

He
Ngākau
Aroha

Our Roadmap to Renewal

our
City
with
heart



2021-2031 Long-term Plan Consultation



Roadmap to Renewal

He ara whakaoho

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We want your feedback on our roadmap to renewal

Tēnā tākoha mai ō whakaaro ki tēnei ara whakaoho

Invercargill is growing.

Major new investments in the city centre are transforming Invercargill. At the same time the region faces new challenges as a result of Covid-19 and a period of transition for Tiwai Point Aluminium Smelter.

Council is working on a roadmap to renewal which will form the core of its strategy for the next ten years as it works to build a city with heart.

Through 2020 Councillors heard from residents what is important to you for the future of our city. Over 1000 people shared their views through research and engagement on the services they want to receive and the major projects they want to see delivered.

People have told us that while they would like more investment in some areas such as roads, they are broadly satisfied with the level of service they are receiving.

Iwi have shared that Maori culture needs to be more visible in the City and more done to protect taonga species from pests in special locations.

We need to plan for the impact of climate change and ensure our core infrastructure is fit for the future.

There are a significant number of building projects which Council knows are important to the people of Invercargill and Bluff. There's a lot of work to be done to deliver these projects. Council also recognises that in these difficult economic times ratepayers want rate increases carefully managed.

We are asking you now to consider our preferred options for some of the big-ticket items and how we'll pay for them.

Make your submission now and tell us what you think of our roadmap for renewal.

Mayor Tim Shadbolt
and Councillors



Recent projects

Ngā hinonga raupapa

1. Central City infrastructure
2. Roundabouts - to improve traffic flow
3. Footpath improvements
4. Tay - Dee Street Water main
5. Library Redevelopment
6. Splash Palace Redevelopment
7. Suqian Friendship Garden
8. He Waka Tuia Museum and Art Gallery
9. Feldwick Gates Redevelopment
10. Coming soon: Troopers Memorial
11. Coming soon: Invercargill - Bluff Cycleway
12. Coming soon: Splash Palace Hydroslide



Roadmap to renewal

He ara whakaoho

Our journey to get where we are today has been ambitious. While we haven't achieved all the things we set out to do, we have made significant investments in the future of our city and its people.

You told us that you wanted a city centre you can be proud of – Our City with heart – He Ngākau Aroha. Over the early years of the Long-term Plan Council will have invested up to \$40.5 million in the City Block, as well as \$18.5 million in the surrounding streetscape.

At the same time, you also told us, that in these difficult times, you want us to keep rate increases low and continue to support wellbeing in the community.

For the 2020/2021 year we kept the rate increase down to 2% in response. This has meant we have built up a debt of approximately \$1.7 million. As a result, we have put in place a plan to bring us back to a balanced budget in the first year of the Long-term plan.

We are also proposing to change the way we rate to ensure a more even balance of rates across different types of property and across our city.

In 2020 Council launched the Community Wellbeing fund to better support the community post-Covid. We have also carefully managed Council services impacted by Covid such as the Civic Theatre in order to manage costs.

There are a number of high profile projects the public wants to see progress on. You can see the roadmap to renewal plan we have put together on p8. We considered three things in putting together this plan – the priorities we have as a Council

for our strategic projects, the ability of Council to fund the projects and the ability of our Infrastructure team and local contractors to deliver the work. To help us determine the priorities for each project we considered its alignment with our strategic vision for the city centre, the extent to which it would contribute to the four wellbeings, the demonstrated need for the project and the extent to which it is achievable and sustainable to operate over time.

Borrowing is an efficient way to pay for infrastructure, by spreading payments over many years. While Council is in a healthy financial position and interest rates are at a historic low, two things mean we need to carefully manage debt:

- Government reform of water is likely to remove a large amount of assets from Council books, which will limit the amount we will be able to borrow in the future;
- We don't yet know what the impact of Covid and the transition for Tiwai Point will be and we need to be ready to help the community if it is needed.

Balancing affordability and equity for future generations means that we need to make difficult decisions about which projects are the priority. We also need to work closely with local contractors to ensure we are able to deliver what we plan, when we say we will.

