing network.
- The population growth will remain steady and the population will rise from 51,696 (2013 census) to 56,000 in 2038.
- The impacts of climate change will gradually increase over the next ten years, including rainfall, the intensity of storms, median temperature and rising sea levels. This will increase requirements on our infrastructure including roading, water supply, stormwater, sewerage and flood banks.
- Stormwater and sewerage discharge consents will have similar conditions as the current resource consents for the 10 years of the Long-term Plan.
- We have assumed that there will be no major catastrophes in the Southland Region and therefore the plan is about a steady approach.

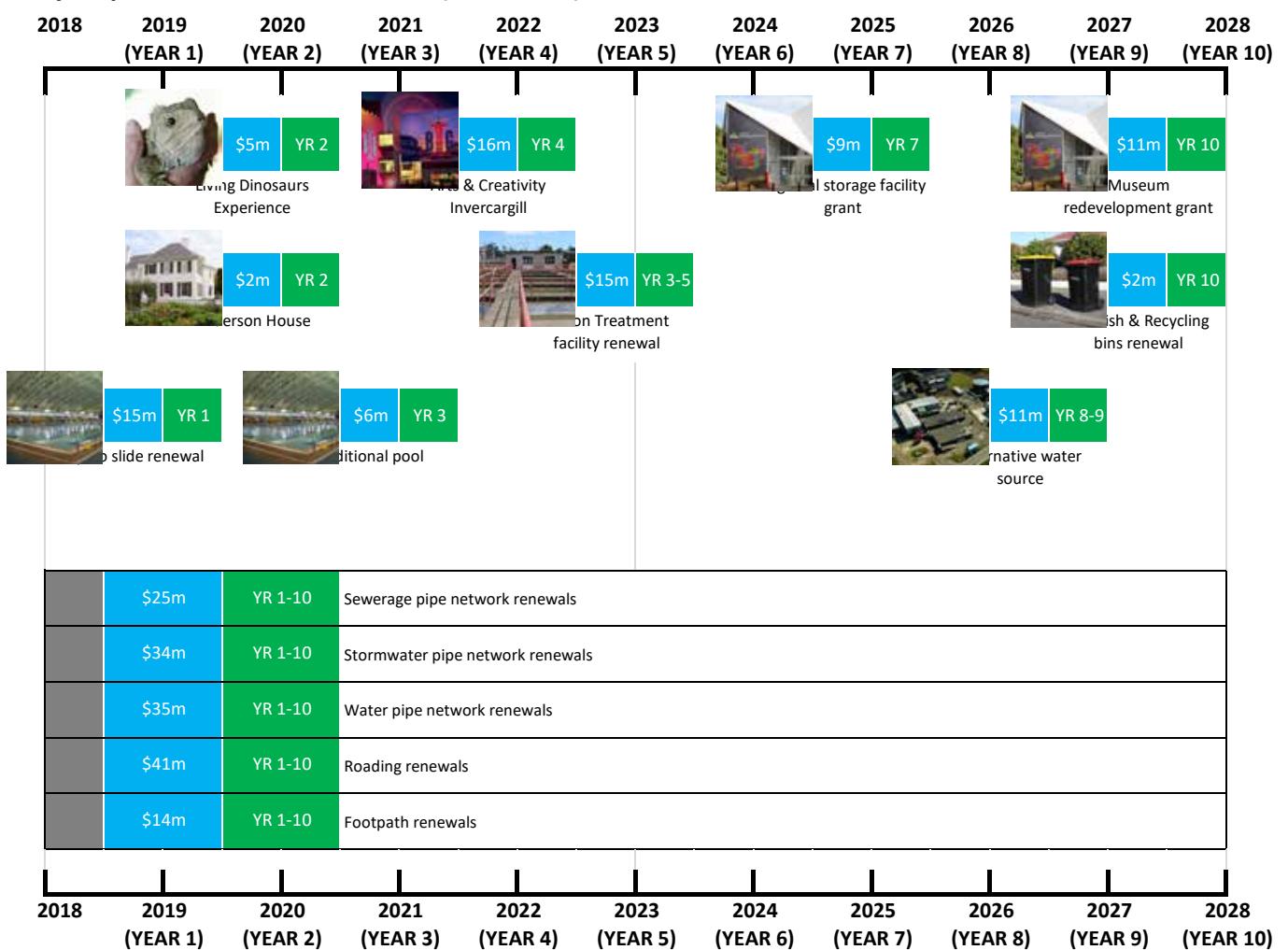
Where will we be in 30 years?

We will use our Infrastructure Strategy and other tools to manage our priority projects so that in 30 years the infrastructure in Invercargill continues to meet the needs of the community. Our assets will have had sufficient maintenance and renewal to be able to operate to meet the agreed community levels of service and legislative requirements. Council will have good knowledge on how to sustain and support the assets over their lives and our staff will use asset systems to accurately predict future demands. Our assets will contribute to Invercargill developing as the vibrant hub of Southland.

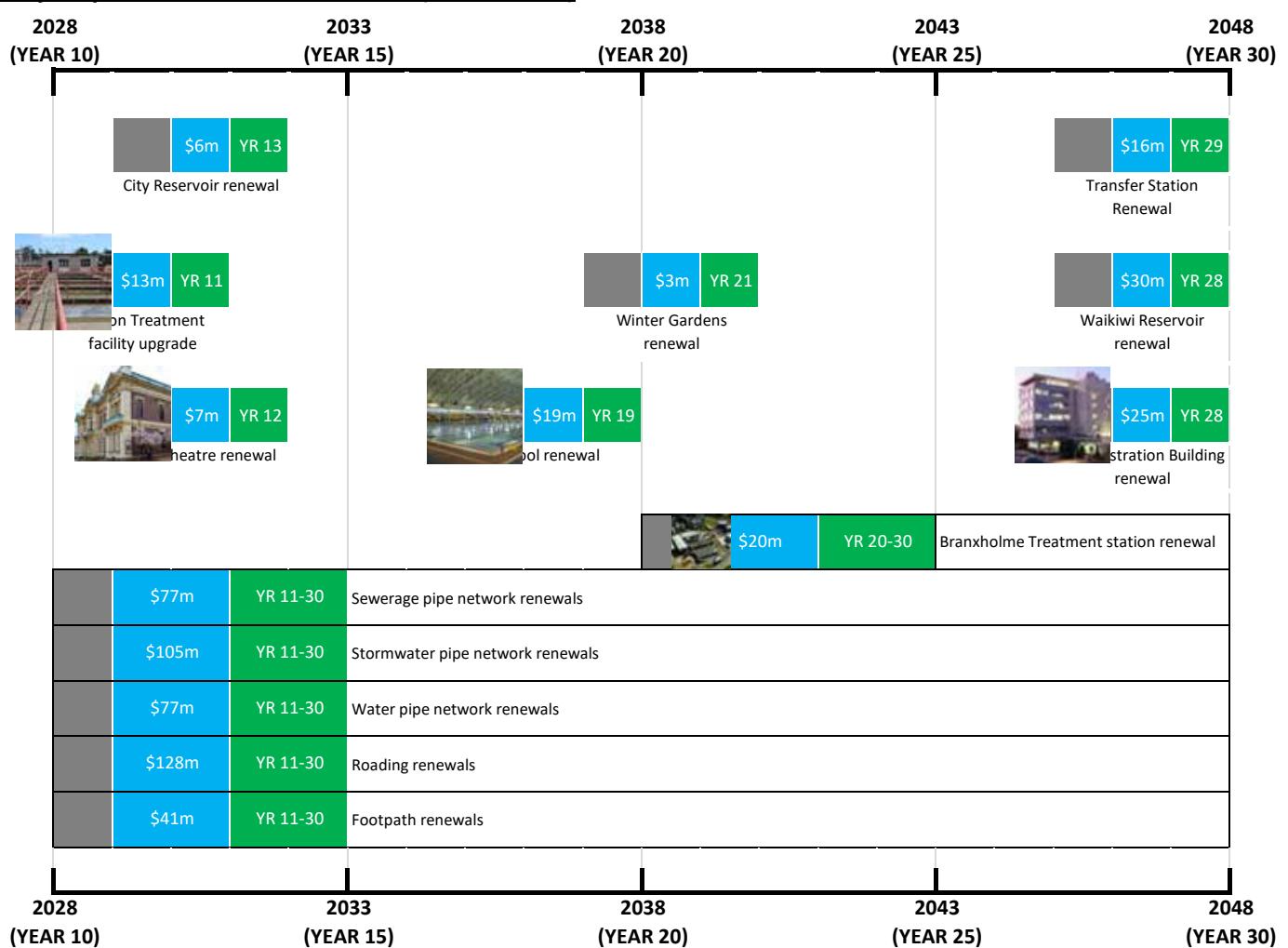


INFRASTRUCTURE STRATEGY CONTINUED

Major Spends Timeline 2018 - 2028 (Year 1 - 10)



Major Spends Timeline 2028 - 2048 (Year 11 - 30)



PRIORITIES EXPLAINED

Alternative Water Supply

In Invercargill we currently only have one source of drinking water. We get our water from the Oreti River at Branxholme. If, for any reason, this water supply is disrupted, the City would only have two and a half days' supply of water. A disruption would lead to water restrictions that would affect businesses and industry, affect firefighting capability, the ability to flush away waste and threaten the availability of drinking water. Invercargill is one of very few communities of our size that rely on a single supply of water.

The Council has begun investigating what and where the alternative source may be, the second part of this project is to develop the source into a useable alternative. The source would need to have a different risk exposure to the current source and be developed to a sufficient capacity to protect the Community. The focus of the alternative supply would be providing



Council's Preferred Option

Level of Service	Ratepayer \$
↑	↑

for domestic and firefighting supplies, not necessarily business and industry.

Although a major event that would make the Oreti supply unavailable is considered unlikely, the potential impact of such an event is huge. Events such as drought and contamination of the water supply could have a detrimental effect on the Community and health and safety would be compromised.

The cost of developing the alternative water supply is budgeted at \$10.7 million and will be loan funded. The work will be undertaken over the 2025/26 and 2026/27 financial years.

Option 1

Council's Preferred Option

Develop an alternative water supply.

Level of Service

Will increase as the Community is provided with an emergency water supply.

Cost to Ratepayers

Year	Total rates	year/week
2025/26	\$226,316	\$8.46 / \$0.16
2026/27	\$715,152	\$26.54 / \$0.51
2027/28	\$960,578	\$35.38 / \$0.68

Option 2

Retain the status quo.

Level of Service

No change.

Cost to Ratepayers

No additional cost to ratepayers.



Anderson House

Anderson House and Park were gifted to the Council in 1951. The Council became responsible for stewardship of the grounds, native bush areas and the buildings. The House is iconic, and has a deep history for Southland. Anderson House has been identified as having strength of less than 33% of the New Building Standards, and as such makes it an earthquake-prone building. We are not permitting long-term internal use of the building before it has been strengthened.

There is an expectation from some sectors of the Community that the House and Park will be managed and maintained for the use of future generations. We have begun investigating potential future uses of Anderson House as well as the options for strengthening the House.

Council's Preferred Option	
Level of Service	Ratepayer \$
↑	↑

Our proposed option is to earthquake strengthen Anderson House to 67% of the New Building Standard. The necessary building consent will also trigger a responsibility for us to upgrade access in relation to means of escape, a lift to the first floor and toilet facilities.

The cost of strengthening and meeting the Building Act requirements at Anderson House is budgeted at \$1,716,960 and will be undertaken in the 2019/20 financial year.



Anderson House continued

Option 1
Council's Preferred Option

Earthquake Strengthen Anderson House to 67% of the New Building Standard, triggering building consent and responsibilities for access in regard to means of escape, a lift to the first floor and toilet facilities.

Level of Service

Will increase as the Community will once again be able to access Anderson House on both the ground and first levels.

Cost to Ratepayers		
Year	Total rates	year/week
2019/20	\$67,947	\$2.66 / \$0.05
2020/21	\$142,073	\$5.51 / \$0.11
2021/22	\$142,047	\$5.47 / \$0.11
2022/23	\$142,020	\$5.43 / \$0.10
2023/24	\$147,521	\$5.60 / \$0.11
2024/25	\$147,201	\$5.54 / \$0.11
2025/26	\$147,303	\$5.51 / \$0.11
2026/27	\$152,299	\$5.65 / \$0.11
2027/28	\$152,382	\$5.61 / \$0.11

Option 2

Maintain external shell of building only and abandon use, making it as safe as possible without triggering Building Consent.

Level of Service

No change.

Cost to Ratepayers		
Year	Total rates	year/week
2019/20	\$7,661	\$0.30 / \$0.01
2020/21	\$16,019	\$0.62 / \$0.01
2021/22	\$16,016	\$0.62 / \$0.01
2022/23	\$16,013	\$0.61 / \$0.01
2023/24	\$16,633	\$0.63 / \$0.01
2024/25	\$16,597	\$0.63 / \$0.01
2025/26	\$16,609	\$0.62 / \$0.01
2026/27	\$17,172	\$0.64 / \$0.01
2027/28	\$17,181	\$0.63 / \$0.01



Option 3

Earthquake Strengthen Anderson House to 33% of the New Building Standard, triggering building consent and responsibilities for access in regard to means of escape and toilet facilities - no use of upper story.

Level of Service

Will increase as the Community will once again be able to access Anderson House but only on the ground level.

Cost to Ratepayers		
Year	Total rates	year/week
2019/20	\$37,766	\$1.48 / \$0.03
2020/21	\$78,965	\$3.06 / \$0.06
2021/22	\$78,951	\$3.04 / \$0.06
2022/23	\$78,936	\$3.02 / \$0.06
2023/24	\$81,993	\$3.11 / \$0.06
2024/25	\$81,816	\$3.08 / \$0.06
2025/26	\$81,873	\$3.06 / \$0.06
2026/27	\$84,469	\$3.14 / \$0.06
2027/28	\$84,695	\$3.12 / \$0.06

Option 4

Earthquake strengthen Anderson House to 67% of the New Building Standard, triggering building consent and responsibilities for access in regard to means of escape, a lift to the first floor and toilet facilities, and renovate the kitchen area. This is similar to Option 1, but we have added in the kitchen renovation.

Level of Service

Will increase as a safe facility is provided for public use. The building will have a number of functional uses.

Cost to Ratepayers		
Year	Total rates	year/week
2019/20	\$75,838	\$2.97 / \$0.06
2020/21	\$158,574	\$6.15 / \$0.12
2021/22	\$158,545	\$6.11 / \$0.12
2022/23	\$158,514	\$6.06 / \$0.12
2023/24	\$164,654	\$6.25 / \$0.12
2024/25	\$164,297	\$6.19 / \$0.12
2025/26	\$164,412	\$6.15 / \$0.12
2026/27	\$169,988	\$6.31 / \$0.12
2027/28	\$170,080	\$6.26 / \$0.12

Additional Pool at Splash Palace

Swimming and water sports at Splash Palace are very popular activities for Invercargill's community. There are over 400,000 admissions to Splash Palace every year and this number is increasing. Due to its popularity, Splash Palace is unable to provide adequate space for all users including general admissions, clubs and learn to swim.

