



IT'S YOUR CITY...
INVERCARGILL

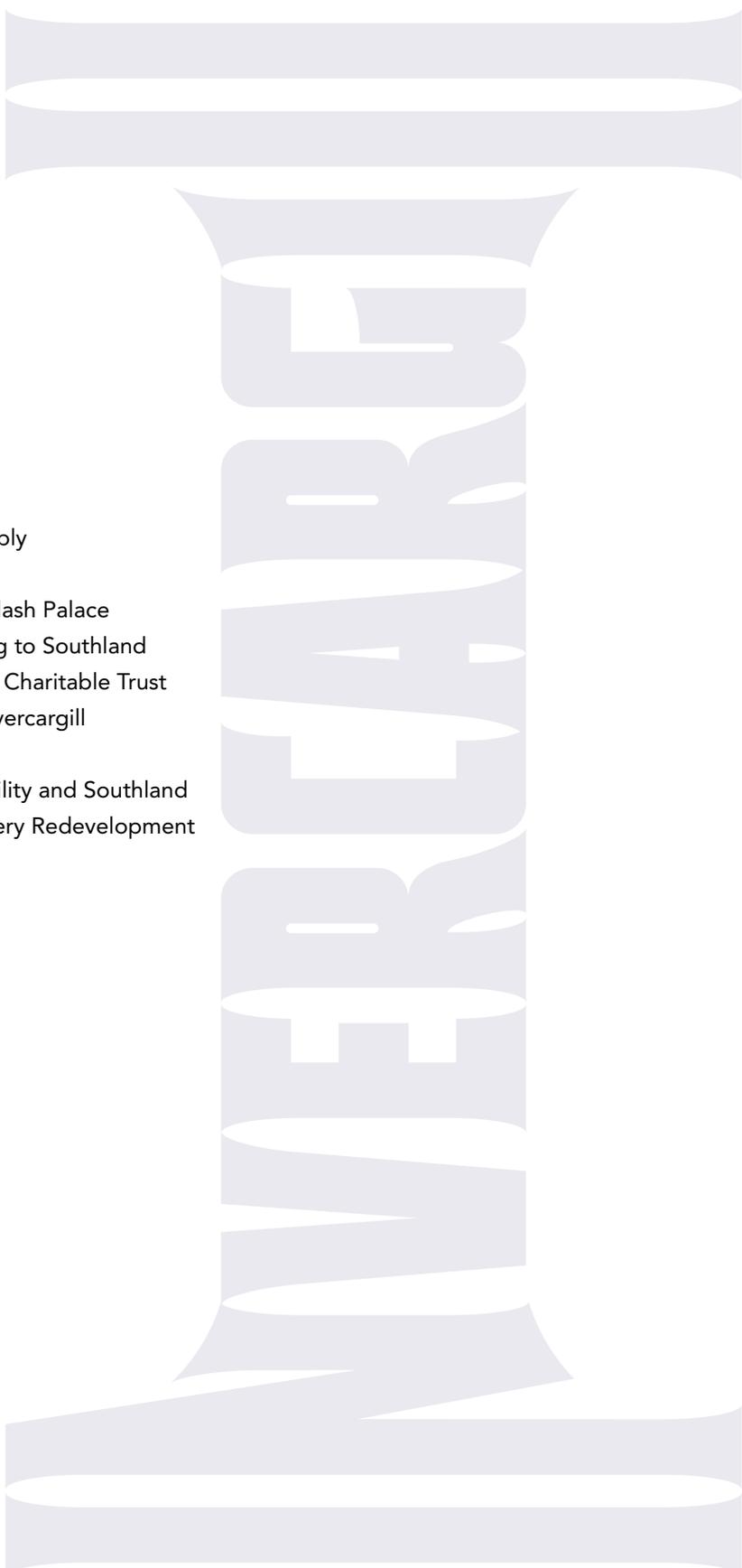
what do you want?

2018-2028
Long-term Plan

Consultation
Document

CONTENTS

- 3 - Mayor and Chief Executive's Comment
- 4 - Our future
- 5 - Key issues for discussion
- 7 - How can you participate?
- 8 - Financial Strategy Summary
- 12 - Infrastructure Strategy Summary
- 20 - Priorities explained
 - 20 - Alternative water supply
 - 21 - Anderson House
 - 24 - Additional pool at Splash Palace
 - 26 - Increase grant funding to Southland
Indoor Leisure Centre Charitable Trust
 - 28 - Arts and Creativity Invercargill
 - 30 - Living Dinosaurs
 - 32 - Regional Storage Facility and Southland
Museum and Art Gallery Redevelopment
- 33 - Impact on your rates
- 37 - Audit Report



IT'S YOUR CITY... INVERCARGILL 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.