Our plan for the next ten years is to:

- Maintain levels of service to support community social, cultural, economic and environmental wellbeing.
- Focus on building, renewing and maintaining critical infrastructure to maintain the levels of service you receive while managing the increasing impacts of climate change and preparing for changing requirements in the area of water quality.
- Fund the programme by increasing rates and increasing our borrowing to a manageable level.
- Plan for delivery of the major projects you want to see by seeking grants and dividends, partnerships and some increases in user pays, as well as implementing new project management processes.

What's our plan for income?

Te mahere whai pūtea?

We are proposing an increase on our income from rates of 5% for the first year, with increases at a lower level over later years. Our cap for increase of income from rates is a maximum of 7.5% in any one year.

The top graph shows increases in rates over the last five years as well as forecast increases in rates for the next ten years.

In 2020/2021 we collected \$56.8 million in revenue from rates; this will rise to \$60.3 million in the first year of the Long-term plan.

Next year the way we will rate will become simpler. We are proposing to reduce the number of targeted and differential rates. This will make the rating system easier to understand and more cost-effective to administer.

It will also mean that some services we all share like streetlights and footpaths will be paid for by all properties for the first time.

A 5% increase in rates revenue doesn't mean that everyone will receive a 5% increase in their rates bills. The impact of rates increases on different properties varies.

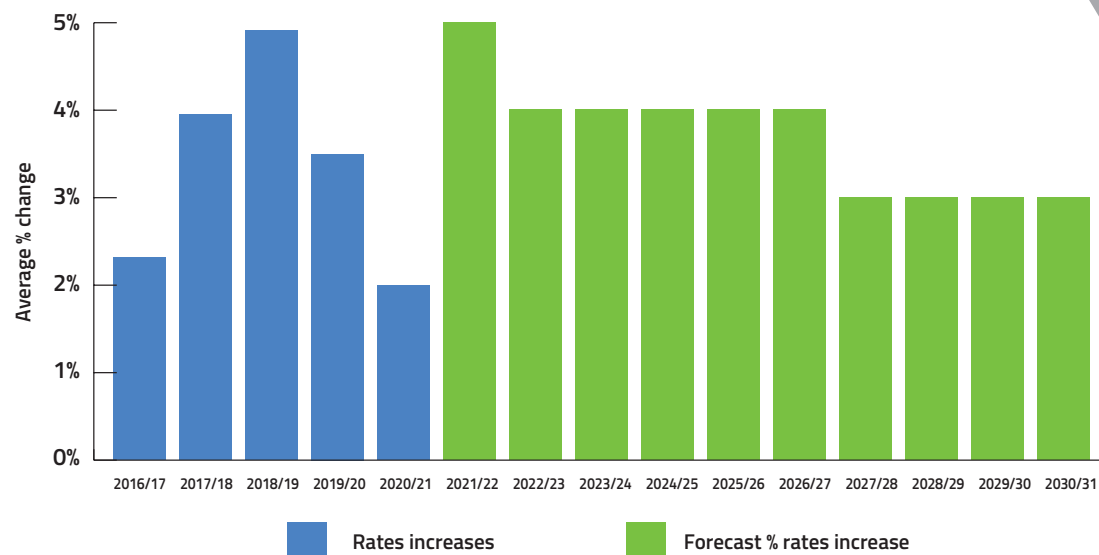
So, the increase you will receive will depend on the rates and services your property is charged for, the type and value of your property.