To meet this ongoing demand, and to provide appropriate disabled access, we are proposing to build an additional pool adjacent to the existing complex. The pool is scheduled to be constructed in the 2020/2021 year.

The pool would:

- Be 25 x 25 x 2 metres.
- Have built in wheelchair access and stairs.
- Meet FINA (International Swimming Federation) competition requirements.
- Provide competition seating.
- Be appropriately positioned to make use of the existing ancillary activities, for example the café and changing rooms, and will keep all staff in the same location.

Council's Preferred Option	
Level of Service	Ratepayer \$
↑	↑



The anticipated outcomes of constructing a new pool are:

- Provision of more public space for lane swimming, aqua jogging and other uses.
- Provision of a competition pool to allow for national waterpolo, swimming and canoe events.
- A 'redundancy' should the main 50 metre pool need to be closed for any reason.
- Provision of modern disabled accessibility options, for example, a permanent ramp and stairs.

We intend to fund the \$6.3 million cost of constructing the second pool by loan and by asking other community funders for assistance through a grant.



Option 1

Council's Preferred Option

Construct a second pool adjacent to the existing Splash Palace facilities.

Level of Service

Will increase as more space is made available for pool users.

Cost to Ratepayers

Year	Total rates	year/week
2020/21	\$129,018	\$5.01 / \$0.10
2021/22	\$190,212	\$7.33 / \$0.14
2022/23	\$194,587	\$7.44 / \$0.14
2023/24	\$199,062	\$7.55 / \$0.15
2024/25	\$203,840	\$7.68 / \$0.15
2025/26	\$208,936	\$7.81 / \$0.15
2026/27	\$214,368	\$7.95 / \$0.15
2027/28	\$220,156	\$8.11 / \$0.16

Option 2

Retain the status quo.

Level of Service

Pool space remains inadequate for the current number of pool users.

Cost to Ratepayers

No additional cost to ratepayers.

Increase grant funding to Southland Indoor Leisure Centre Charitable Trust

The Southland Indoor Leisure Centre Charitable Trust (the Trust) operates Stadium Southland. The Trust has approached the Council to increase its annual grant contribution from \$400,000 to \$700,000.

At present funding levels, the Trust has advised that it would only be able to continue to provide the current level of service at Stadium Southland for the next 12-18 months.

Additional funding will enable the Stadium to continue to provide the current level of service to stadium users into the future along with meeting maintenance and capital renewal requirements.

On top of the current \$400,000 grant, we presently rate for loan repayments on a \$2 million grant supplied to the Trust in 2012/13. This loan has 15 years of repayments remaining. In 2018/19, loan servicing costs will amount to \$132,140 bringing the total stadium related funding by the Council to \$532,140.

Our preferred option is to retain grant contributions at the current level of \$400,000 and continue to meet loan servicing requirements (\$132,140 in 2018/19).

Council's Preferred Option	
Level of Service	Ratepayer \$
No Change	No Change



Option 1 Council's Preferred Option

Continue to fund the Southland Indoor Leisure Centre Charitable Trust at current levels of funding (\$400,000 grant & \$132,140 loan servicing).

Total funding of \$532,140 in 2018/19.

Level of Service

No change to ratepayers.

Stadium users may experience a lower level of service.

Cost to Ratepayers

No impact to ratepayers but there will be an impact to Stadium users in the future.



Option 2

Increase funding to the Southland Indoor Leisure Centre Charitable Trust by \$300,000 to \$700,000 and continue to rate for loan repayments (\$132,140 in 2018/19).

Total funding of \$832,140 in 2018/19.

Level of Service

No change to ratepayers or Stadium users.

Cost to Ratepayers		
Year	Total rates	year/week
2018/19	\$300,000	\$11.82/\$0.23
2019/20	\$300,000	\$11.73/\$0.23
2020/21	\$300,000	\$11.64/\$0.22
2021/22	\$300,000	\$11.56/\$0.22
2022/23	\$300,000	\$11.47/\$0.22
2023/24	\$300,000	\$11.38/\$0.22
2024/25	\$300,000	\$11.30/\$0.22
2025/26	\$300,000	\$11.22/\$0.22
2026/27	\$300,000	\$11.13/\$0.21
2027/28	\$300,000	\$11.05/\$0.21

Option 3

Increase funding to the Southland Indoor Leisure Centre Charitable Trust by \$150,000 to \$550,000 and continue to rate for loan repayments (\$132,140 in 2018/19).

Total funding of \$682,140 in 2018/19.

Level of Service

No change to ratepayers.
Stadium users may experience a lower level of service.

Cost to Ratepayers		
Year	Total rates	year/week
2018/19	\$150,000	\$5.91/\$0.11
2019/20	\$150,000	\$5.87/\$0.11
2020/21	\$150,000	\$5.82/\$0.11
2021/22	\$150,000	\$5.78/\$0.11
2022/23	\$150,000	\$5.74/\$0.11
2023/24	\$150,000	\$5.69/\$0.11
2024/25	\$150,000	\$5.65/\$0.11
2025/26	\$150,000	\$5.61/\$0.11
2026/27	\$150,000	\$5.57/\$0.11
2027/28	\$150,000	\$5.52/\$0.11

Arts and Creativity Invercargill

The Southland Regional Development Strategy has identified the need for an Art Centre in the heart of the City. We have undertaken consultation with our Community to determine whether there is demand for an Art Centre and what format it should take. This research has shown us that a traditional art gallery may not be well utilised, but an innovative art centre would deliver the rejuvenation that we are wanting.

We are proposing to develop "Arts and Creativity Invercargill" an Art Centre that is focused on people and will serve as a social hub. The Art Centre will have a social space, an activity space, service areas as well as the traditional presentation gallery space. The Art Centre will not only be a place for enjoying others artworks, but also for doing and creating your own.

The following diagram on top of page 25, outlines the spaces that will be included in the Art Centre. The approach inverts the traditional idea of entering empty galleries by placing the busier, welcoming and more flexible spaces and activities up front and moving the quieter galleries deeper into the facility.

The design work will be undertaken from 2018/19 financial years with the facility opening to the public in 2022/23.

As a part of this proposal, we intend to undertake three separate projects over the next ten years. The first is the Art Centre, followed by a regional storage facility for our art and museum artefacts and finally the redevelopment of the Southland Museum and Art Gallery. You can read more about these projects on page 28.

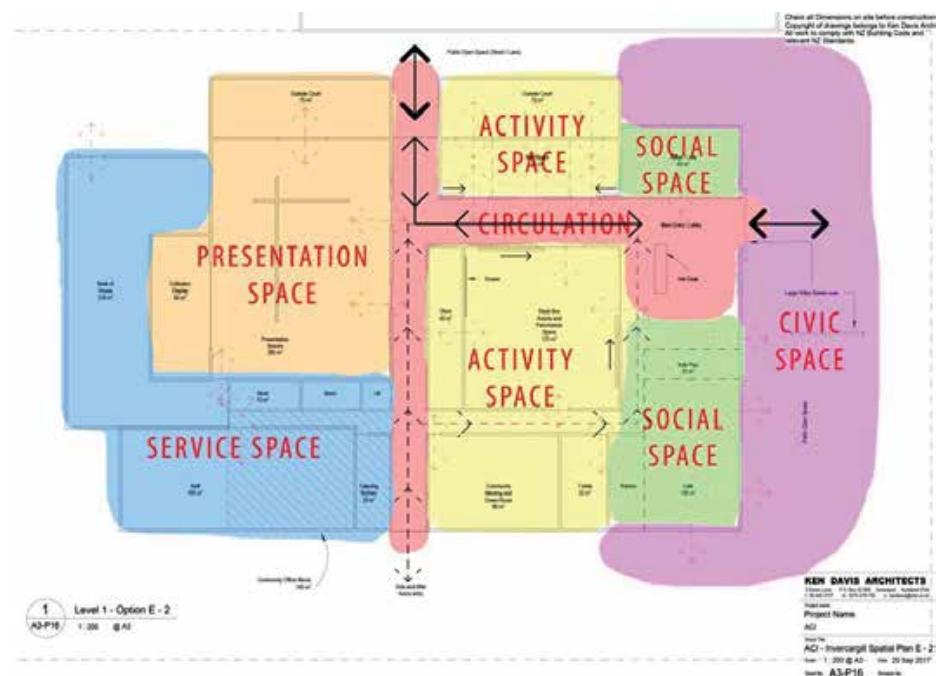
Council's Preferred Option	
Level of Service	Ratepayer \$
↑	↑



The recommended site for the Art Centre is at Wachner Place using Esk Street West. The total cost of developing the Art Centre is \$16 million. Not all of this will be met by the Council and we anticipate receiving funding from Central Government and local Trusts to support the project. We are committing a \$6.3 million contribution and we are seeking \$5.3 million from the Ministry for Culture and Heritage, \$3.2 million is expected to come from other Trust funds, which leaves a further \$1.2 million to be fund raised.

We will also fund part of the operational costs of running the Art Centre which will be collected from rates.

Our preferred option is to develop the Art Centre on the Wachner Place site.



Option 1 Council's Preferred Option

Develop and operate the Art Centre.

Level of Service

Will increase as a new attraction is available.

Cost to Ratepayers

Year	Total rates	year/week
2018/19	\$167,736	\$6.61 / \$0.13
2019/20	\$267,324	\$10.45 / \$0.20
2020/21	\$373,505	\$14.50 / \$0.28
2021/22	\$721,650	\$27.80 / \$0.53
2022/23	\$1,269,457	\$48.54 / \$0.93
2023/24	\$1,307,606	\$49.62 / \$0.95
2024/25	\$1,324,756	\$49.90 / \$0.96
2025/26	\$1,344,759	\$50.28 / \$0.97
2026/27	\$1,384,680	\$51.38 / \$0.99
2027/28	\$1,407,281	\$51.83 / \$1.00

Option 2

Retain the status quo.

Level of Service

Remains at the current level.

Cost to Ratepayers

No additional cost to ratepayers but will impact the cost of the Museum redevelopment.

A detailed report on the Art Centre proposal can be accessed through Council's website www.icc.govt.nz

Living Dinosaurs

We are proposing to build a high-quality tuatara and kakapo experience beside the Southland Museum and Art Gallery, enhancing and expanding the current tourism attraction. The Living Dinosaur Experience will celebrate two significant taonga species who call Murihiku their home.

The proposal is our response to a number of issues:

1. Development of a new tourism attraction in Invercargill.
2. The presence of tuatara is a risk to the environment of the museum collection and as such they require separation. The current tuatara facility requires significant renewals to improve appearance and address corrosion.
3. The Department of Conservation is looking for a permanent home to hand rear kakapo chicks every 2-3 years as the current temporary location is not fit for purpose.
4. The foyer at the Southland Museum and Art Gallery would require development to allow entry from the reception area to the Living Dinosaur experience.

The Living Dinosaur Experience will provide a significant tourism asset and align with other anchor projects seeking to reinvigorate the City in accordance with the Southland Regional Development Strategy. It will also provide ongoing support to conservation programmes and protect an important part of Southland's heritage.

Council's Preferred Option	
Level of Service	Ratepayer \$
↑	↑



The proposal is to build an indoor and outdoor facility which, includes a Tuatara enclosure, a Kakapo hand rearing enclosure and Lab and a Living Dinosaur Experience Area. The total capital cost of the project is estimated at \$5.07million. We intend to seek a commercial partner to co-invest in the facility and there is an opportunity for the Department of Conservation to operate the Kakapo Lab and fund this work.

We will also fund part of the operational costs of running the Living Dinosaur Experience which will be collected from rates and entry fees.

It is our intention that Southlanders will have free entry to see tuatara behind glazing in an artificial environment, a similar tuatara experience as they have at present. Southlanders would then have the option to pay for the enhanced experience that would be available to all paying visitors.

The facility will only cost ratepayers in its first year. Following this it is anticipated that it will be self-funding.



Option 1

Council's Preferred Option

Develop the Living Dinosaurs Experience.

Level of Service

Will increase as a new attraction is available.

Cost to Ratepayers

Year	Total rates	year/week
2019/20	\$100,384	\$3.93/ \$0.08

Option 2

Retain the status quo.

Level of Service

Remains at the current level, although renewal work will still be required for the current Tuatara facility.

Cost to Ratepayers

No additional cost to ratepayers but will impact the cost of the Museum redevelopment.

A detailed report on the Living Dinosaur Experience can be accessed through Council's website www.icc.govt.nz

Regional Storage Facility and Southland Museum and Art Gallery Redevelopment

As mentioned on the previous pages the development of an arts centre and the Living Dinosaurs Experience project are part of a wider development for art, heritage and culture in Invercargill. Alongside these projects there is also a proposal for the construction of a regional storage facility and the redevelopment of the Museum. These four projects are interlinked and the outcome of some depends on the others.

For example, if the Living Dinosaurs Experience or Art Centre does not go ahead, the Museum redevelopment will change from what we have planned. The Museum would then have to include an art gallery and also a home for the tuatara. This would change the overall cost of the project and we would once again ask the Community for their input.

As three publicly owned art collections will be merged through this development, a storage facility is required. The Southland Regional Heritage Committee and the Southland Councils are currently discussing the creation of a regional storage facility for the storage and preservation of movable cultural heritage held in district museums around Southland. We believe that a practical solution is to provide one storage facility which can house the heritage and arts collections. Having one central storage facility will also maximise the opportunity to employ and retain specialised professional collection, cataloguing, conservation and storage management staff to operate the facility. The Storage Facility is planned to be constructed in the 2024/25 financial year.



The development of a regional storage facility will also provide the opportunity to redevelop the Southland Museum and Art Gallery in the most economical way. By removing storage from the existing pyramid, all of the floor space can be used for exhibitions. This will provide 45% more public space within the existing building area. This also means that any building developments carried out in the short-term, such as the modification of the foyer and replacement of the lift, can be retained in the redeveloped museum. The Museum redevelopment is planned for the 2027/28 financial year.

Due to the interdependence of the four projects, there is a specific order in which the work needs to be carried out. The art centre development and Living Dinosaurs Experience project will be achieved first; this is followed by the storage facility being developed so that it is ready to begin to receive collections in approximately five years' time. Removal of the collection from the Museum has a lead time of approximately six to eight years, while all of the collection is prepared for removal by cataloguing and packaging in storage containers. The collection will then take approximately two years to be removed from the Museum as there are around 75,000 objects to transport. The Museum building would be emptied and ready to begin redevelopment in 9 to 10 years.