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.

There are also a wide range of issues, opportunities and challenges that are not part of Council's core business, but are potentially of major significance to our City. Transmission costs for electricity, SIT's accommodation project, the demolition plans for some heritage buildings, refugees, social housing, sheep milk, tourism, space projects at Awarua, Climate Change and Le Quesnoy to name just a few.

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?



Tim Shadbolt
MAYOR OF INVERCARGILL



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 ten 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 ten-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 ten 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 ten 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 20).

How we will manage our core infrastructure assets over the next 30 years is detailed in the Infrastructure Strategy Summary. (See page 12).

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 ten years we propose to make significant improvements to Splash Palace by building an additional pool. (See page 24)

We are intending to undertake a number of Community Facility projects over the next ten 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 21)
- Art Centre (see page 28)
- Living Dinosaurs (see page 30)
- Regional Storage and the Southland Museum (see page 32)

DISCUSSION

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 Councils 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.

Every year during our Annual Plan or Long-term Plan consultation process we have received submissions regarding Community Funding applications. This year we have introduced a new system. We are using this Consultation Document to inform you of what is available through our community grants programmes. Submissions to the Long-term Plan should relate to key issues facing our City, we have highlighted in this document what we see as the key issues. If you are seeking funding please apply through the grants process.

Rates affordability

The Council recognises that Invercargill's population is ageing and that by the end of this ten 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 \$21 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 one where everyone pays the same amount 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 ten-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.

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)
027 225 2664
- Cr Lindsay Abbott
027 290 1142
- Cr Allan Arnold
027 433 6408
- Cr Karen Arnold
027 268 8613
- Cr Toni Biddle
027 869 2065
- Cr Alex Crackett
021 535 953
- Cr Lloyd Esler
03 213 0404
- Cr Graham Lewis
03 218 6385
- Cr Darren Ludlow
03 215 4777
- Cr Ian Pottinger
03 217 4579
- Cr Lesley Soper
03 216 6427
- Cr Lindsay Thomas
027 472 4730

SUBMISSION FORM
Consultation Document
2018-2028 Long-Term Plan
It's your CITY... what do you want?

Submitter Details

First Name	Surname
Organization	Postal Address
Phone Number	Postcode
Email	Date
Signature	

Returning your submission
Return by 5pm, Friday, April 8.
Deliver to: Civic Administration Building, 101 Esk Street, Invercargill.
Email: Policy@icc.govt.nz
Post to: Submission Annual Plan, Invercargill City Council, Private Bag 90104, Invercargill 9840.

Presentation of submission
Please tick as appropriate. If neither of the boxes is ticked, it will be considered that you do not wish to be heard.
 I wish to speak to the Mayor and Councillors about my submission.
 I do NOT wish to speak in support of my submission and ask that the following written submission be fully considered.

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
• 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.

Please note: Submissions received on the Proposed 2016/17 Annual Plan will be made available to the public as required by 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.

Invercargill

Submissions close at 5pm, 20 April 2018 for the Long-term Plan Consultation Document, Fees and Charges and Proposed Revenue and Financing Policy.

FINANCIAL STRATEGY SUMMARY

The Council's Financial Strategy explains how our finances will be managed over the next ten 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 operating revenues are set at a level sufficient to meet operating expenses. We will not achieve this over eight of the next ten years. This would not be achieved for nine of the next ten years if external funding for the Art Centre project was not received.

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 2024/25 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 \$10.8 and \$8.5 million estimates are subject to change as they are preliminary figures that have been used for planning purposes. Prior to these projects proceeding, feasibility studies and further investigation into cost will occur. When these processes are undertaken it is likely that the figures used will change.