For more information on our plans for income see

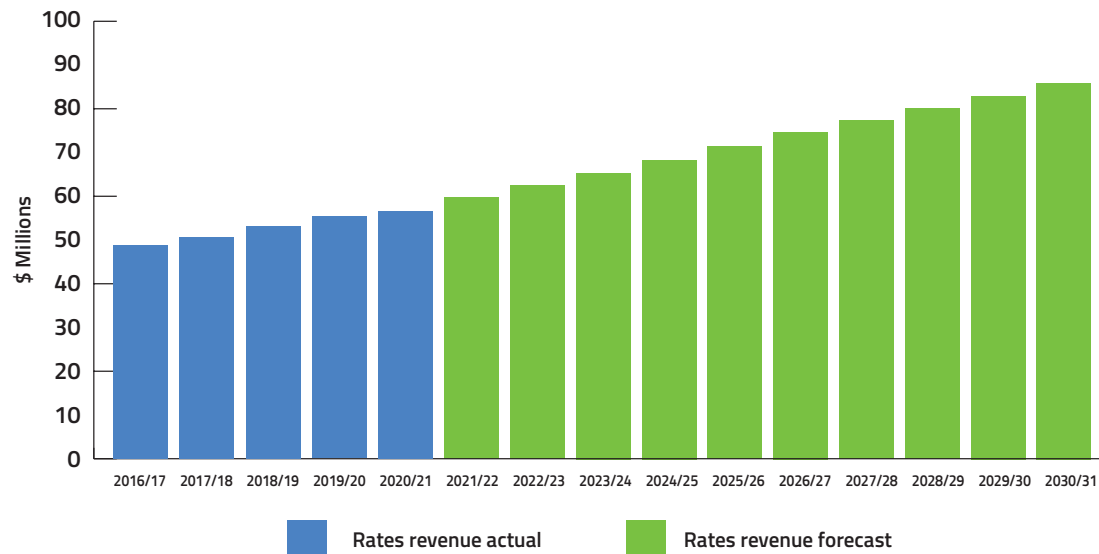
www.icc.govt.nz/roadmaprenewal/finance-and-rates-plans/

www.icc.govt.nz/roadmaprenewal/proposed-rates-changes/

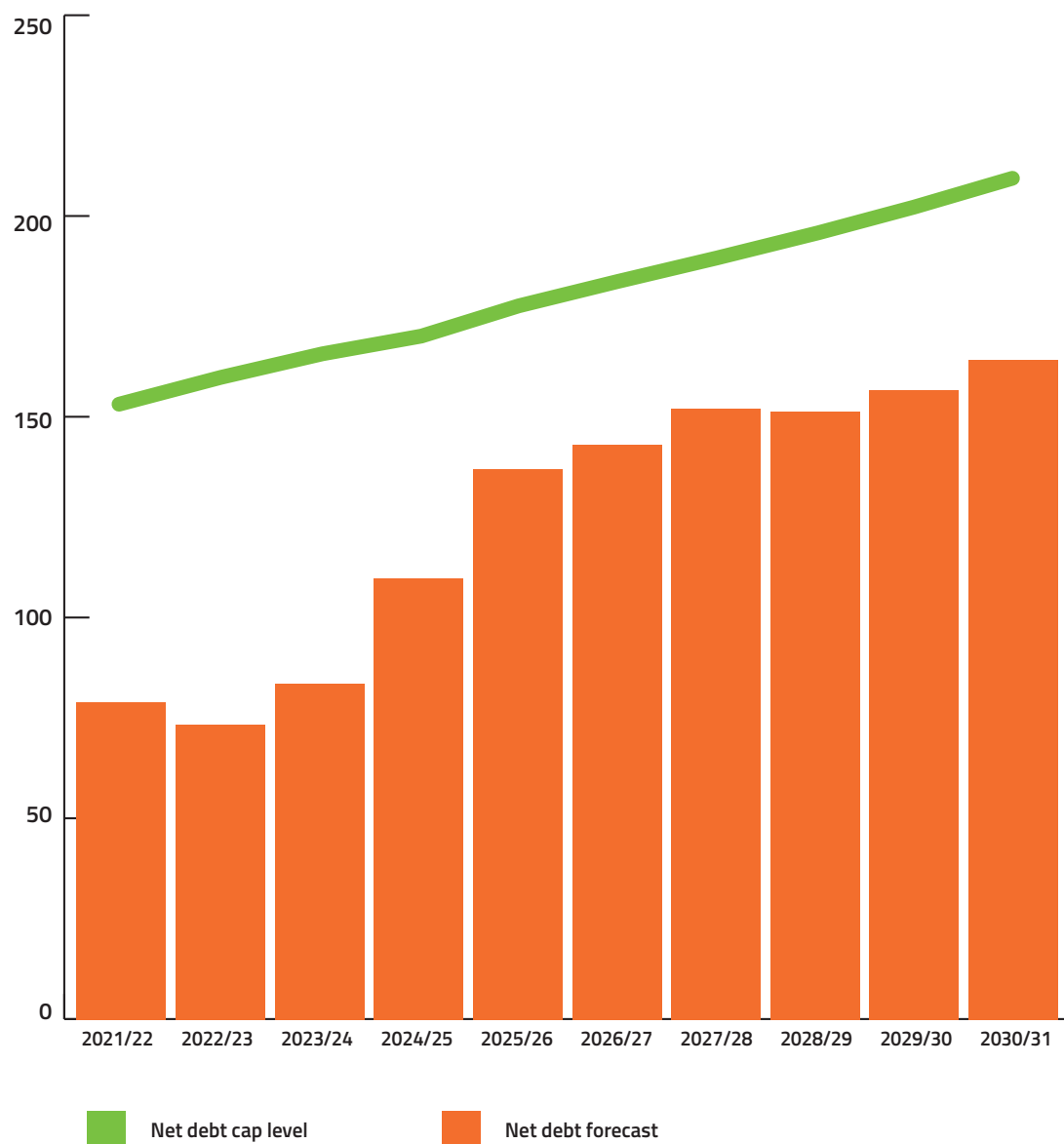
% change to existing rating units assessments 2016 - 2031