IMPACT ON YOUR RATES



The Council has developed its budget, which will result in a 3.96% overall rates increase in 2018/19, and has considered the impact on people's rates. The table below details the rates revenue requirement over the next 10 years.

How we will achieve this over the next 10 years is detailed in our Financial Strategy.
(Summary see page 8).

All figures in the Consultation Document are inflation adjusted.

Year	Rates change	Total rates requirement (\$'000) GST INCLUSIVE
2018/19	3.96%	59,857
2019/20	3.96%	62,229
2020/21	3.82%	64,608
2021/22	3.31%	66,749
2022/23	4.80%	69,950
2023/24	3.92%	72,692
2024/25	3.69%	75,373
2025/26	3.64%	78,114
2026/27	5.10%	82,095
2027/28	3.76%	85,178



IMPACT ON YOUR RATES

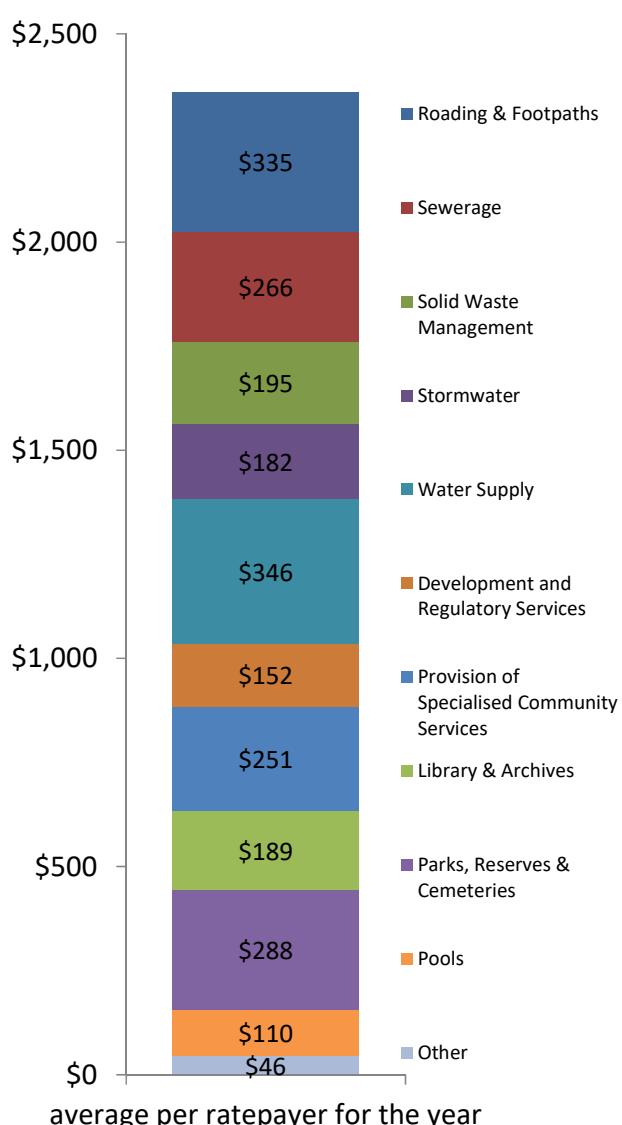
IMPACT ON YOUR RATES CONTINUED

There will be an estimated **25,385** ratepayers in Invercargill

A total of **\$59,857,084** rates paid (GST inclusive)

an average rate bill of **\$2,360** per ratepayer for the year

or **\$45.38** per week



Road & Footpaths

- Above New Zealand average standard roading
- Safe footpaths
- Convenient road side parking

Sewerage

- Collection service of discharged household sewerage
- Treatment of sewerage so it is environmentally safe to discharge into the waterways

Solid Waste Management

- Kerbside residual waste & recycling collection service
- Transfer station for customers to drop off residual & green waste

Stormwater

- Pipe network system to discharge rainfall through to waterways reducing the risk of flooding

Water Supply

- Fresh treated water, piped to Invercargill & Bluff residents' taps
- Fire fighting water supplies

Development and Regulatory Services

- Animal & Environmental health control services
- Building & parking compliance services
- Resource management district planning

Provision of Specialised Community Services

- Provides funding to support a number of community services including Regional Heritage, Southland Museum, Stadium Southland & Bluff Pool

Library & Archives

- Free access to a large book collection numerous programmes & resources

Parks, Reserves & Cemeteries

- Public use of green recreation spaces

Pools

- Aquatic facilities for the health, wellbeing and enjoyment of the community

Other

- Bus passenger transport service
- Housing Care service
- Public Toilets
- Theatre & hall facilities
- In house support services



Rating evaluations were reviewed in 2017. This has resulted in a change in value of most properties in the district. Although the proposed overall rates increase is 3.9% based on the Council's preferred options, many properties will have a rates change different to this. The table of Rating Changes below show some examples of different properties, their valuation change and the impact this has had on the rates payable by the rate payer.

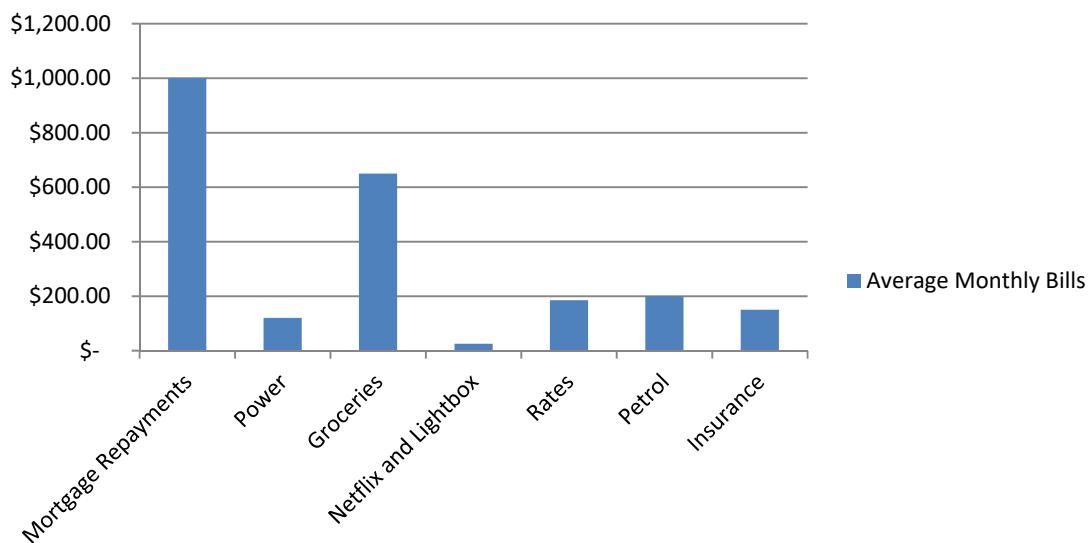
Table of Rating Changes

Type of Property	Rateable Value (Current) \$	Rateable Value (Proposed) \$	Rates 2017/18 \$	Rates 2018/19 \$	\$ Change Annual	\$ Change Weekly
Residential	109,000	130,000	1,745	1,798	53	1.01
Residential	215,000	255,000	2,188	2,282	94	1.80
Residential	310,000	350,000	2,585	2,650	65	1.25
Residential	485,000	540,000	3,317	3,385	68	1.31
Residential	600,000	660,000	3,797	3,849	52	1.00
Commerical	690,000	750,000	5,855	5,963	108	2.08
Commerical	1,100,000	1,090,000	8,891	8,705	-186	-3.58
Commerical	2,450,000	2,900,000	13,521	14,399	878	16.88
Commerical	3,500,000	3,590,000	19,760	19,190	-570	-10.96
Farms	620,000	620,000	1,455	1,377	-78	-1.50
Farms	1,730,000	1,730,000	2,955	2,819	-136	-2.61
Farms	5,300,000	5,370,000	8,532	8,284	-248	-4.77
Farms	10,050,000	10,050,000	15,514	14,868	-646	-12.42
Industrial	17,700,000	19,500,000	52,417	52,475	58	1.12
Industrial	1,000,000	1,030,000	6,952	6,864	-88	-1.70
Industrial	2,000,000	2,200,000	11,928	12,147	219	4.22

IMPACT ON YOUR RATES CONTINUED

The average monthly bills chart below illustrates the cost of rates per month in comparison to other regular household expenses. This is an indicator of rating affordability. This information is based on a three bedroom home in the Invercargill City area valued at \$240,000.

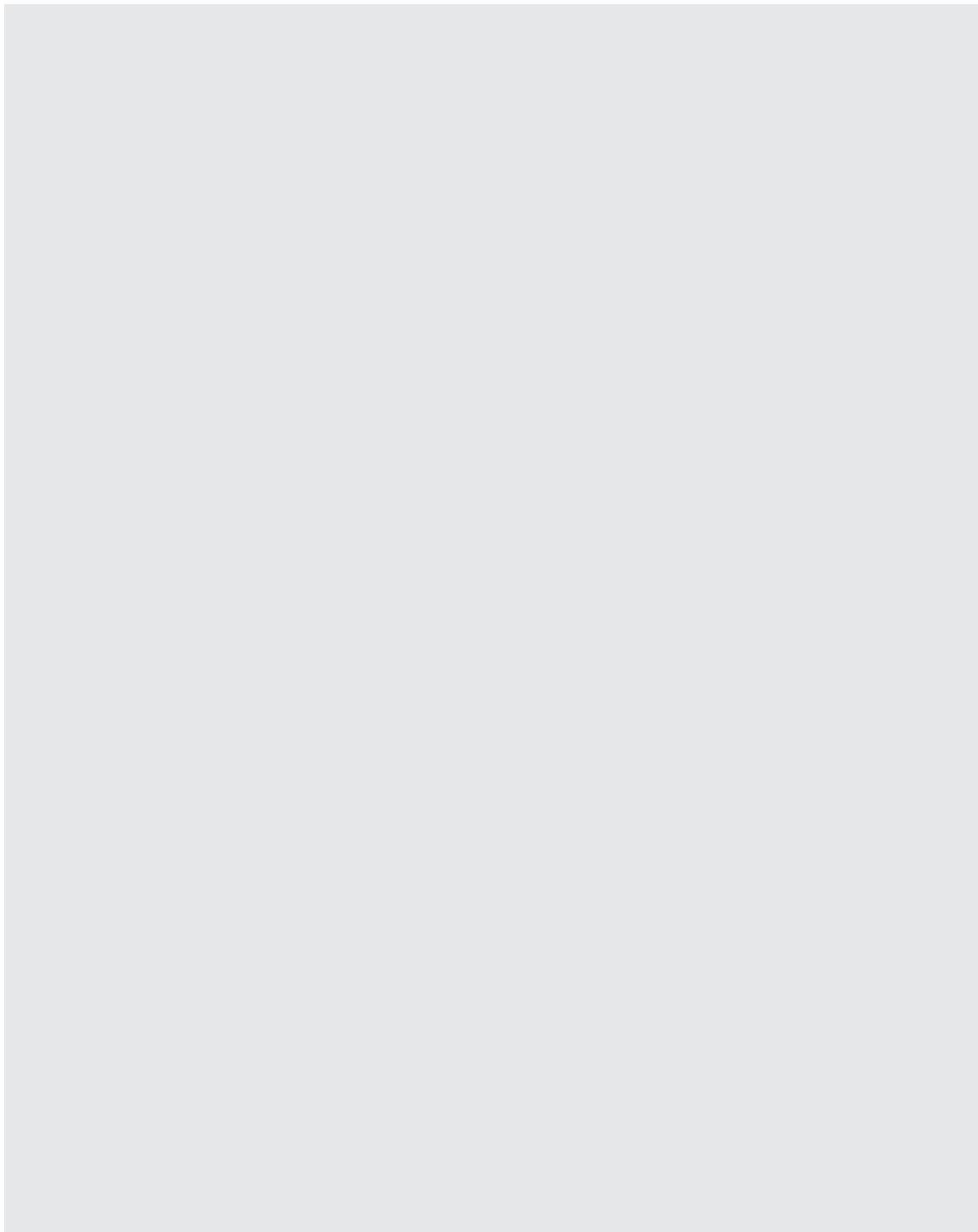
Average Monthly Bills



AUDIT REPORT



AUDIT REPORT CONTINUED





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TO: COUNCIL
FROM: THE DIRECTOR OF ENVIRONMENTAL AND PLANNING SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

WATER AND SANITARY SERVICES ASSESSMENT (WASSA)

Report Prepared by: Philippa Simpson – Trainee Environmental Health Officer

SUMMARY

The development of the Water and Sanitary Services Assessment (WASSA) by the Invercargill City Council is a statutory obligation under the Local Government Act (2002) to assess from a public health perspective adequacy of water and other sanitary services available within its territorial authority district. This report describes the various assets, levels of service, assesses the risks and forecasts demand for water and sanitary services within the Invercargill City area.

RECOMMENDATION

That the Water and Sanitary Services Assessment (WASSA) be adopted.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan / Annual Plan?</i> Yes.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

STATEMENT OF COMPLIANCE WITH LOCAL GOVERNMENT ACT 2002

All local authorities are obliged to undertake an assessment of their water and sanitary services, in accordance with Section 125 of the Local Government Act 2002. These include water supply, wastewater and stormwater disposal, public toilet facilities, cemeteries and

crematoria. The main focus of the assessment is to ensure that the provision of these facilities is sufficient so that public health is maintained.

Invercargill City Council last completed an assessment of Water and Sanitary Services (WASSA) in 2015.

This assessment has been compiled from a number of sources, namely Invercargill City Council Activity Management Plans, Asset Management Plans and the Long Term Plan (2015-2025) and provides a snapshot of the Invercargill area as at 18 January 2018.

CONCLUSION

The assessment of Council's Water and Sanitary Services demonstrates that Council has considered the needs of the community relating to these services. All key issues have been identified and the necessary plans are being put in place to ensure that these key issues are addressed in meeting the needs of the community.

Appendix 1 – Water and Sanitary Services Assessment 2018 (WASSA)

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APPENDIX 1



WATER AND SANITARY SERVICES ASSESSMENT (WASSA) 2018

A2069840

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EXECUTIVE SUMMARY

This assessment is a statutory requirement under the Local Government Act (2002). The preparation of a Water and Sanitary Services Assessment ensures that sufficient thought is given to the provision of water and sanitary services and is sustainable into the future. This report describes the various assets, levels of service, assesses risks and forecasts demand for water and sanitary services within Invercargill City.

Invercargill City Council (ICC) addresses most of the key issues regarding reticulated wastewater, stormwater and reticulated water supplies through the respective Asset Management Plans. Information relating to these services has been extracted from the 2017 draft Asset Management Plans and included as part of this assessment.