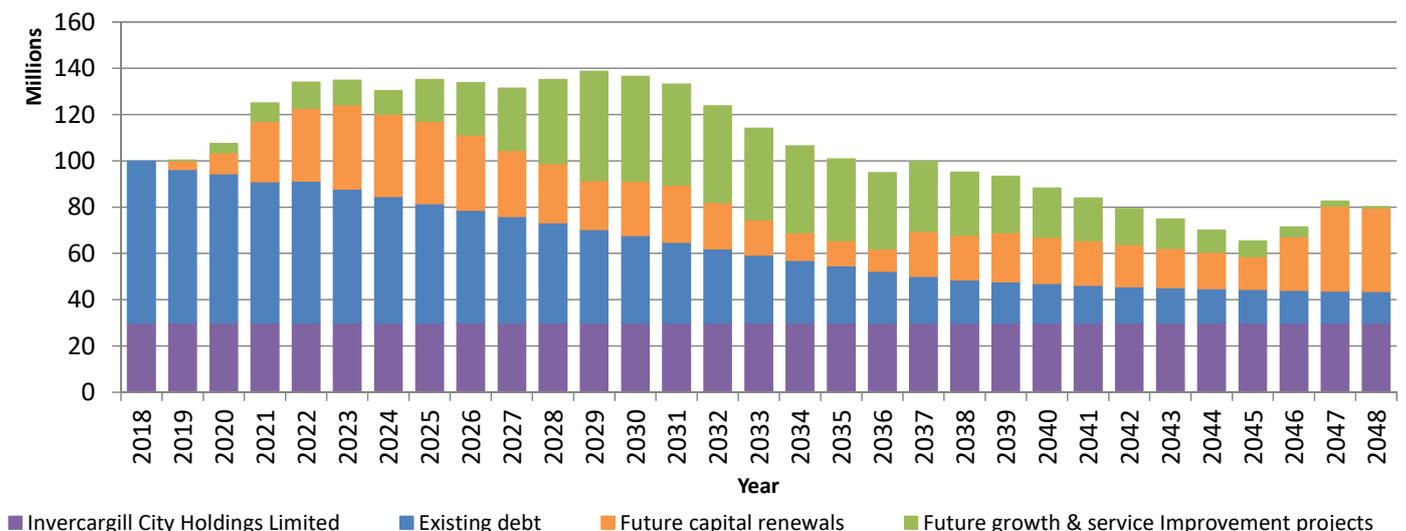
The Council is taking this approach because we are in a healthy financial position and we are confident that we are managing operating and capital expenditure to provide our community with the most cost-effective solution.

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:

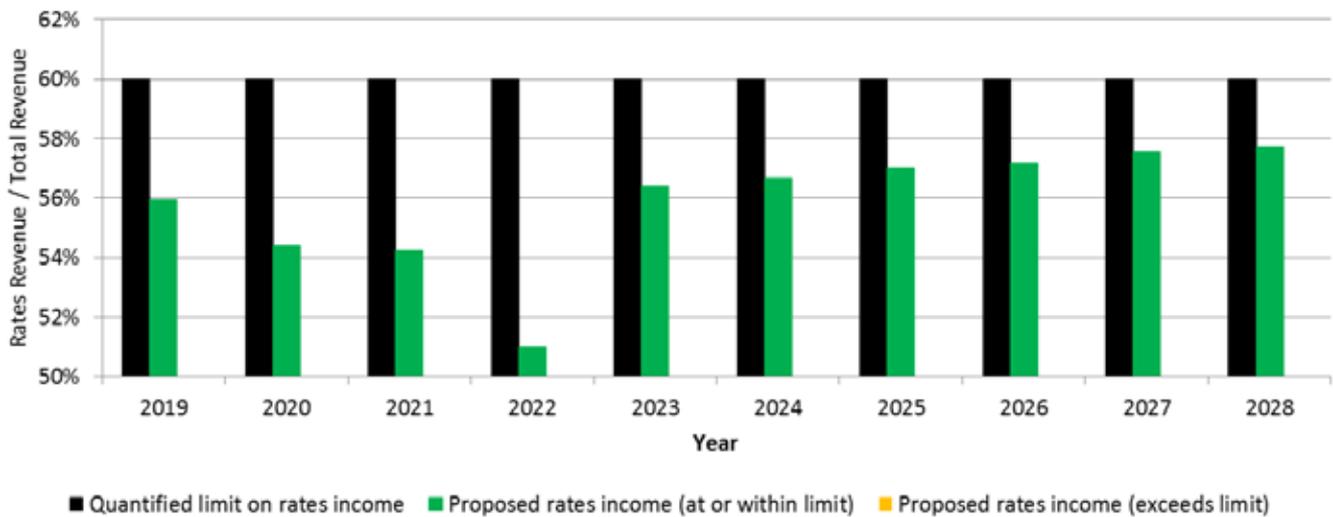
- Stormwater capital work to be funded at 100% of depreciation by 2028
 - Pipe network capital expenditure to 100% by 2022 funding the difference by loans
- Wastewater capital work to be funded at 100% of depreciation by 2028
 - Pipework capital expenditure to 100% by 2022, funding the difference by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