Total rates revenue 2016 - 2031 (GST exclusive)



Total net debt 2021 - 2031



What's our plan for net debt?

Te mahere moni tārewa?

All Councils set debt limits, which caps our total borrowing. The limit is benchmarked by comparing the total net debt to our total income.

Our current net debt limit of \$147 million is set at 150% of our total income. This is equivalent to \$155 million in 2021/2022 rising to \$210 million by 2030/2031.

We need to plan for proposed Central Government changes to the way water services will be delivered. Water pipes, pump stations and other facilities make up a significant proportion of Council assets – While removing these will limit the amount we can borrow, we still have room to increase our borrowing limit.

We currently forecast we will hold \$59 million in net debt by the end of 2020/2021.

To fund our planned roadmap to renewal we will need to take on more debt.

At the peak Council's net debt is expected to reach \$163 million. \$104 million of this will be new debt – to put it into perspective, this is equivalent to every household in Invercargill taking out a \$4,000 loan.

What is net debt?

Net debt = Total borrowings less cash investments.

Proposed Roadmap

Te Uaki Ara



1a

Issue 1a. City Centre Masterplan Streetscape 2021 – 2025

\$18.6 million investment of \$20.8 million renewal programme. See page 10 for more information



2021

Anderson House

(\$900,000 investment of a \$1.2 million project)



2

Issue 2. Southland Museum and Art Gallery 2021 – 2026

\$39.4 million investment of a \$52.5 million project cost.

See page 12 for more information

2022

Water Tower

(\$1.4 million)



Projects in the Bluff Tourism Masterplan

2021 - 2022 Bluff Boat Ramp renewal (\$1.8 million)

Council will also invest in the Bluff Hill Active Recreation Hub Carpark.





Issue 3. Rugby Park renewal 2023 – 2025

\$4.9 million investment of a
\$9.4 million project cost.

See page 14 for more information

**2022 Surrey Park
Grandstand renewal**
(\$1.5 million)



Issue 1b. City Centre Masterplan Urban Play Place 2023 – 2026

\$4.9 million investment of a
\$6.5 million project

See page 10 for more information

**2027 - 2030
Arts and Creativity Invercargill**
(\$14.1 million investment
of a \$17.6 million project)



**2029 - 2031
Additional Pool
at Splash Palace**
(\$8.2 million)

What do you think of our roadmap for renewal? Council plans to spend \$112 million on capital projects to support community wellbeing over the next ten years. This is on top of the regular programme of core infrastructure renewals and includes all the projects detailed above. The roadmap shows the calendar year the investment is planned to take place and when each project is scheduled for completion. Its important to note that delivery plans may be impacted by constraints in the construction sector. We'd like to know what you think about our roadmap for renewal, as well as your preferred options for the proposed City Centre Masterplan Urban Play place, Rugby Park and for the Southland Museum and Art gallery. Turn the page to find out more about the consultation issues above.