The Asset Management Plans do not, however, cover issues relating to on-site wastewater systems, community water supplies and private water supplies. Assessment information relating to these has been obtained from various sources and collated.

Certain areas of Invercargill and Bluff have fully reticulated water, wastewater and stormwater services. Reticulated drinking water is of a high standard and reticulated waste water is treated to a high standard before being discharged into the New River Estuary and Foveaux Strait in Bluff.

This report was written with information obtained from Invercargill City Council Activity Management Plans, Asset Management Plans and the 2015-2025 Long Term Plan. These documents can be found on the Invercargill City Council website www.icc.govt.nz.

The assessment concludes that the level of water and sanitary services that are provided to the 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 in this 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 is no reported incidence of disease to suggest the risk to public health is anything other than low.

Invercargill City Council

Invercargill City is the southernmost city in New Zealand. It is the main service centre for Southland. The city has easy access to large areas of conservation reserves such as Fiordland National Park which covers the south-west corner of the South Island.

1. INTRODUCTION

1.1 Purpose of the Assessment

The Local Government Act 2002 (Section 125) requires territorial authorities to assess, from a public health perspective, the adequacy of water and other sanitary services available within that territorial authority's district.

1.2 Asset Management Plans

Asset Management Plans (AMPs) are a key component of the Council planning process, being prepared within the context and framework of Council's Long Term Plan and fed into the financial plans and service objectives of those documents. AMPs relevant to this assessment are those for water supply, wastewater, stormwater, public conveniences, cemeteries and landfills. While the more significant information about Council owned assets and services contained in the relevant AMPs is provided in the following assessment, the plans should be referred to for greater detail.

The goal of Asset Management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future customers.

This assessment summarises Council services, private services and specific health related matters. For the purpose of this assessment, water services are:

- Water supply
- Stormwater disposal
- Wastewater disposal

Sanitary services are:

- Public toilets
- Cemeteries/Crematoria
- Refuse/Solid Waste

Invercargill City Council operates within the framework of health related legislation. The legislation applicable to water and wastewater is:

- Health Act 1956
- Burial and Cremations Act 1964
- Building Act 2004
- Drinking Water Standards for New Zealand 2005 (revised 2008)

The Medical Officer of Health monitors incidence of disease and public water supplies in the region and liaises with Invercargill City Council Environmental Health Officers and Asset Managers on potential health risk or incidences relating to health.

The three main legislative controls of private activities relating to individual dwellings are:

- The Health Act 1956
- Resource Management Act 1991
- Building Act 2004

Environment Southland sets and administers regulations controlling the environmental impact of water and sanitary services.

1.3 Council Vision

To enhance our City and preserve its character while embracing innovation and change.

Council has developed its own Council-focused “Community Outcomes” for the Long Term Plan that will fulfil the requirements of Community Outcomes under the Local Government Act.

Encompassing three Community Outcomes

- Enhance our City
- Preserve its character
- Embrace innovation and change

1.4 Community Outcomes

Community Outcomes have been derived from Council vision stated in Section 1.3.

Community Outcome	Activity	Council's Role	Direct Contribution to Community Outcomes
Enhance our City	Sewerage: Provides for collection, treatment, and disposal of sewage from urban areas of Bluff, Invercargill, Omaui and parts of Otatara	Invercargill's economy continues to grow and diversify	The sewerage activity receives and treats trade waste
Embrace innovation and change		The development of future industry is encouraged	
Preserve its character		The building blocks (including sanitation) is provided for all members of the community	The sewerage activity protects public health by safe collection of sewerage
Enhance our city	Stormwater: Provides for collection and discharge of stormwater to receiving water, and reduction of flooding in urban areas of Bluff, Invercargill, and parts of Otatara	Invercargill's economy continues to grow and diversify	The stormwater activity protects urban areas from flooding
Embrace innovation and change		The development of future industry is encouraged	
Preserve its character		The building blocks for a safe, friendly city are provided for all members of the community	Properties are protected from flooding damage, and receiving waters are not adversely affected by contaminated discharge
Preserve Character	Water supply: Provide or ensure provision of service that includes quality water supply and reliable effective sanitation	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community	The Water activity provides a safe reliable supply of water
Enhance our City		Invercargill's economy continues to	The Water activity provides a water network

	grow and diversify	with sufficient capacity to meet demand and firefighting requirements
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Table 1 – Contribution to Community Outcomes

1.5 Factors Influencing Demand (Taken from Water Activity Management Plan 2017 (draft) and Long-Term Plan Background and Assumptions 2018-2028).

Invercargill is predicted to grow. By 2038 the Invercargill district population will be approximately 56,000 with 24,400 dwellings. This is based on the following assumptions:

1. Invercargill City Demographic Projections provided by Proposed District Plan: Economic Assessment (refer to Table 2).
2. Average household size will decline to 2.2 people per household in 2038.
3. An increasingly older population is reasonably certain, and a core driver of declining average household size. Those 65 years and older will make up approximately 22% of Invercargill's population by 2028 (Table 3).
4. The local economy will grow and diversify.

	2013	2018	2023	2028	2033	2038	Growth n	2013 – 2038 %
Population	53,200	55,300	55,900	56,300	56,300	56,000	2,800	5%
Households	22,100	23,100	23,600	24,000	24,300	24,400	2,300	10%
Pop/household	2.4	2.3	2.3	2.3	2.3	2.2	2.2	-9%

Table 2 – Invercargill City Demographic Medium Projections

	0-14 Years	15-39 Years	40-64 Years	65 Years and Over
2013	10600	16800	17400	8500
2018	10700	17600	17500	9500
2023	10500	17500	17000	10900
2028	9900	17200	16600	12500
2033	9500	16300	16800	13700
2038	9100	15800	16700	14400
2043	8700	15600	16500	14700

Table 3 - Projected Changes in Age Structure Medium Projection

1.6 Changes in Industry

Council is undertaking the Awarua Industrial Development project to make industrial land available on the open market within the Invercargill District. Council has purchased 611.75 hectares of land at Awarua and has re-zoned the land from rural to industrial. It is anticipated that by having the land available, industrial activities will establish in Invercargill increasing employment and revenue in the District. Council intends to service the land with the necessary infrastructure for industrial activities to establish. These costs will be recouped as part of the purchase price of the land.

It is estimated that industrial and commercial water usage will increase by 1100 cubic metres per year, for 6 years, as a result of the Council Awarua initiative. This has

been allowed for from 2018/2019. The trunk main water system from Branxholme Water Treatment Plant has been increased in capacity to meet anticipated demand from the development at Awarua.

1.7 Leaks in System

Leakage losses are currently estimated at 23%. The progressive replacement of pipelines as they reach the end of their useful life and the identification and repair of sources of leakage from the Invercargill water supply system helps to ensure that leakage is reduced. However, it has been recognised in the draft Water Activity Management Plan 2017 that the determination of actual leakage needs to be accurately assessed via establishing a regular programme. This would involve dividing the reticulation network into sectors, checking night time flows in those sectors, and comparing against a perceived reasonable use at night.

1.8 Climate Change

In the long term rising temperatures and more intense weather events are expected in Invercargill. The short to medium term is less certain, but no significant changes are expected in the next 10 years that will impact on the operation of Council's infrastructure. The following assumptions can be made:

- The Oreti River will have significant flows which allows Council to exercise its resource consent. However, it is possible a reduction in supply could arise due to the system being under repair, or during drought conditions in the Oreti River when the provisions of the resource consent to extract water restrict abstraction to no more than 20% of the available flow.
- The New River Estuary is able to accept the discharge from the Clifton Waste Water Treatment Plant.
- Foveaux Strait is able to accept the discharge from the Bluff Waste Water Treatment Plant.
- No additional stormwater pumping stations are required.

In the long term, the effects of climate change are predicted to mean more intense periods of rain and more severe droughts. Council will need to prepare for future impacts on infrastructure. Longer periods of drought increase demand for water, while flood events increase turbidity in raw water entering the water treatment plant. More intense rainfall also results in infiltration and inflows that increase the volume of waste water that needs to be treated. The significant effect of climate change for the stormwater activity is sea level rise. The increased risk of flooding will need to be managed.

If the current Branxholme water supply is rendered inoperative for some reason such as drought or disaster then the current complete reliance on the Oreti River source to singly serve the whole community makes for a vulnerable situation. Search for another source to act as an emergency supply needs investigation.

1.9 Emergency Management

The Invercargill City Council has prepared an Emergency Management Plan.

2. RETICULATED WATER SUPPLY

Invercargill City Council owns and maintains assets on behalf of the community, providing water pressure to the boundary of each property in Bluff and Invercargill urban areas.

The supply of potable water to residential, industrial and commercial properties protects public health, supports city growth and contributes to the current and future good of the community. In urban areas, potable water is most effectively supplied by means of reticulated (piped) community water supply. The Invercargill and Bluff service is provided to approximately 44,280 residents. The reticulated water supply is constantly monitored and checked to ensure it meets the Drinking Water Standards of New Zealand 2005 (revised 2008) (DWSNZ05 (08)).

Water is sourced from the Oreti River at Branxholme, 17 kilometres north of Invercargill. The supply system consists of a full treatment plant, which includes coagulation, flocculation, and filtration. Post filtration water is disinfected by passage through an ultraviolet reactor and chlorinated. During taste and odour episodes hydrogen peroxide is added prior to the ultraviolet reactor to provide an oxidant to destroy problematic taste and odour substances. Water is then passed through Granular Activated Carbon (GAC) Filters to remove oxidation by-products. The prime function of treatment is to provide a succession of barriers to harmful health organisms and remove suspended sediment.

Invercargill City water supply has been fluoridated since 1963, and continues to be so in accordance with the Ministry of Health's current policy. The fluoride level is kept between 0.7 and 0.8mg/litre and weekly testing is undertaken to ensure compliance with Drinking Water Standards for New Zealand.

The network consists of:

- Two treatment plants
- Seven reservoirs
- Six pumping stations
- 418.7 kilometres of pipe work (supply and reticulation)
- 71.3 million litres reservoir storage

The reticulated water supply is constantly monitored and checked to ensure it meets the DWSNZ05 (08). An extensive upgrade of the Branxholme Water Treatment Plant (which included the addition of the ultraviolet reactor and GAC filters) was completed in April 2017 to perform at a level consistent with the Drinking Water New Zealand Standards and to eliminate a persistent summertime earthy taste and odour problem. Prior to this upgrade, there were ongoing issues in regard to consistently meeting the DWSNZ05 (08) criteria for protozoa removal. Protozoa such as *Cryptosporidium* and *Giardia* occur in many New Zealand surface and non-secure bore waters. The cysts are found in the faeces of humans and animals, therefore their presence in drinking water is an indication of contamination. The treatment plant now boasts a protozoal removal performance of 7 log credits, which equates to 99.99999% protozoal removal.

The Invercargill City water supply is currently operated without a Water Safety Plan (WSP) due to the old plan expiring, and the upgraded plant requiring a complete rewrite of the WSP. However, the draft Water Safety Plan for Invercargill 2017 is currently being developed, and critical control points which form part of the new plan are programmed into the new system. Prior to completion of the upgrades the water supply achieved bacterial and chemical compliance for the 2015/16 annual compliance year, however failed to comply with protozoa criteria. It is expected that from 2018 onwards full compliance with the Drinking

Water Standard of New Zealand will be demonstrated as well as the elimination of the summer time earthy taste and odour.

Other improvements are the renewal of asbestos cement pipes, particular the Branxholme pipeline. No provision has been made yet for reticulating water to the Invercargill City Council Awarua Project.

No other communities within the Invercargill City Council's territory are supplied with water other than the suburban communities of Invercargill and Bluff. School, industry and properties outside suburban areas of Bluff and Invercargill find their own supply which is normally in the form of rain water collection or underground bores.

Non-reticulated supplies are not subject to the same amount of monitoring as Council's reticulated service. There have been no confirmed cases of illness from non-reticulated water supplies in the Invercargill City area, however there is still potential for illness to occur from contamination of non-reticulated water supplies. Household owners need to maintain their private supplies to help ensure safety.

2.1 Quality

The reticulated water supply system must be kept and maintained in a manner that ensures the water is safe for human consumption. The DWSNZ05 (08), details how to assess the quality and safety of drinking water. The DWSNZ05 (08) also lists the maximum concentrations of chemical, radiological, and microbiological contaminants acceptable for public health in drinking water. The compliance criteria for Invercargill City water supply monitoring are classified according to the health risk posed by non-compliance. In order of importance they are:

Priority 1 Determinants: Microorganisms of public health significance, especially the bacteria Escherichia (E.coli), which indicates the presence of faecal matter, and the protozoa Giardia and Cryptosporidium.

Priority 2 Determinants: Chemical and radiological contaminants that may have adverse effects on public health in sufficient concentrations. These include inorganic chemicals such as heavy metals and organic compounds such as pesticides. Monitoring fluoride levels is carried out on weekly basis.

2.2 Contamination Prevention

Making sure people have clean water to drink is an important step towards public health. In the past, public health management of supplies relied largely on monitoring the quality of the water produced by individual water suppliers to check that it complied with the Drinking Water Standards for New Zealand.

While monitoring is always important, Water Safety Plans (WSP) (formerly known as Public Health Risk Management Plans), for drinking water supplies provide the additional benefit of reducing the likelihood of contaminants entering supplies in the first place. By the time monitoring shows that contaminants are present, something has already gone wrong and a hazard is already present in the water.

Water safety plans encourage the use of risk-management principles during treatment and distribution so that monitoring is not the only water quality management technique used, and further reducing the risk of contamination. More information on WSP is provided in Section 2.6 How Public Health will be Protected.

2.3 Adequacy of Supply

The average domestic water consumption across reticulated areas of Invercargill City is approximately 249m³/year (equates to 274 litres/person/day). Changes in patterns of residential water consumption are heavily influenced by the weather, with hosing/sprinkler use over the summer resulting in a marked increase in use. Other influences include the use and type of water consuming devices, public perception and social habits and use of potable water for other (non potable) purposes. There is increasing use of dual water supply systems in New Zealand with water from the reticulated water supply being used for potable (drinking water) purposes and rainwater collected from impervious surfaces stored for non potable uses such as garden irrigation. The use of these systems reduces the demand for water from the reticulated water supply system and volumes of stormwater discharged. Such systems are used in some areas of Invercargill such as the Inverurie Estate subdivision.

Ratepayers receiving water supply within the reticulation system are charged a targeted rate (i.e. 'the water rate') on the property rate assessment. Domestic properties pay a fixed sum based on the average domestic water consumption across the City.

A number of New Zealand cities are charging for water based on actual water consumption as measured by water meters on each property. In Invercargill water meters are installed where there is or the potential exists for high water usage. There is a cost associated with installing, maintaining and regularly reading water meters as well as administrative costs. If the community perceives the cost/litre of water as low or reasonable, there will be no long term change in water consumption rates without extensive water reduction education campaigns or the application of universal water metering.