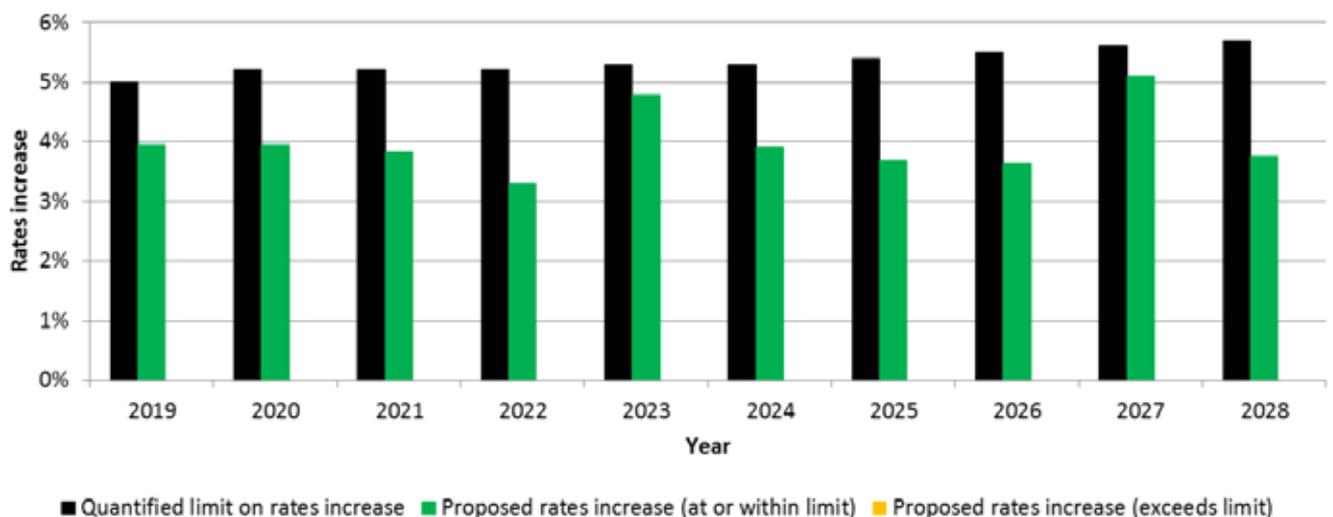
FINANCIAL STRATEGY SUMMARY CONTINUED

Rates (Income) Affordability Benchmark (2019 - 2028)



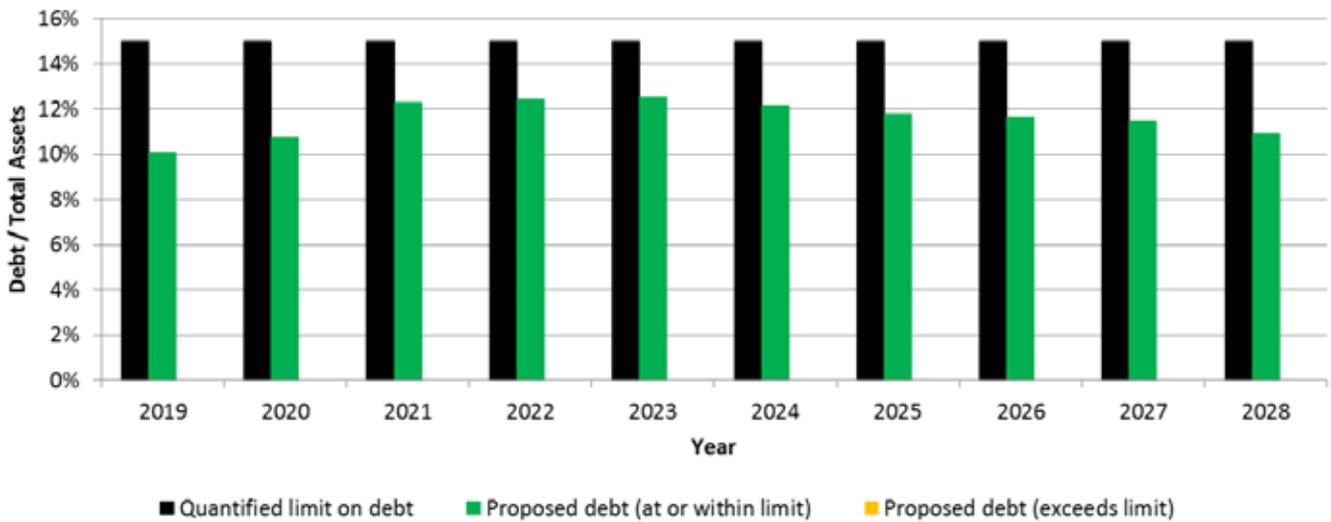
The graph above compares the Council's actual rates income with the limit imposed in the Long-term Plan being *"Rates revenue as a source will not exceed 60% of its total revenues"*.