For more information on our projects see www.icc.govt.nz/roadmaprenewal/projects



Issue 1.

City Centre Masterplan and Urban Play Space

Take 1. Te anga -whakamua mō te rito o te tāone me ōna waahi tākaro

Should we invest more in play to make you stay?

Council has been engaging with the community on the development of a City centre masterplan which will guide how it invests in improvements to the street design, furniture and facilities in the blocks between Don St and Deveron St and Esk St and Tay St. In earlier consultation on City Block, Council let the public know it would build up to \$20.8 million in the streetscape.

We anticipate \$2.2 million of this funding will come from NZTA and the final level of investment may change.

The consultants working with Council and the City Centre Governance Group have come up with six guiding principles.

- Whakanuia ngā taitini, ngā tuakiri
Celebrate scale and identity
- Whakahaumanu i te hononga taiao
Restore a healthy connection with the environment
- Te pānukutanga mō te taurikura me te oranga tonutanga
Move for prosperity and health
- Karangatia te ara ki kōnei
Promote a destination gateway
- Ngā mahi tākaro pārekareka mō te katoa
Urban play to make you stay
- Hei waahi noho, he waahi hari
A city to inhabit and enjoy



The masterplan will help to create a vibrant city centre supporting the investment in the City Block development. Streets are for people. We want to increase foot traffic and encourage people to stay longer in the CBD.

The urban designers have noted that Invercargill has no obvious gathering space. Public feedback has confirmed. Wachner Place doesn't work effectively. We see the opportunity to make the city centre attractive to people of all ages to stay and play. We will be working on a play strategy for the whole city. We propose making provision now of \$4.9 million in order to kickstart this in the city centre. Play options could be spread out through the city-centre or there could be a more formal playground like the Margaret Mahy Playground in Christchurch. We would work with Government and community funders to seek a further estimated \$1.6 million towards this work.

For more information
[www.icc.govt.nz/
roadmaptorenewal/
projects](http://www.icc.govt.nz/roadmaptorenewal/projects)

Our preferred option

- \$23.6 million investment of total \$27.4 million project for the city centre streetscape including urban play to make you stay
- \$1.2m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$1.2m yearly from 2025/2026 onwards
- Average rates increase = \$47.23 (year) - \$0.91 (week)

Another option

- \$18.6 million investment of total \$20.8 million project for the city centre streetscape (no investment in play)
- \$1.0m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$1.0m yearly from 2024/2025 onwards
- Average rates increase = \$36.77 (year) - \$0.71 (week)



Issue 2. Southland Museum and Art Gallery

Take 2. Niho o te Taniwha

We've consistently heard that the Southland Museum and Art Gallery is one of the community's top priorities. He Waka Tuia, a partnership between the Southland Museum and Art Gallery Trust and the Invercargill Public Art Gallery Trust, opened last year providing a transitional hub in the city centre. To find a long-term solution for the museum is going to take time and money.

What happens if we don't achieve the external funding required to complete the urban play space, the Southland Museum and Art Gallery or Rugby Park preferred options?

We've worked with an expert to identify conservative estimates of funding we could attract. If for any reason significantly more ratepayer funding is required, we will consult again to ask you if you want Council to contribute more funding or explore other options. Nevertheless there is still significant uncertainty as many funding agreements are not yet in place.

We estimate it will cost \$52.5 million to reopen and refurbish the museum in its current location. Council would allocate up to \$39.4 million and seek external funding for the remaining costs. This will make the pyramid safer if there is an earthquake (67% of New Building Standards). This is a complex project which will take time to complete, particularly as there is so much construction going on in the city. The aim is for the museum to reopen in 2026.

We could delay determining a future for the museum until after the completion of the City Block project and city centre streetscape in 2024. We could invest more in He Waka Tuia now, expanding the offering and providing arts and culture opportunities in other parts of the city. This would give us time to consider the best location for the museum in the future. However it would be likely to mean that the construction cost for a new museum would be higher.