Rarely are Invercargill residents within the reticulated area asked to conserve water. They may be asked when flows in the Oreti River (water source) fall below set levels as a resource consent condition or, more likely, when demand outstrips ability to supply. Such events are most likely to occur within the months of November to March.

Invercargill has a number of industrial activities which require large volumes of high quality water for their operation, for example meat processing works. Many commercial and industrial properties have water meters and are invoiced on a consumption basis over and above the level consumed by the average domestic property. Changes in water consumption of the industrial sector in the future will depend on the nature of the industry that sets up.

2.4 Risks Attributed to an Absence of Reticulated Water Supply

There is an increased risk of property damage and loss of life through fire where there is no reticulation or only limited (e.g. trickle feed) reticulation that will not support fire-fighting demands. The Proposed Invercargill City District Plan includes provisions in these areas that require a designated fire fighting water supply for new residences.

There is an increased risk of illness caused by contaminated or unsuitable water supply.

2.5 Invercargill City Council's Intended Role in Meeting Future Demand

The Council will continue to be the service provider to Invercargill and Bluff reticulated communities. There is no planned extension of the reticulated supply in the Invercargill area, however the Council is actively encouraging employment opportunities within the district with the development of the Awarua Industrial Estate. Council does have the capacity to meet some increase in demand such as that expected to occur due to the development of the Awarua Industrial Estate but until or if this occurs water demand is not anticipated to change markedly.

2.6 How Public Health will be Protected

In the past, public health management of water supplies relied largely on monitoring the quality of the water produced by individual water suppliers to check that it complied with the Drinking Water Standards for New Zealand

While monitoring is always important, Water Safety Plans (formerly known as Public Health Risk Management Plans) for drinking water supplies provide the additional benefit of reducing the likelihood of contaminants entering supplies in the first place. By the time monitoring shows that contaminants are present, something has already gone wrong and a hazard is already present in the water.

Water safety plans encourage the use of risk-management principles during treatment and distribution so that monitoring is not the only water quality management technique used, and further reducing the risk of contamination.

Public Health will be protected through the monitoring of the quality of water and the ongoing implementation of the Water Safety Plan (WSP). The primary objectives of a WSP are ensuring good drinking water supply practice. This is done by prevention of contamination of source waters, the reduction or removal of contamination through treatment processes to meet the water quality targets, and the prevention of contamination during storage, distribution and handling of drinking water.

These objectives are equally applicable to utility, community and households and are achieved through:

- Development of an understanding of the specific system and its capability to supply water that meets water quality targets.
- Identification of potential sources of contamination, and how they can be controlled.
- Validation of control measures employed to control hazards.
- Implementing a system for monitoring the control measures within the water system and initiating timely corrective actions to ensure that safe water is consistently supplied.
- Undertaking verification of water quality to ensure that the WSP is being implemented correctly and is achieving the performance required to meet relevant national water quality objectives.

2.7 The Rural Non-Reticulated Community

There are a number of communities in the Invercargill district that are not on reticulated water supply. Owners of properties who source their water from roof or bores are responsible for the maintenance and monitoring of their water supplies.

2.8 Changes in Industry

Council is undertaking the Awarua Industrial Development project to make industrial land available on the open market within the Invercargill District. Council has purchased 611.75 hectares of land at Awarua and has re-zoned the land from rural to industrial. It is anticipated that by having the land available, industrial activities will establish in Invercargill increasing employment and revenue in the District. Council intends to service the land with the necessary infrastructure for industrial activities to establish. These costs will be recouped as part of the purchase price of the land.

Council has prepared to meet an increase in demand by developing its Branxholme trunk main system to fully utilise its current resource consent to take up to 45,000 cubic metres daily from the Oreti River source.

2.9 Leaks in System

The progressive replacement of pipelines as they reach the end of their useful life and the identification and repair of sources of leakage from the Invercargill water supply system will help to ensure that leakage is reduced. A regular leakage detection programme is required to improve the current situation.

3 WASTEWATER

3.1 Reticulated Network

Wastewater management contributes to the protection of public health, supports city growth and contributes to the general well-being of the community and the environment through the collection and treatment of urban wastewater. The urban communities of Invercargill (including parts of Otatara), Bluff, and Omaui, and small pockets of the wider district (Kennington, and Moore Rd, Lorneville) are supplied with a sewage disposal service.

Communities outside these areas provide their own on-site sewage disposal systems, such as schools, industries and residential homes. However, industrial trade wastes are pumped from Kennington and Awarua.

The City has three sewerage networks - Invercargill City, Bluff, and Omaui - and consists of a total of 368 kilometres of pipe in a variety of materials and in sizes ranging from 50mm diameter to 1500mm diameter. The largest material category is earthenware, comprising 64% of the network, and the largest size category is 150mm diameter, comprising 69% of the pipe network.

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 Works and Services Directorate manages the network of pipes, pumping stations and treatment plants for the collection, treatment and disposal of sewage in order to enhance the health and well-being of Invercargill residents.

Assets include:

• Pipelines	368 kilometres
• Pump stations	31
• Water treatment facilities	3

Wastewater is collected and pumped through a pipe network to the Wastewater Treatment Plant's where it is treated to a high quality. Treated effluent is discharged from the Clifton Wastewater Treatment Plant to the New River Estuary, from the Bluff Wastewater Treatment Plant to Foveaux Strait, and from the Omaui Oxidation Pond to land adjacent to the community.

Effluent is discharged in accordance with the discharge consent approved by Environment Southland. The sewerage systems are managed and operated by staff employed directly by Council. Maintenance and capital works are carried out by contract under supervision of Council staff.

3.1.1 Omaui

Omaui is situated approximately 20 kilometres south of Invercargill on the sea coast at the mouth of the New River Estuary. Wastewater is disposed of by way of the Omaui Oxidation Pond that was constructed in 1989 and receives domestic sewage from approximately 30 people.

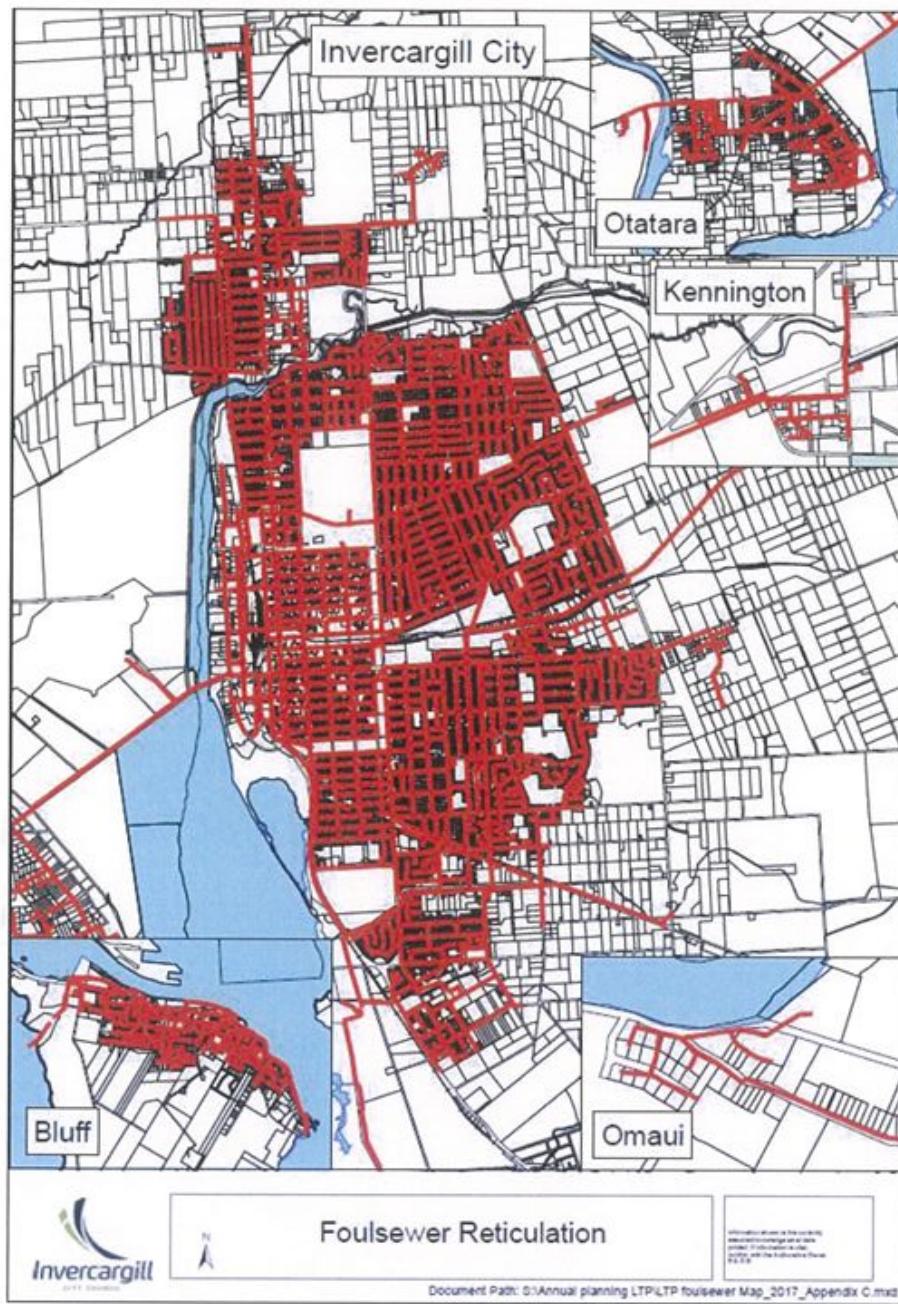
The oxidation pond is significantly under-loaded, it has a design population of 80 plus. The discharge is to land adjacent to the pond and coastal marine area, and has a consent that will expire in 2029. However, the ponds discharge to land has not operated since 2004 so effluent quality is not monitored. There may be some leakage

through the base of the pond, and a possibility that some of the inflow is lost to evaporation.

The council monitors coastal water, and the ground water between the pond and adjacent sea, or freshwater lagoon. The monitoring has not identified significant faecal contamination attributable to the oxidation pond contamination.

3.1.2 Bluff

Bluff is situated approximately 28 kilometres from Invercargill. The Wastewater Treatment Plant is operated and managed by Invercargill City Council, treating domestic and industrial wastewater generated within the township area.



Map 1 - Foulsewer reticulation - Invercargill, Bluff, Omaui and Kennington

3.2 Risks Attributed to an Absence of a Well Maintained Wastewater Reticulation and Treatment Process

If the wastewater system is not adequately maintained there is an increased risk of blockages, overflows, and untreated discharges of effluent to waterways and land. These can cause serious health issues.

3.3 Invercargill City Council's Role in Meeting Future Demand

To provide or ensure provisions of service that includes a quality reliable effective sanitation by way of:

- A safe sewage collection and disposal system.
- Continuity of operation of the sewerage activity.
- Assurance that sewage is adequately treated so that the receiving environment is protected.
- Community input on the level of the sewerage service.

3.4 How Public Health will be Protected

The removal of sewage from residential, industrial and commercial properties including Awarua Industrial Area protects public health. Reticulation maintenance contractors are on 24 hour call to respond to reports of blockages and overflow, and to mitigate any effects of discharges.

3.5 Non-Reticulated Communities

Most on-site wastewater systems within the City area would have been installed in excess of ten years ago and would not meet the current AS/NZ 1547:2000 *On-site Wastewater Management Standards*. The limited data available indicates that some 1,070 systems are pre 1992, 414 systems are pre 2000, with the rest being post 2000.

When old failed systems come to the attention of the Council, they are investigated and upgraded by the owner where required. Maintenance and proper use of on-site wastewater systems is the responsibility of the property owner. Where maintenance is lacking and systems are not operated correctly, the incidences of system failure increases substantially with the inevitable result of ponding sewage and consequential environmental and health risks.

Poor draining soils, high rainfall and low sunlight hours will continue to provide a challenge to the disposal of effluent from on-site systems. Staff, designers and practitioners have been educated on Council's On-site Technical Memorandum and requirements of relevant standards. It is apparent that on-site wastewater systems in non-reticulated areas need to be designed on a holistic basis, for example an assumption needs to be made that clearly states water usage per capita and occupancy. All systems from the supply to disposal must then be designed around this key assumption.

For the purposes of defining communities for wastewater assessment we can look at clusters of dwellings and the definition applied to the assessment of water services may be used. This definition has been taken from the Ministry of Health Drinking Water Standards. The standards define a community drinking water supply as a potable supply that services 25 people or more for more than 60 days per year.

The following is a list of geographical areas within the district that may meet the definition of a community for the purpose of wastewater assessment.

- Kennington
- Otatara (parts only)
- Tiwai/Awarua
- Makarewa
- Myross Bush
- Lorneville
- Woodend
- Tisbury
- Greenhills
- Green Point
- Oreti Beach
- West Plains
- Sandy Point/Coopers Creek



Map 2 - Rural Community Areas

3.6 Quality and Quantity of Wastewater – Non Reticulated

Generally treatment is by way of individual on-site wastewater systems, ranging from older basic primary treatment to newer advanced secondary treatment systems. Systems are normally maintained by the owner/occupier or maintenance contractor and are the responsibility of the owner/occupier.

Individual private systems may from time to time experience detrimental health and/or environmental effects from issues associated with the collection, treatment and disposal processes. Generally disposal methods are either sub-surface field tiles, drip line irrigation, disposal trenches or soak holes.

Through complaints and monitoring, a number of on-site systems are reported each year as discharging effluent in a manner that may create a risk to human health and the environment. Where such incidences arise, Council requires the owner/occupier to abate the nuisance.

Currently there is no requirement for domestic on-site wastewater systems to have resource consent unless the development does not comply with a rule in the District Plan or the systems do not comply with a relevant regional plan. New installations are required to comply with the standard but it is unknown to what extent existing domestic on-site wastewater systems comply with AS/NZS 1547:2000 *On-site Domestic Wastewater Management*.

Estimated life of the existing systems is 15 years under current legislation for septic tanks and five years for disposal areas. A number of unreticulated areas in the Invercargill district have outdated disposal systems that have from time to time failed and discharge in an inappropriate manner creating potential health and environmental risks. Where such situations have come to the attention of the Invercargill City Council, the cases have been followed up and owners required to upgrade their systems. The current strategy is to deal with these occurrences on a case by case basis for each cluster which has the potential to be failing and discharging inappropriately to the environment.

Notifiable illnesses are dealt with by Public Health. Where appropriate, cases followed up by interview or questionnaire are asked whether they have had recent contact with human sewage. However, reports that can be extracted by Public Health to do not allow for more specific data, for example, illness related to a sewage spill, or leakage. Generally, there is no evidence to suggest illness due to inadequate disposal of sewage effluent.