Rates (Increases) Affordability Benchmark (2019 - 2028)



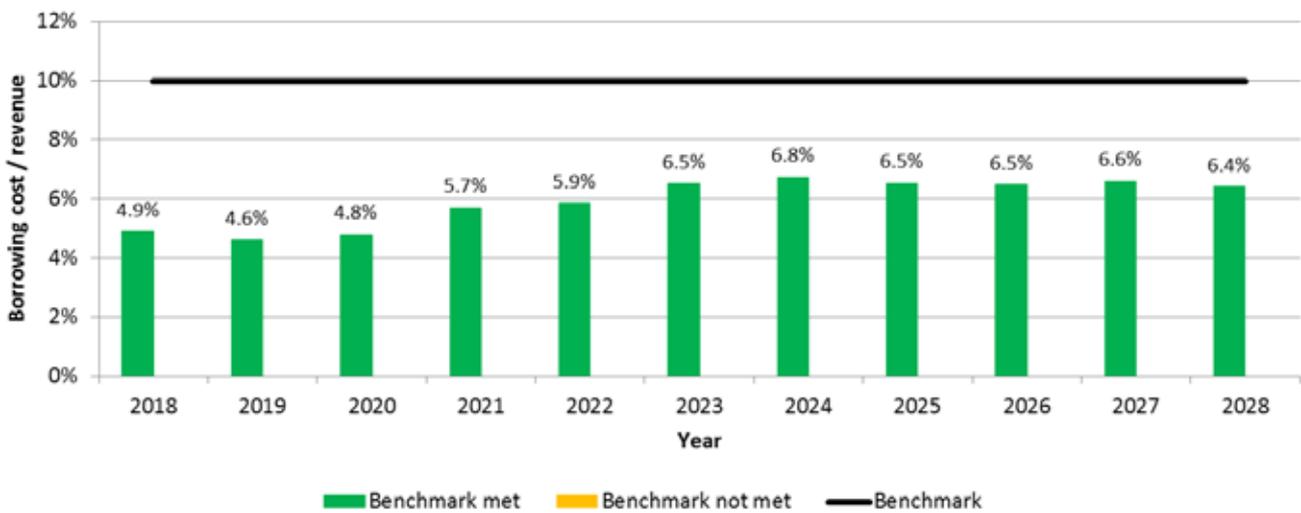
The graph above compares the Council's actual rates income with the limit imposed in the Long-term Plan being *"Total rates increases will be limited to forecast LGCI + 3.0%"*.

Debt Affordability Benchmark (2019 - 2028)



The graph above compares the Council's total borrowings against total assets in the Long-term Plan being total debt will not exceed 15% of total assets.

Debt Servicing Benchmark (2018 - 2028)



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

A copy of the full Financial Strategy is available on our website www.icc.govt.nz

INVERCARGILL 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 \$783m (value as at 30 June 2017) of public infrastructure.



CORE INFRASTRUCTURE

ROADING \$275M

- 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 3km
Stead Street and Rifle Range

SEWERAGE \$113M

- Pipe Network 368km
- Pumping Stations 31
- Treatment Plants 3

WATER \$124M

- Pipe Network 419km
- Pump Stations 6
- Branzholme Water Treatment Plant
- Reservoirs 7

OTHER INFRASTRUCTURE

BUILDING ASSETS



\$78M

- Corporate Buildings 2
 - Animal Care Facility
 - Civic Admin
 - Bluff Service Centre
- Community Facilities 6
 - Civic Theatre
 - Splash Palace
 - Eve Poole Library and Archives Building
 - Scottish Hall
- Housing Care Flats 215
- Public Toilets 9
- Other Infrastructure 3

PARKS AND CEMETERIES



\$27M

- Premier Parks 4
 - Queens Park 54.7ha
 - Otepunu 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



SOLID WASTE \$7M

- Closed landfills 2
- Transfer Stations 2
- Kerbside Bins 42,869

INVERCARGILL 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 Roding 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.