Our preferred option

- \$39.4 million investment of total \$52.5 million project cost
- \$3.2m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$3.2 million from 2025/2029
- Average rates increase= \$124.16 (year) - \$2.39 (week)

Another option

- \$700,000 in increased operational budget for He Waka Tuia
- Impact on level of service ↑
- Cost to ratepayer - Total \$0.7m yearly from 2021/2022 onwards Plus higher cost for a new museum
- Average rates increase = \$27.48 (year) - \$0.53 (week)

For more information www.icc.govt.nz/roadmaprenewal/projects

Issue 3. Rugby Park

Take 3. Te Papa Whutupaoro

Rugby Park is known as the home of rugby in Southland. Council intends to purchase Rugby Park from the Invercargill City Charitable Trust. Following a review of the future needs for a regional rectangular sports field complex, Rugby Park remains the best location for this for the next 15 years. After this time, there may be the opportunity to look at other options.

The preferred option to improve Rugby Park is presented as a staged approach. Council will fund Stage One (deferred maintenance and then strengthening) and further funding would be required for Stage Two (facility improvement).



A flexible facility used by more people for more activities

We propose making Rugby Park structurally safe and redesigning the northern, western and eastern areas into open green and hardstand space. This would result in a space which is more flexible for different uses into the future. There would be a reduction in fixed seating capacity of 15%. The deferred maintenance and strengthening would be completed first. Wider improvements would not be completed until external funding of approximately \$4.5 million had been secured. Stage one would be completed by 2025. Stage Two would only proceed following securing of additional funding.

Make the existing Rugby Park grandstand safe and complete deferred maintenance.

This option would make Rugby Park structurally safe and complete deferred maintenance. This is a lower cost option, which enables the park to continue to provide a venue for rugby but wouldn't have flexibility for other purposes. There would be a reduction in fixed seating capacity of 15%. This work would be complete by 2025.

For more information
[www.icc.govt.nz/
roadmaprenewal/projects](http://www.icc.govt.nz/roadmaprenewal/projects)

Our preferred option

- \$4.9m investment (of a total \$9.4m project cost) to create a structurally sound and flexible use facility (Stages one and two)
- \$0.3m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$0.3m yearly from 2024/2025 onwards
- Average rates increase = \$13.22 (year) - \$0.25 (week)

Another option

- \$4.9m investment to make structurally sound (Stage One only)
- \$0.2m ongoing operational costs
- Impact on level of service – no change
- Level of debt ↑
- Cost to ratepayer - Total \$0.2m yearly from 2024/2025 onwards
- Average rates increase= \$9.21 (year) - \$0.18 (week)



What else are we planning?

Ngā whakaritenga o te pae tata

Council plans for the next 30 years to ensure its infrastructure will continue to meet the needs of the community.

Invercargill is growing – by approximately 1% a year. The population is getting older and more Asian and Maori people are making Invercargill home, making our population more diverse. Housing needs will continue to grow and change – more people are anticipated to want to live in the City centre.

As we grow, Invercargill will benefit from the decisions our predecessors made. The critical infrastructure which

makes the city work – our water and sewage treatment plants, our pipes and roads were designed for a city larger than we are now. We have plenty of room to grow.

However, these assets are aging and climate change, as well as changing water regulations, means more is required of the system. The plan below shows some of the highlights for how we intend to manage our infrastructure over the next 30 years.

Three waters reform

The Government is reviewing how water, stormwater and sewerage services are provided. There are different options being explored - new public sector regional bodies may be formed to provide three water services instead of Councils. We have signed a Memorandum of Understanding and are working regionally to explore options which could work for Southland and Otago.

An opt-in or opt-out decision is expected to take place in late 2021 and we will update you then on what direction Council will take in line with the consultation processes set out by Central Government. If a new body is formed to manage water it is expected to begin operating in the 2023/2024 financial year. We have undertaken our planning for the Long-term Plan so that we are ready for both options. We are not changing our renewal and investment plans for three waters. We will continue to maintain levels of service. We have considered how a change to our assets would affect our ability to raise debt and invest in other projects.