3.7 On-Site Wastewater Systems

3.7.1 Myross Bush

Myross Bush is an area east of Invercargill City bordered by the north bank of the Waihopai River and the Waikiwi Stream. Activity in Myross Bush is predominantly small and hobby farms, as well as lifestyle blocks between two and four hectares. The predominant method of wastewater disposal is on-site technology. Myross Bush is an area under pressure for further development. There have been a few cases of inadequate wastewater disposal in the Myross Bush area. There is no evidence of disease or illness or identified risk to human health or the environment due to on-site technology in this area. There is no requirement for consent for existing systems.

Myross Bush Community on-site wastewater systems:

Myross Bush School and Myross Bush Hall

3.7.2 *Otatara*

Otatara is situated on the western side of Invercargill City and separated by the New River Estuary and the Invercargill Airport. The proposed District Plan sets a 4000m² residential lot size where connected to the sewage scheme (and 10,000m² where not connected) although there are smaller residential lots down to 800m². Between 1988 and 1997 the city sewerage reticulation was extended to parts of Otatara. Properties within 60 metres of a main were required to connect. Residential properties in the Otatara area that not connected to the reticulation scheme dispose of sewage using a range of on-site systems.

There have been reports of problems arising from the failure of the remaining on-site systems in Otatara. These are approached on a case-by-case basis. No significant detrimental effects from the remaining non-reticulated properties have been identified. There are, however, potential environmental and public health effects due to the non-reticulation of these properties.

3.7.3 *Makarewa*

Makarewa is situated 10 kilometres north of Invercargill City on State Highway 6. The township is comprised of farmlets and small farms with a limited number of purely residential sections. Commercial services are minimal. A number of recreational activities exist in Makarewa. Section sizes in Makarewa range in size from small residential to five hectares.

Wastewater is collected and treated using on-site technology for small clusters of small residential lots, sports clubs, social clubs and food premises. Problems with on-site disposal have been identified. Moir Street has been identified as a troublesome area with a number of small sections resulting in an accumulation of lots of small on site disposal systems. On-site systems require dry soil and good soakage. The thin layer of topsoil on clay, typical of the Invercargill area, means saturation occurs in winter. The most common technology in this area is the single chamber septic tank with soak holes and/or trench systems. On-site systems are maintained and operated by the residents. Potentially detrimental environmental effects from the treatment process of on-site effluent exist in this area. The use of soak holes increases the potential for groundwater contamination.

The council has recently acquired land on the corner of Pomona Road East and Winton Lorneville Highway. In the future this site may be used for a community wastewater system however this is not currently considered necessary.

Makarewa Community on-site wastewater systems:

Makarewa Country Club
Makarewa Bowling Club
Makarewa Squash Club
Makarewa School

3.7.4 *Lorneville*

Lorneville is situated north of Invercargill City and is bordered by Makarewa and includes the Winton-Lorneville Highway and the Wallacetown-Lorneville Highway. This area is characterised by lifestyle blocks and residential size lot subdivision. Wastewater in this area is disposed of using on-site technology. Disposal methods include soak holes, field tile and drip line. In the past numerous complaints had been received and investigated regarding the poor performance of on-site wastewater systems. A series of properties along the Wallacetown-Lorneville Highway were confirmed to be discharging directly into the waterway on the property to the rear of

them. The relevant properties were required to upgrade their systems to abate this discharge. There have been numerous requests to extend the urban disposal service to Lorneville.

Lorneville Community on-site wastewater system:

Lorneville Saleyards

3.7.5 *Kennington*

Kennington is situated four kilometres north-east of Invercargill. Just off State Highway 1, Kennington functions as a satellite area of Invercargill City insofar as residential uses are concerned and also as a major industrial area containing a large deer processing factory, fish and eel processors, engineering workshops, veterinary clinic and large scale sawmill.

Historically, Invercargill City Council had received many complaints regarding on-site disposal issues in the Kennington community area. The Council undertook a sanitary survey during the period of mid October 2013 to December 2013 to determine the cause. Findings from the survey showed a high level of non-compliance with 54% of the properties either discharging directly or indirectly to the ground or to the Waihopai Stream. The health nuisance caused by the discharges contravened the Health Act 1954 (Section 29 (a) and (b)).

Council received a submission from Public Health South (PHS) to the *Assessment of Water and Sanitary Services (AWSS) 2012 report*. Their submission highlighted the need to survey more of the non-reticulated areas, including Kennington to determine any public health risks associated with the septic tank pollution of the waterways in the area. This prompted the Council to initiate further investigation on the sewerage systems to quantify the failure and as a result the sewerage disposal network was extended to Kennington in June 2017 (refer to map 3). Residents are required to connect by the 31st of June 2018. The council is starting to see consents for connection but progress is slow at this stage.



Map 3 - Kennington Sewerage Connection Area

3.7.6 Awarua/Tiwai

Awarua/Tiwai is situated south of Invercargill City and is characterised by small farmlets, large farms and lifestyle blocks. There is no evidence of disease or illness as a result of on-site systems in this area.

Awarua/Tiwai is an unreticulated area of the Invercargill City District. It is serviced by predominantly on-site wastewater systems. The condition of on-site wastewater systems in this area is unknown. The predominant method of disposal in this area is likely to be either soak hole, field tile or trench. There are unlikely to be any public health issues associated with this method of disposal in this area.

New Zealand Aluminium Smelter (NZAS) at Tiwai Point has its own sewage treatment plant which is regulated by Environment Southland.

3.7.7 Woodend

Woodend is situated 2.5 kilometres south of Invercargill City on State Highway 1. It is made up of predominantly small farms, farmlets and some smaller residential sections. It is serviced by predominantly on-site wastewater systems. The overall condition of on-site wastewater systems in this area is unknown. The predominant method of disposal in this area is likely to be either soak hole, field tile or trench. There may potentially be public health issues associated with this method of disposal. Woodend was once considered an area that may develop more, however the population has remained low, with old subdivisions being amalgamated into larger sections. Generally there is adequate space for the on site systems that exist, however there may potentially be public health issues associated with this method of disposal.

An investigation carried out a number of years ago which identified surface water in drains to be moderately to highly contaminated with faecal coliforms, which indicated faecal contaminations (waste from humans and animals). The source of the contamination may have been from animals, septic tank discharge, malfunctioning soakage fields or a combination of all. Such contamination has the potential to create a public health risk.

3.7.8 *Tisbury*

Tisbury is situated south-east of Invercargill City and is made up of predominantly small farmlets, larger farms and residential sections.

Tisbury is an unreticulated area serviced predominantly by on-site wastewater systems. The general condition of systems in this area is unknown. The main method of disposal in this area is likely to be either soak hole, field tile or trench. There may potentially be public health issues associated with this method of disposal.

Tisbury Community on-site wastewater systems:

Tisbury School

3.7.9 *Greenhills*

Greenhills is a community situated between Invercargill City and Bluff Township adjacent to State Highway 1. Greenhills is made up of small residential, lifestyle blocks and farmlets.

The main method of disposal in this area is likely to be either soak hole, field tile or trench. Generally there is adequate space for such systems, however there may potentially be public health issues associated with this method of disposal. Greenhills is an un-reticulated area of the Invercargill City District.

3.7.10 *Green Point*

Green Point is a community situated between Invercargill City and Bluff Township adjacent to State Highway 1. Green Point is made up of small residential, lifestyle blocks and farmlets. The main method of disposal in this area is likely to be either soak hole, field tile or trench. There may potentially be public health issues associated with this method of disposal.

Green Point is an unreticulated area of the Invercargill City District.

3.7.11 *Oreti Beach*

Oreti Beach is located 10 kilometres west of Invercargill City. A small number of houses and cribs are located at Oreti Beach. Individual properties dispose of wastewater using on-site technology. Disposal fields are a mixture of soak holes, trench systems and field tiles. The current state of on-site systems in this area is unknown. Risks to human and environmental health as a result of these systems have not been quantified, but there is potential for issues to arise due to disposal in sandy soils. No consent is required for existing systems. There is no evidence of disease or illness due to inadequate disposal.

3.7.12 *West Plains*

West Plains is located north-west of Invercargill City. West Plains is made up of predominantly lifestyle blocks and small farmlets, outlying areas are characterised by larger dairy farms. The main method of disposal in this area is likely to be either

soak hole, field tile or trench. There may potentially be public health issues associated with this method of disposal. The general condition of on-site systems in this area is unknown.

3.7.13 *Sandy Point/Coopers Creek*

Sandy Point/Coopers Creek is located south-west of Invercargill City, characterised by permanent residential, holiday homes, camping grounds, sporting facilities and a restaurant. The sewerage disposal network extends to the camping ground and rangers hut at Sandy Point. However, the main method of disposal in this area is likely to be soak holes, field tiles or trenches. There may potentially be public health issues associated with this method of disposal. The general condition of on-site systems in this area is unknown.

No resource consent is required for existing systems. With changing technology and an increase in water consumption it is unlikely current on-site systems will meet future demand in unreticulated residential areas.

4. STORMWATER

The Stormwater Asset Management Plan outlines the long-term management approach for the provision and maintenance of stormwater activity services. Under Council's Significance and Engagement Policy, the Stormwater Networks in Invercargill and Bluff and the Stormwater system in Otatara are deemed to be a strategic asset and therefore significant in ensuring Council's capacity to contribute towards Community Outcomes and the current and future needs of the Community.

In addition to Invercargill water supply and wastewater, Council has responsibility for stormwater management, which includes drainage and flood protection systems. Stormwater infrastructure is designed around moving volumes of water away from people's property in order to protect lives and livelihoods. Infrastructure includes:

- Manholes
- Floodgates
- Inlet/outlets
- Pump Stations

Drainage is a discretionary function of Council carried out as a community requirement. The removal of excess stormwater through the drainage system is important for the health and well-being of residents and for the protection of property from the adverse effects of flooding.

The stormwater drainage system provides piped and open drains in the Invercargill Urban Area, Bluff and Otatara. Invercargill City Council also administers drainage districts in Makarewa and Myross Bush for the maintenance of land drainage systems. Stormwater is discharged to natural waterways, including the Waikiwi Stream, Waihopai River, Kingswell Creek, Clifton Channel, Otepuni Stream, the New River Estuary and Bluff Harbour.

4.1 Catchment

In September 2017 the Invercargill City Council was granted a new 15 year consent, with strict conditions, to discharge stormwater to five rivers and streams throughout the city. An appeal subsequently entered in October has been dropped. Environment Southland has developed a comprehensive compliance programme to support and ensure compliance with this consent. If sewerage contamination is found, the Invercargill City Council must conduct an extensive programme to identify and resolve any issues.

Stormwater from Invercargill City Council reticulated piped stormwater network in the main urban area discharges into these five main surface waterways.

4.1.1 *Waikiwi River*

Located to the north of Invercargill, the Waikiwi River is a tributary of the much larger Oreti River. The Oreti River has a catchment of 3,400km². It begins in the Thompson Mountains immediately east of North Mavora Lake and flows through pastoral farming areas of Mossburn, Lumsden and Dipton before discharging to the sea via the New River Estuary.

4.1.2 *Waihopai River*

The Waihopai River and its tributaries start on the western slopes of hills north-west of Edendale and flow towards and through Invercargill, before discharging into the New River Estuary. Flood protection measures such as stop banks have been

constructed along the lower reaches of the river with several retention dams along its length.

4.1.3 *Kingswell Creek and Clifton Channel*

Kingswell Creek and the Clifton Channel are small surface waterways that flow primarily through rural and residential areas to the south of the Invercargill urban area before flowing into the New River Estuary.

4.1.4 *Otepuni Stream*

The Otepuni Stream in Invercargill is a perennial stream which starts above Kennington, and runs through rural land before it reaches the urban environment of Invercargill and flows into the New River Estuary.

4.2 Physical Description

The city has a stormwater network consisting of 419 kilometres of pipe, most of which is earthenware or reinforced concrete, and estimated to have a design life of 100 years. In addition there are approximately 15 kilometres of open drains, mostly situated in the rural area and nine pumping stations.

4.3 Anticipated Changes in Demand for Services

4.3.1 *Awarua Industrial Development*

The Council has zoned land at Awarua for industrial development. It is proposed that low impact stormwater systems be implemented in this development including stormwater ponding and wetland treatment features to ensure contaminants are removed, and peak stormwater flows contained.

4.3.2 *Retreat Road and Oteramika Road*

Under the Proposed District Plan, land along Retreat Road and Oteramika Road has been re-zoned from the Rural Sub-Area to the Residential 3 Zone. The Residential 3 Zone provides a maximum residential density of one dwelling per 2000 square metres. Development in these areas will be required to connect to the Council's reticulated sewerage services. Where the developments are connected to the Council's reticulated water services, residences will be required to have a separate water supply collected on-site for garden irrigation or other domestic purposes. Low impact stormwater systems are anticipated in these areas.

4.4 Risks Attributed to the Absence of a Well Maintained Stormwater Reticulation

If the stormwater system is not adequately maintained there is an increased risk of property damage and risk to public health resulting from system failure or rainstorms exceeding system capacity.

4.5 Invercargill City Council's Intended Role in Meeting Future Demand for Stormwater Reticulation

Council's role, in meeting future demand, is to provide or ensure provision of services that include reliable and effective sanitation.

4.6 How Public Health will be Protected

Maintenance contractors are on call to attend to system failures and flooding events to mitigate effects of flooding on people and property, and in doing so protecting public health.

5. SANITARY SERVICES

5.1 Public Toilets

The primary aim of these assessments is to ensure that public health is protected. Public toilets fall under the definition of Sanitary Services, as provided in Section 23 of the Health Act 1956.

Invercargill City Council provides and maintains public toilets throughout the Invercargill District.

The community has access to public toilets in the district's retail centres. Fully automated 24-hour public toilets (excluding Wachner Place) are provided at:

- Stirling Point, Bluff
- Bluff Service Centre
- Don Street - Exeloo
- Windsor - Exeloo
- Dee Street - Exeloo
- Glengarry - Exeloo and dump station
- South City - Exeloo

Public toilets have been undergoing a period of renewal over the past years. This has resulted in public toilets being upgraded to 24 hour automated Exeloo toilets.

Public toilets are available at no charge to all people residing or visiting the district. The public toilet located at Stirling Point Bluff caters mainly for visitors and tourists at this tourist attraction.

Current provision is adequate for the immediate and future needs of the community.

5.2 Cemeteries/Crematorium

Invercargill City Council manages cemeteries on behalf of the community. Council maintains cemeteries for burial and cremation to meet the needs of the Invercargill people.