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 the 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 ten 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.



INVERCARGILL INFRASTRUCTURE STRATEGY CONTINUED

Major Spends Timeline 2018-2028 (Year 1-10)

2018 2019 YEAR 1 2020 YEAR 2 2021 YEAR 3 2022 YEAR 4 2023 YEAR 5 2024 YEAR 6 2025 YEAR 7 2026 YEAR 8 2027 YEAR 9 2028 YEAR 10



Major Spends Timeline 2028-2048 (Year 11-30)

2028 YEAR 10 2033 YEAR 15 2038 YEAR 20 2043 YEAR 25 2048 YEAR 30



\$6m **Y13**

City Reservoir renewal



\$16m **Y29**

Transfer Station renewal



\$13m **Y11**

Clifton treatment facility upgrade



\$3m **Y21**

Winter Gardens renewal



\$30m **Y28**

Waikiwi Reservoir renewal



\$7m **Y12**

Civic Theatre renewal



\$19m **Y19**

Pool renewal



\$25m **Y28**

Administration Building renewal



\$20m **Y20-30**

Branxholme treatment station renewal

\$77m	Y11-30	Sewerage pipe network renewals
\$105m	Y11-30	Stormwater pipe network renewals
\$77m	Y11-30	Water pipe network renewals
\$128m	Y11-30	Roading reconstruction and sealing renewals
\$41m	Y11-30	Footpath renewals

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. This will be funded by loans of \$5.28m in 2025/26 & \$5.42m in 2026/27 and will be repaid over a 20 year period.

Level of Service

Will increase as the Community is provided with an emergency water supply.

Cost to Ratepayers

Year	Total rates	year/week (average)
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. This will be funded by loans of \$1.72m in 2019/20 and will be repaid over a 20 year period.

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 (average)
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. This will be funded by loans of \$0.19m in 2019/20 and will be repaid over a 20 year period.

Level of Service

No change.

Cost to Ratepayers

Year	Total rates	year/week (average)
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. This will be funded by loans of \$0.95m in 2019/20 and will be repaid over a 20 year period.

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 (average)
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. This will be funded by loans of \$1.92m in 2019/20 and will be repaid over a 20 year period.

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 (average)
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 2020/21 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. We have based our preferred option on obtaining external funding for the additional pool. We will apply for this funding only if we get community support for the project. There is still a level of uncertainty around whether we will obtain the funding when applied for. If we do not receive the funding, the project will not go ahead.



Option 1
Council's Preferred Option

Construct an additional pool adjacent to the existing Splash Palace facilities. This will be funded by external funders of \$3.13m and loans of \$3.13m in 2020/21 which will be repaid over a 20 year period.

Level of Service

Will increase as more space is made available for pool users.

Cost to Ratepayers

Year	Total rates	year/week (average)
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 (average)
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 (average)
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 29, 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 32.

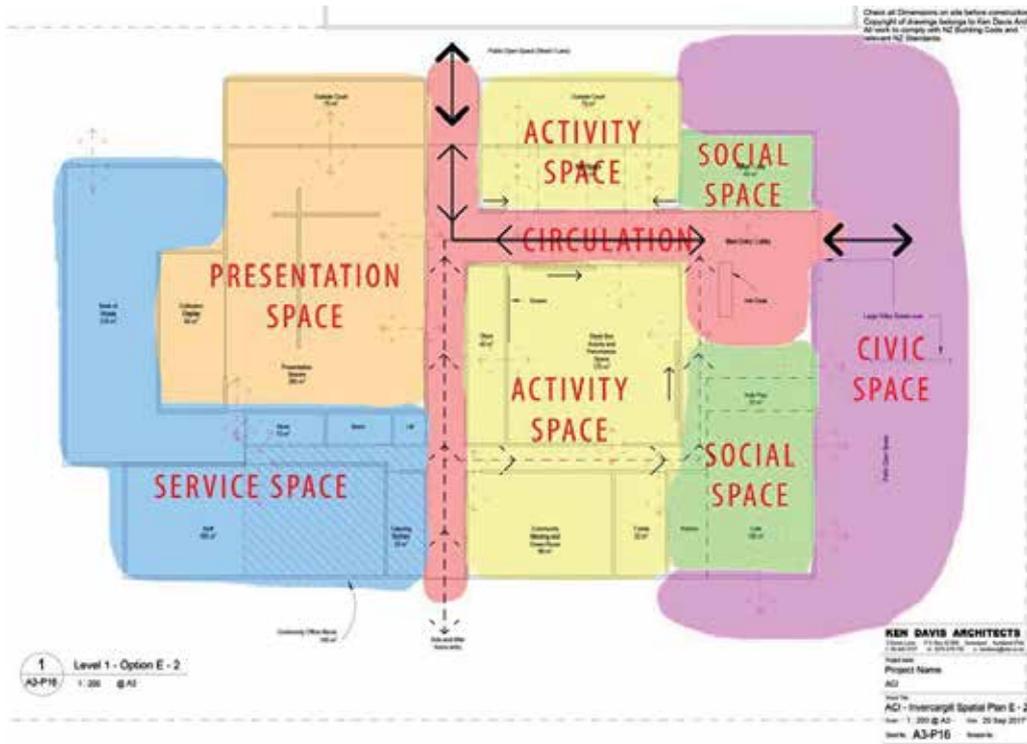
Council's Preferred Option	
Level of Service	Ratepayer \$
↑	↑