The community will receive water services with no interruption no matter what decision is made.

Find out more go to www.icc.govt.nz/roadmaprenewal/
www.dia.govt.nz/Three-Waters-Reform-Programme
www.icc.govt.nz/other-plans-and-activities/

Key activities

Ngā ngohe matua

Council's approach to investment in infrastructure has been to invest at the level required to maintain levels of service.

Roads and transport

Council will deliver a major \$20.8 million investment into the streetscape in the city centre. We will focus on improving safety on roads across the city. To support our community to reduce CO2 emissions, we are working to make it easier and safer for people to walk and cycle. We are planning for higher rainfall events impacting on run off, as well as the need to manage dust and the use of bitumen on roads. We will plan these improvements to take place alongside other works in order to manage the impact on road traffic.

Water

The Government is reviewing how water will be provided in the future. Council is working closely with the Government. We will continue to invest to ensure critical assets in the network are maintained, planning renewals to ensure the city is prepared for climate change leading to periods of droughts as well as higher rainfall. We will develop an alternative pipeline to ensure water delivery to the city from the Bransholme treatment plant. We will also continue to explore an alternative water source for the city.

Managing climate change

Climate change and what we can expect for Southland has been studied by NIWA. We can generally expect more intense rainfall events but also longer periods without rain. Council wants to ensure we have planned effectively for our most important core infrastructure first. The level of the sea is also expected to increase each year by approximately 10 mm, which over the life of our assets can have a significant impact. The impacts upon our core infrastructure will vary but we are designing new infrastructure with climate change in mind to ensure our infrastructure is suitable for future generations.

Over the next three years we will be working with Environment Southland to align our plans as a region and to develop a plan for all our other activities.

Rubbish and recycling

Government is increasing the levies on disposal of waste at the regional landfill. This will affect the cost of our services at the Waste Transfer station.

Stormwater and sewerage

We are planning our pipe renewals to be able to accommodate the more extreme rainfall events, which are expected as a result of climate change.

We continue to manage our treatment plants to reduce the impact on the environment. Our consent for the treatment plant in Bluff is due for renewal in 2025 and we are working with the regulators and lwi to ensure we have the right solutions in place for our community.

For more information see our Infrastructure Strategy and supporting plans
www.icc.govt.nz/other-plans-and-activities/