There are two open cemeteries (Eastern, and Green Point Reserve), three closed cemeteries (William Stirling Reserve, St John's and Bluff) and a crematorium.

The Eastern Cemetery is the main cemetery in the Invercargill District, while the crematorium is the only one in Southland. The Eastern Cemetery reserve contains approximately four hectares of available land for future burials.

The ratio between burial and cremations changes over time. Currently the ratio sits at 34% burials, 66% cremations. A regular review of the burial and cremation trends will ensure that Council provision adequately meets the needs of the community and keeps up to date with changing technologies. Council receives requests for up to five pauper interments per annum with most of these being cremations.

Council is trying to accommodate ethnic group requests for the increases in different types of burials. Natural burials need to be investigated further.

Future burial and cremation provision is well catered for with approximately 100 years of available space for this activity.

There are no identified health risks, therefore, current provision is deemed suitable to meet current and future needs.

5.3 Solid Waste

Invercargill City 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 Council and Southland and Gore District Councils.

The Solid Waste Activity is responsible for the management of solid waste services in the Invercargill District, which includes:

- Kerbside recycling collection
- Kerbside residual waste collection
- Transfer station
- Landfill operation
- Education and advocacy (waste minimisation)

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 the district.

There are no identified health risks, with current provision for solid waste adequate.

6. CONCLUSION

- The reticulated water supply is constantly monitored and checked to ensure it meets the DWSNZ05 (08). The water supply achieved bacterial compliance for the 2015/16 annual compliance year. However, failed to comply with protozoa criteria.
- An extensive upgrade of the Branxholme Water Treatment Plant was completed in April 2017. It is expected from 2018 onwards full compliance with the DWSNZ05 (08) will be achieved.
- Other improvements include the renewal of asbestos cement pipes, particularly the Branxholme pipeline.
- The Invercargill City water supply is currently operated without a Water Safety Plan (WSP) due to the old plan expiring, and the upgraded plant requiring a complete rewrite of the WSP. The draft Water Safety Plan for Invercargill 2017 is currently being developed, and critical control points which form part of the new plan are programmed into the new system.
- Council has prepared to meet an increase in demand for water by developing its Branxholme trunk main system to fully utilise its current resource consent to take up to 45,000 cubic metres daily from the Oreti River source.
- If the current Branxholme water supply is rendered inoperative for some reason such as drought or disaster then the current complete reliance on the Oreti River source to singly serve the whole community makes for a vulnerable situation. Search for another source to act as an emergency supply needs investigation.
- Sanitary surveys will be carried out in the future when considered necessary as a result of a public complaint or evidence of an environmental issue involving multiple on site waste water systems.
- There is no requirement for domestic on-site wastewater systems to have resource consent unless the developments do not comply with a rule in the District Plan or the systems do not comply with a relevant regional plan. New installations are required to comply with the standard but it is unknown to what extent existing domestic on-site wastewater systems comply with AS/NZS 1547:2000 *On-site Domestic Wastewater Management*.
- Adequate supply of public toilets in retail areas of the district.
- There is sufficient capacity in Council cemeteries and crematorium facilities to meet current and future demand.
- Solid waste services meet the communities demand.

REFERENCES

Drinking Water Standards New Zealand 2005 (revised 2008)

Health (Drinking Water) Amendment Act 2007

Local Government Act 2002

Invercargill City Council draft Asset Management Plans 2017

- Drinking Water
- Stormwater
- Sewerage
- Cemeteries/Crematorium
- Refuse
- Public Toilets

Invercargill City Long Term Plan 2015-2025

TO: COUNCIL
FROM: THE DIRECTOR OF WORKS AND SERVICES
MEETING DATE: TUESDAY 30 JANUARY 2018

SANDY POINT HORSE TREKKING CARPARK AND RIVERSIDE TRACK SAFETY IMPROVEMENTS

Report Prepared by: Robin Pagan – Parks Manager

SUMMARY

Following increased use by recreational horse trekking and also to protect Sandy Point from damage caused by off road four wheel drive vehicles, improvements and road safety works are currently being carried out.

RECOMMENDATIONS

That the report be received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Nil – allowed for under the Reserve Management Plan for Sandy Point.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Not required.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes.

FINANCIAL IMPLICATIONS

This is funded as provided for in the current Sandy Point roading and carpark budgets.

PROPOSED IMPROVEMENTS TO HORSE TREKKING CARPARK AREA AND ROADING AT SANDY POINT

Improvements to the Sandy Point riverside track and the horse trekking carpark have commenced as these have been identified as safety issues.

The work on the riverside track will solve some of the conflict between cyclists and motor vehicles, as well as eliminating a section of the track that is regularly inundated with the tide from the Oreti River. Access to the track has also been repositioned so that it enters the Sandy Point sealed road at a safer position.

The horse trekking carpark is an unformed area of grass at the intersection of Sandy Point Road and Christies Track with vehicles being able to access the carpark from all angles which creates a potential traffic hazard. This area is also continually ripped up by four wheel drive vehicles.

Two access points will be formed further back from the intersection and these will be gravelled to improve all weather use.

CONCLUSION

Minor improvements are being carried out to make the area safer and usable for the public.

TO: **COUNCIL**
FROM: **COUNCILLOR KAREN ARNOLD**
MEETING DATE: **TUESDAY 30 JANUARY 2018**

NEIGHBOURHOOD FUND

Report Prepared by: **Cr Karen Arnold**

SUMMARY

The Urban Rejuvenation fund has been amended to align with the proposed Community Grants Framework and is now named Neighbourhood Fund.

RECOMMENDATIONS

That the Neighbourhood Fund Framework be adopted; and

That a total contestable fund of \$50,000 be established using the Urban Rejuvenation budget; and

That four funding rounds are held each financial year; and

That the Urban Rejuvenation budget is reduced to a total of \$50,000, to be utilised by the contestable fund, as soon as current commitments are completed.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Yes, a new framework has been developed.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No, the community can comment on the quantum of the Neighbourhood Fund through the Long-term Plan and Annual Plan processes.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

FINANCIAL IMPLICATIONS

This report recommends moving budgets in the 2018/19 year and decreasing them over time.

NEIGHBOURHOOD FUND

In August of last year, Council resolved to include \$50,000 from the Urban Rejuvenation budget into a contestable fund to be administered alongside the Community Grants Framework.

Members of the Urban Rejuvenation Sub-committee have met with staff and, following discussions, have determined that the objective of the Neighbourhood Fund is different to that of the Community Grants Fund and recommend that a separate framework and application form be developed (**Appendix 1**).

The differences between the two funds relate to whom can apply, the Neighbourhood Fund allows individuals, whereas the Community Grants Fund does not; the Neighbourhood Fund will not fund operating, administrative and capital works costs, whereas the Community Grants Fund may.

The Neighbourhood Fund would be allocated by the Urban Rejuvenation Sub-committee following four funding rounds each year.

* * * * *



Neighbourhood Fund Framework

The Invercargill City Council allocates Neighbourhood Fund grants with the expectation that they benefit an identifiable neighbourhood and encourages community-led revitalisation projects.

Factors when assessing priority of applications

The following factors are used by Council when determining the success of an application.

- Alignment with Council's vision and priorities.
- Addressing community need or strong community support.
- Clearly defined purpose of the application.
- Demonstration of innovation.
- Clearly defined project – what will be delivered and how.
- Capability, capacity and experience to deliver the project.
- Realistic, evidence-based budget demonstrating good value for public funds.
- Other contributions sought by the applicant and the contribution by the applicant.
- Council will not support ongoing projects unless applicants can demonstrate sound evaluation and development.

Legislative requirements

To ensure that the funding fits within the Local Government Act requirements, applications must fit the following criteria:

- Take place in Invercargill City District.
- Be for a specific project or service and the application must clearly identify a benefit to the community.
- Projects seeking funding must not be the sole responsibility of Central Government or other agencies.

What we will consider funding

Council will support projects and events in neighbourhood areas. Applicants will need to indicate how they plan to spend their grant if successful. Arts, culture and sports and recreation applications will first be considered for eligibility by the Creative Communities Invercargill and Invercargill Active Communities Funds.

What we will not fund

Council will not fund the following:

- Debt servicing or repayment;
- Legal expenses;
- Activities for religious or political purposes;
- Public Services that are the sole responsibility of Central Government;
- Operating and administrative costs;
- Capital works and infrastructure.

Priorities

Every year Council receives more applications for Community Grants. It is not possible to meet all applications for funding. Council aims to deliver the outcomes that are significant to the Community and align with Council's vision and strategic direction.

Past funding does not represent a commitment to future funding.

Accountability

A letter detailing the decision on your application will be sent in the month following the close of the funding round, there will be four funding rounds each year. If your application is successful an agreement for your organisation to sign will be sent. The agreement will contain details of your accountability requirements.

The processes and documentation that organisations are asked to complete will be appropriate to the size of the grant, the situation of the applicant and the level of risk presented to Council. If you have previously applied for funding, but have not submitted your accountability form, you may be ineligible for funding until the next funding round.

Failure to provide accountability reports and receipts when requested will result in your forfeiting the grant and repaying the sum to the Invercargill City Council.



APPLICATION FOR NEIGHBOURHOOD FUND GRANT

1. Application Details

1.1 Full name of applicant: _____

1.2 Physical address: _____

1.3 Mail address (if different from above): _____

1.4 Contact person: _____

1.5 Phone: _____

1.6 Email: _____

1.7 Applicant's bank name: _____

1.8 Applicant's bank account number: _____

2. Application summary

2.1 Grant purpose or event name: _____

2.2 Date of the event or that project commences: _____

2.3 Date funds required: _____

2.4 Total cost of project: _____

2.5 Amount requested: _____

3. Details of funding required

3.1 Describe the project/activity that you are seeking funding for (up to 300 words):

3.2 How many people will benefit from your activity? _____

3.3 Is your project/activity an event? Yes No

3.4 Please identify 3 community benefits of your activity or event:

1. _____
2. _____
3. _____

4. ACCOUNTABILITY

4.1 Please list 3 outcomes by which the success of your activity/project can be measured:

1. _____
2. _____
3. _____

5. PROJECT BUDGET

5.1 Please provide a budget for your activity/project (including cost breakdown):

I have attached the budget: Yes No

A. Total cost of project/activity	\$ _____
B. Less total funds available	\$ _____
C. In kind contribution	\$ _____
D. Difference	\$ _____
E. Amount requested	\$ _____

5.2 How is the applicant contributing to the activity/project (resources, volunteers etc.)?

6. DECLARATION

I/we the undersigned declare and agree to the following:

1. The information given in this application is true and correct to the best of our knowledge.
2. I/We have the authority to commit our organisation to this proposal.
3. Any funding received will be used for the activity/project for which it is approved.
4. To participate in any funding audit of the organisation by the Invercargill City Council.
5. To complete the accountability requirements and where requested provide receipts.
6. I/we understand that failure to provide accountability reports and receipts when requested will result in our forfeiting the grant and repaying the sum to the Invercargill City Council.
7. I/we understand that our names and details about the proposal may be released to the media or appear in publicity material.
8. We understand the Invercargill City Council is bound under Local Government Official Information and Meetings Act 1987 and details entered in this application may be released under the act.

Full name in CAPITALS: _____

Date: _____ Signature:

TO: **COUNCIL MEETING**
FROM: **CHIEF EXECUTIVE**
MEETING DATE: **TUESDAY 30 JANUARY 2018**

THE SOUTHLAND STORY – APPOINTMENT TO ADVISORY GROUP

Report Prepared by: Richard King, Chief Executive

SUMMARY

The Southland Story is part of the Southland Regional Development Strategy initiative with funding and technical support from MBIE. An outline of the programme is attached as Appendix 1.

RECOMMENDATIONS

His Worship the Mayor recommends that Cr Amundsen be appointed to the Advisory Group with Cr Esler as the Alternative.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> N/A
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> N/A
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No public consultation required
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> N/A

Southland Stories

What's our why?



Project Purpose

WHY? To help ensure the economic and social future of Southland by having a sufficient, sustainable and confident intergenerational population

FOR WHOM?

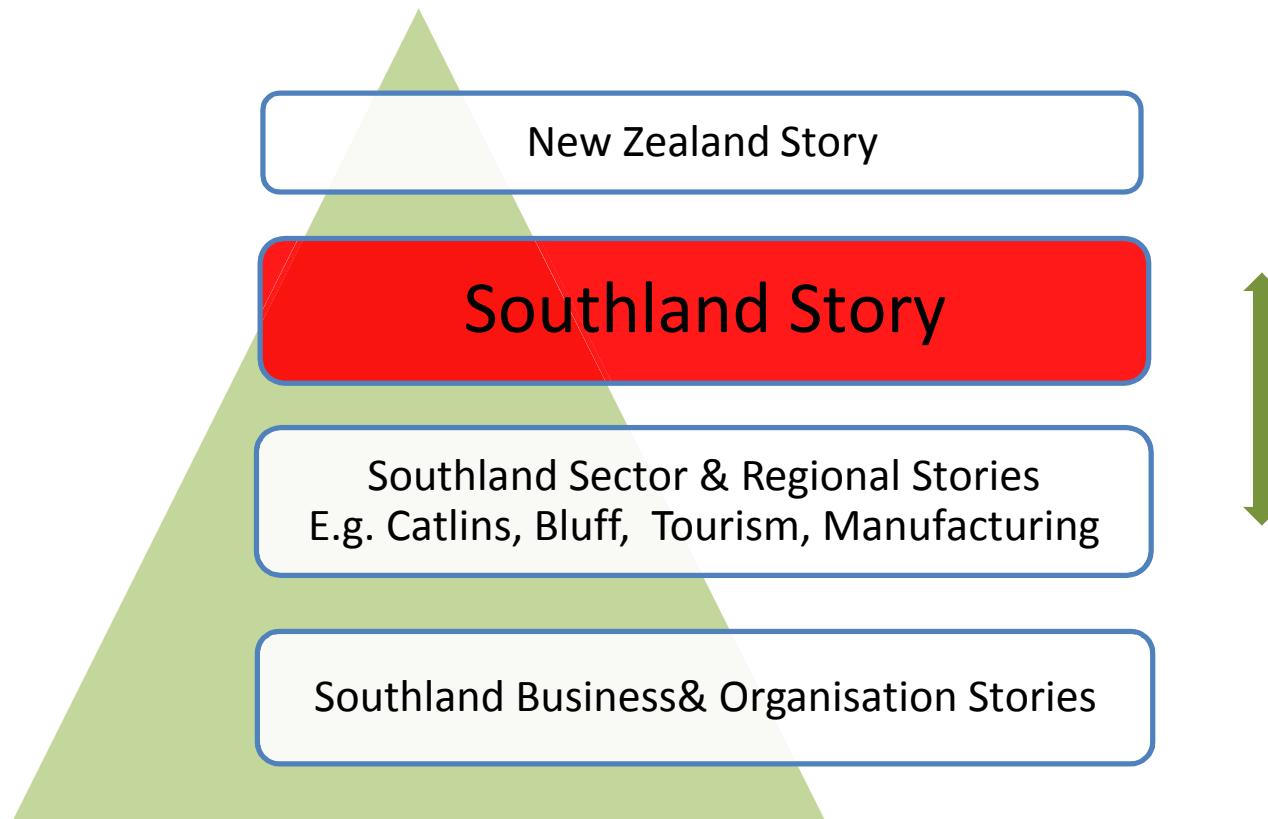
- People living in Southland
- Returning Southlanders
- Potential migrants, for whom Southland is likely to be a good fit

SO THAT?