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 have based our preferred option on obtaining external funding for the Art Centre project. We will apply for this funding only if we get community support for the project. There is still a level of uncertainty around whether we will receive the funding when applied for. If we do not receive the funding, the project will not go ahead.

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. This will be funded by external funders of \$9.70m and loans totalling \$16.00m by 2021/22 which will be repaid over a 20 year period.

Level of Service

Will increase as a new attraction is available.

Cost to Ratepayers

Year	Total rates	year/week (average)
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 kākāpō 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 kākāpō 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.

The proposal is to build an indoor and outdoor facility which includes a Tuatara enclosure, a Kākāpō hand rearing enclosure and Lab and a Living Dinosaur Experience Area. The total capital cost

Council’s Preferred Option	
Level of Service	Ratepayer \$
↑	↑



of the project is estimated at \$5.07 million. 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 Kākāpō Lab and fund this work. We have based our preferred option on obtaining a commercial partner for the Living Dinosaurs Experience. We will complete our investigation into, and negotiations with, a commercial partner only if we get community support for the project. There is still a level of uncertainty around whether we will obtain a commercial partner. If we do not get a commercial partner, the project will not go ahead.

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. This will be funded by external funders of \$2.54m and loans of \$2.54m in 2019/20 which will be repaid over a 10 year period.

Level of Service

Will increase as a new attraction is available.

Cost to Ratepayers

Year	Total rates	year/week (average)
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

ADDITIONAL INFORMATION

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 nine to ten years.

INVERCARGILL IMPACT ON YOUR RATES



The Council has developed its budget, which will result in a 3.96% overall average 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 ten years.

How we will achieve this over the next ten years is detailed in our Financial Strategy. (Summary see page 8).

All figures in the Consultation Document are inflation adjusted.

Year	Rates change (average)	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

INVERCARGILL IMPACT ON YOUR RATES

IMPACT ON YOUR RATES CONTINUED

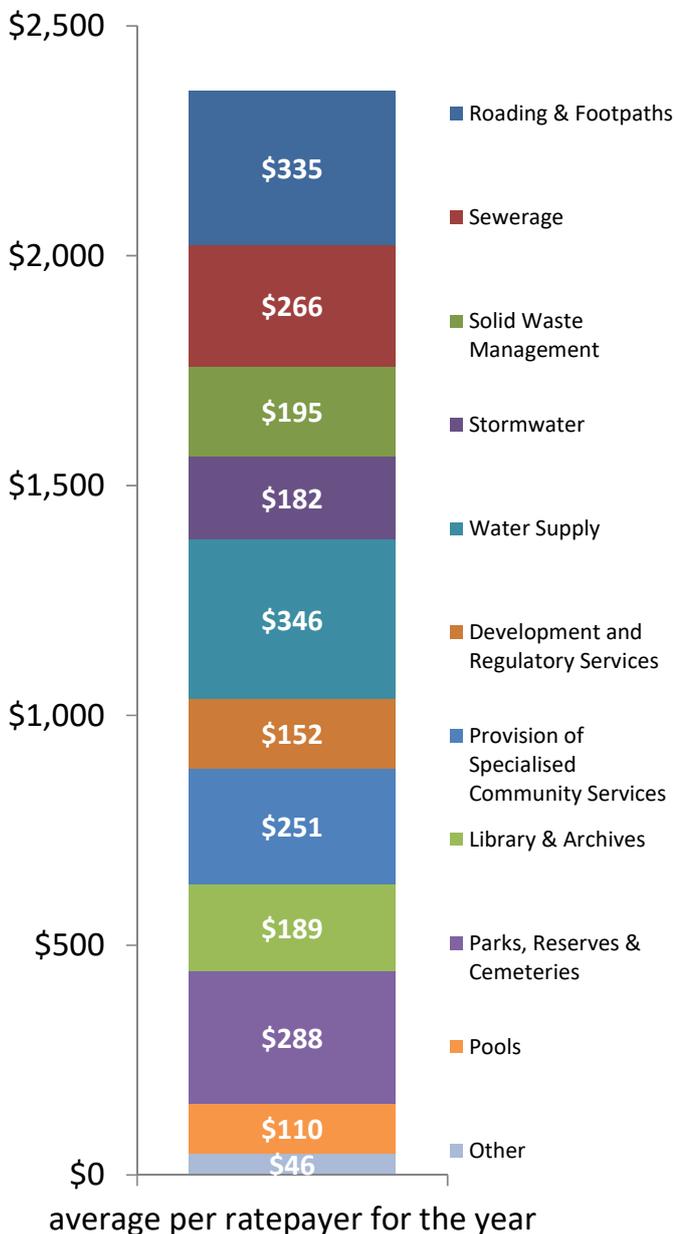
There will be an estimated **25,385** ratepayers in Invercargill

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

So... what do you get for your rates money?



Roading and Footpaths

- Above New Zealand average standard roading
- Safe footpaths
- Convenient road side parking

Sewerage

- Collection service of discharged household sewerage
- Treatment of sewerage so is it environmentally safe to discharge into the waterways

Solid Waste Management

- Kerbside residual waste & recycling collection service
- Transfer station for customers to drop off residual and 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 and Bluff residents' taps
- Fire fighting water supplies

Development and Regulatory Services

- Animal and Environmental Health control services
- Building and 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 and Bluff Pool

Library and Archives

- Free access to a large book collection numerous programmes and resources

Parks, Reserves and Cemeteries

- Public use of green recreation spaces

Pools

- Aquatic facilities for the health, wellbeing and enjoyment of the community

Other

- Bus passenger transport service
- Public Toilets
- Theatre and hall facilities
- In house support services



The proposed overall average rates increase for 2018/19 is 3.96% based on the Council's preferred options, however 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	% Change Rates
Residential	109,000	130,000	1,745	1,798	53	1.01	3.01%
Residential	215,000	255,000	2,188	2,282	93	1.80	4.27%
Residential	310,000	350,000	2,585	2,650	63	1.25	2.48%
Residential	485,000	540,000	3,317	3,385	68	1.31	2.05%
Residential	600,000	660,000	3,797	3,849	52	1.00	1.36%
Commerical	690,000	750,000	5,855	5,963	109	2.08	1.85%
Commerical	1,100,000	1,090,000	8,891	8,705	-186	-3.58	-2.10%
Commerical	2,450,000	2,900,000	13,521	14,399	878	16.88	6.49%
Commerical	3,500,000	3,590,000	19,760	19,190	-570	-10.96	-2.89%
Farms	620,000	620,000	1,455	1,377	-78	-1.50	-5.34%
Farms	1,730,000	1,730,000	2,955	2,819	-136	-2.61	-4.59%
Farms	5,300,000	5,370,000	8,532	8,284	-248	-4.77	-2.91%
Farms	10,050,000	10,050,000	15,514	14,868	-646	-12.42	-4.17%
Industrial	17,700,000	19,500,000	52,417	52,475	58	1.12	-1.27%
Industrial	1,000,000	1,030,000	6,952	6,864	-88	-1.70	1.84%
Industrial	2,000,000	2,200,000	11,928	12,147	219	4.22	0.11%

Rating revaluations were reviewed in 2017. This has resulted in a change in value of most properties in the district.

Independent auditor's report on Invercargill City Council's Consultation Document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Invercargill City Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 6 March 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and Invercargill City, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.



Responsibilities of the Council and auditor

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the City Council's consultation document and all legally required external audits, we have provided an assurance report on certain matters in respect of the City Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the City Council.

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