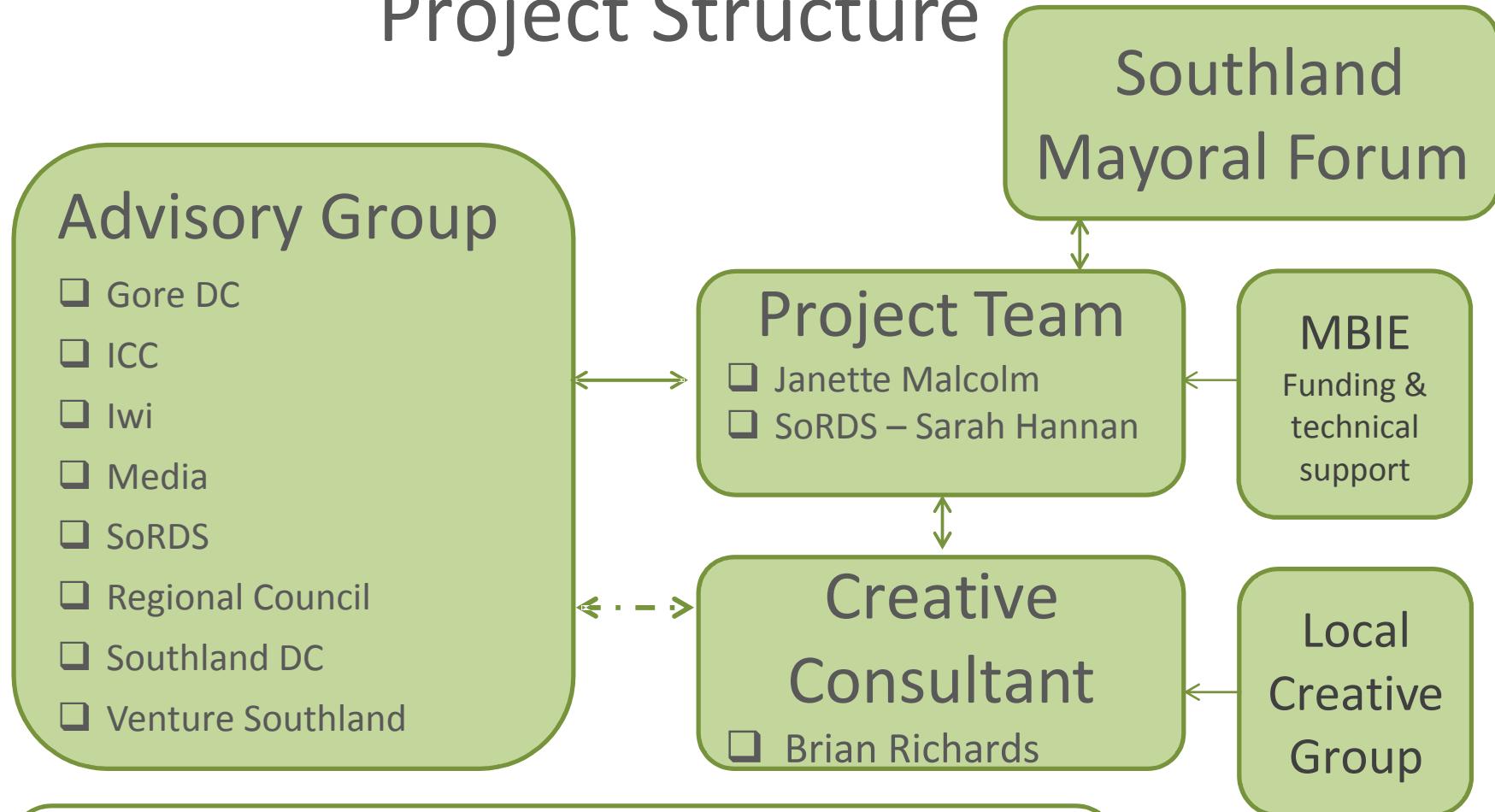
- Locals can articulate why they value living in Southland
- Population is retained
- Potential new residents get authentic picture of Southland leading to higher success rates for attraction and retention
- Parents see a future here for their children
- People and communities grow in confidence

WHAT? Stories of people, places and endeavours that ‘disproportionately’ demonstrate Southland virtues and values, carry the message and grow pride, commitment and population over time. A mix of the past and the future.

Project Focus



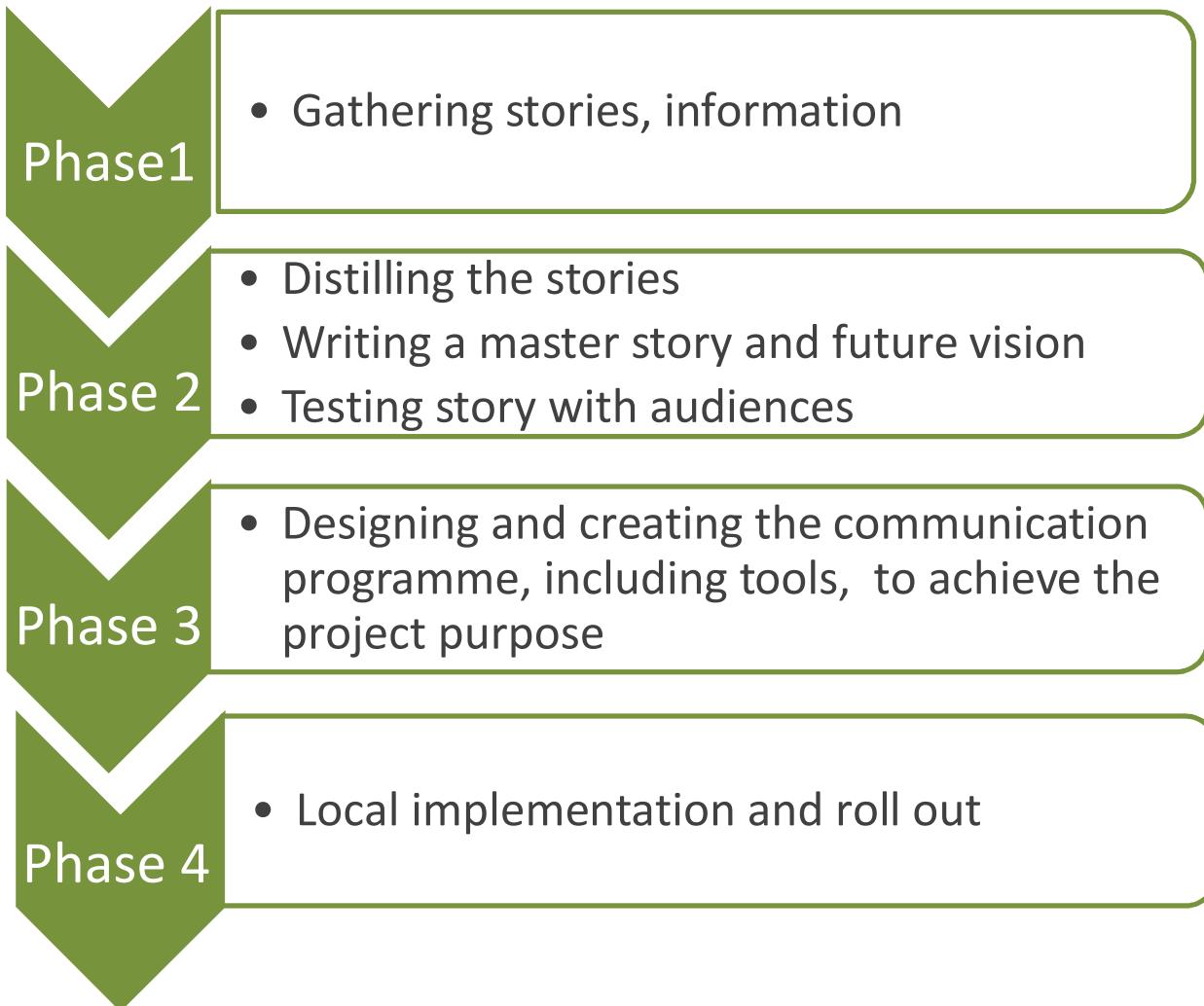
Project Structure



Advisory Group Role

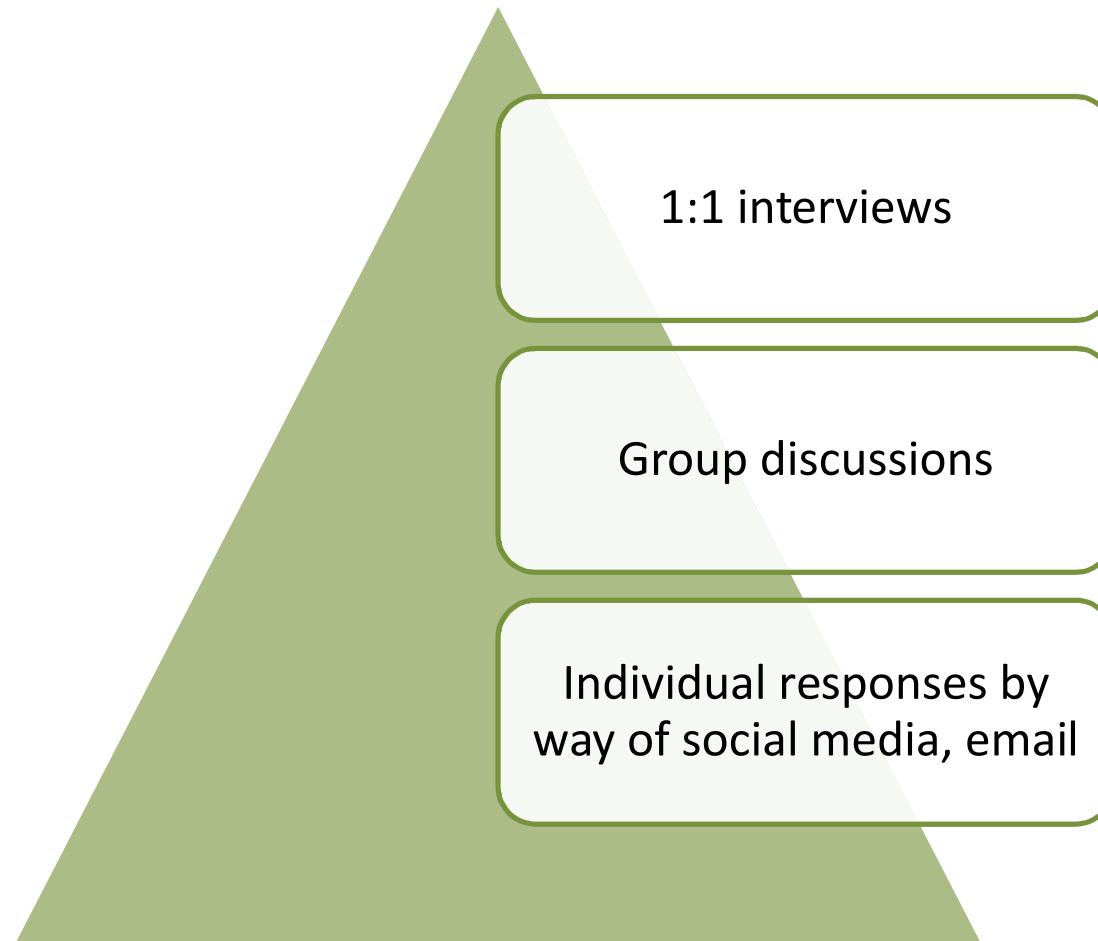
- Ensure the process represents all of Southland
- Act as champions for the project locally and regionally
- Oversight of the project outcomes

Project Stages



Project Process – Gathering Phase

Methodology



Project Process – Discussion Locations *



- Te Anau Lumsden
- Otautau / Tuatapere
- Riverton
- Winton
- Tokanui
- Edendale/Wyndham
- Gore
- Stewart Island
- Bluff
- Invercargill

* Locations to be confirmed after discussion with Councils

Project Timeline

Dec 2017	Confirm Shared Services Approval
Jan/Feb 2018	Confirm Advisory Group (AG) & set meeting schedule Agree Phase 1 plan with AG Book venues. Advertise meetings and make direct approaches to boards, organisation and other identified individuals
March	Information gathering for Phase 1
April	Analysis and briefing Creative Consultant
May & June	Consultant presents proposed master story.
July	Research with audiences. Refine
August	Master story finalised. Communication programme and tools development commences

TO: **COUNCIL**
FROM: **CHIEF EXECUTIVE**
MEETING DATE: **30 JANUARY 2018**

HWCP MANAGEMENT LTD REQUEST

Report Prepared by: Richard King, Chief Executive

SUMMARY

Council has received the attached letter from HWCP Management Ltd seeking support of the Central Business District revitalisation.

RECOMMENDATIONS

That Council direction be given.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

REPORT

HWCP Management Ltd have provided the attached letter seeking Council support of the central business district revitalisation.

Ref: A2109770

25 January 2018

Chief Executive
Invercargill City Council
101 Esk Street
INVERCARGILL 9840

Dear Richard

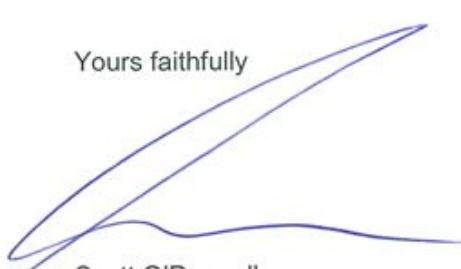
HWCP Management Ltd is a joint venture company owned by HWR Property Ltd and Invercargill City Property Ltd that was formed with a desire to rebuild and revitalise the Central Business District of Invercargill City.

To date, the majority of the buildings required for the rebuild have been acquired and the engineers, architects and heritage planners have been engaged to commence the design work.

This development encompasses retail, covered car parking, office and food precincts.

After the presentation by the Directors of HWCP to the Council Workshop on 17 January 2018, HWCP Management Ltd are now seeking a formal recommendation that Council supports the concept that HWCP Management Ltd is undertaking for the city.

Yours faithfully



Scott O'Donnell
CHAIRMAN