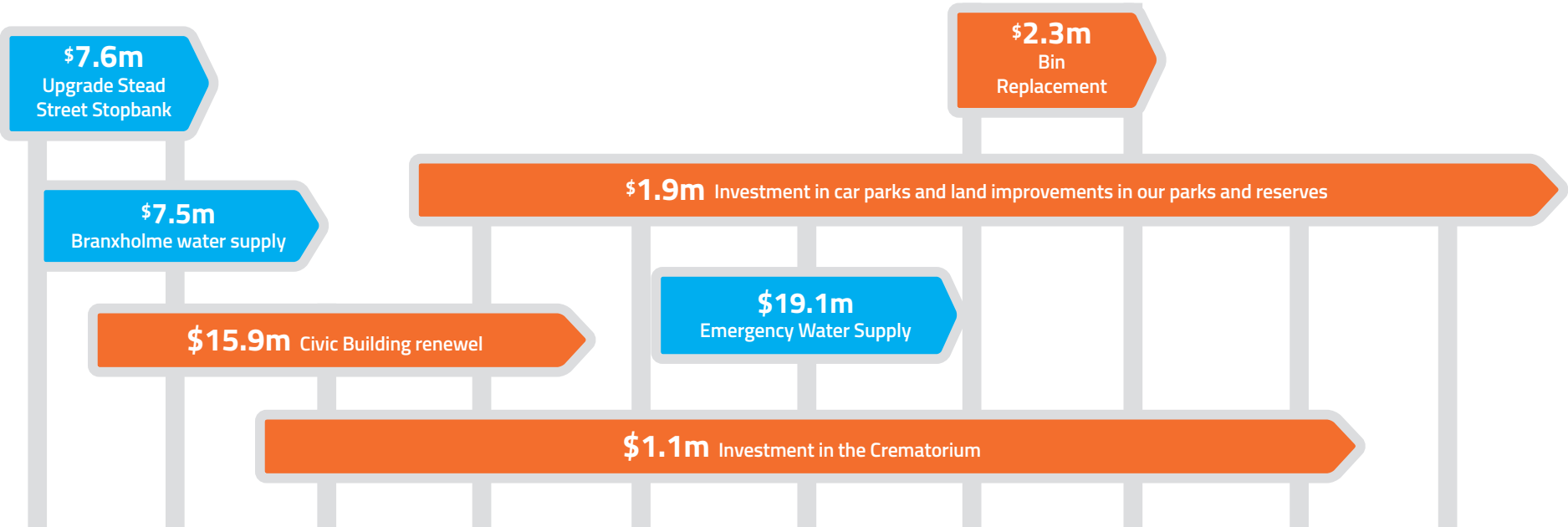
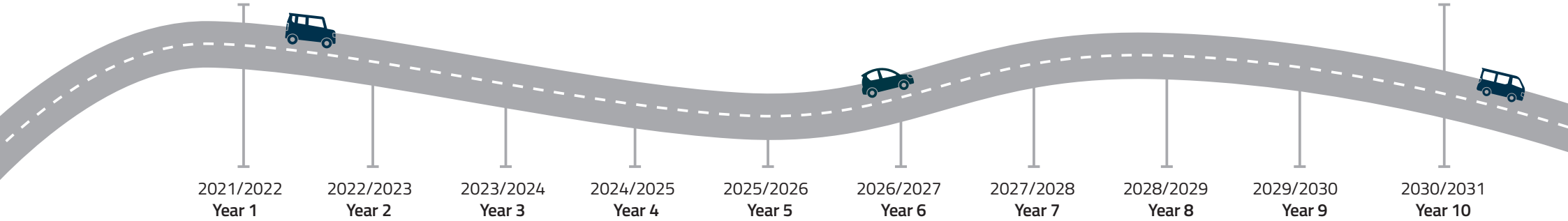
Built Infrastructure



Rooding



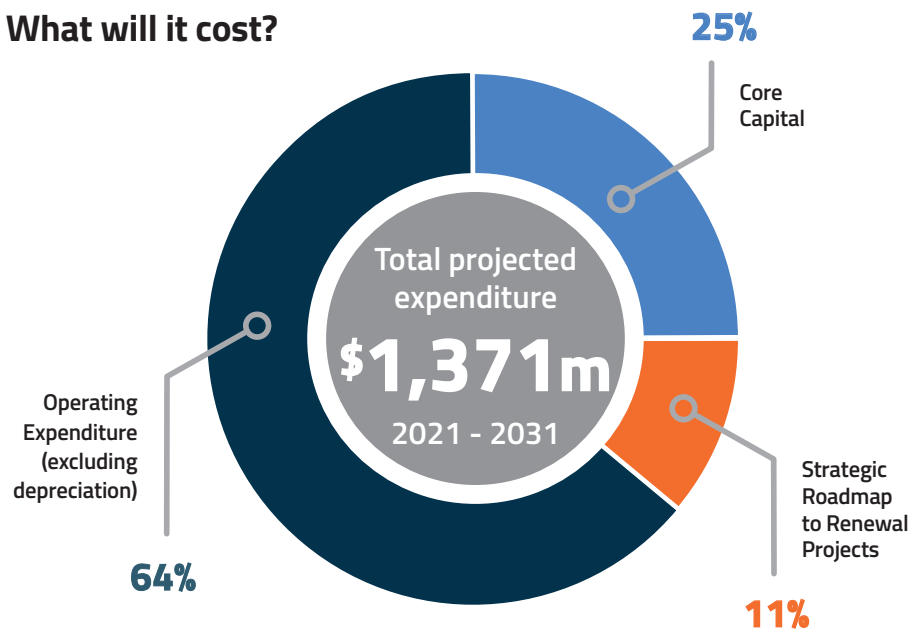
Three Waters



What does it mean for money?

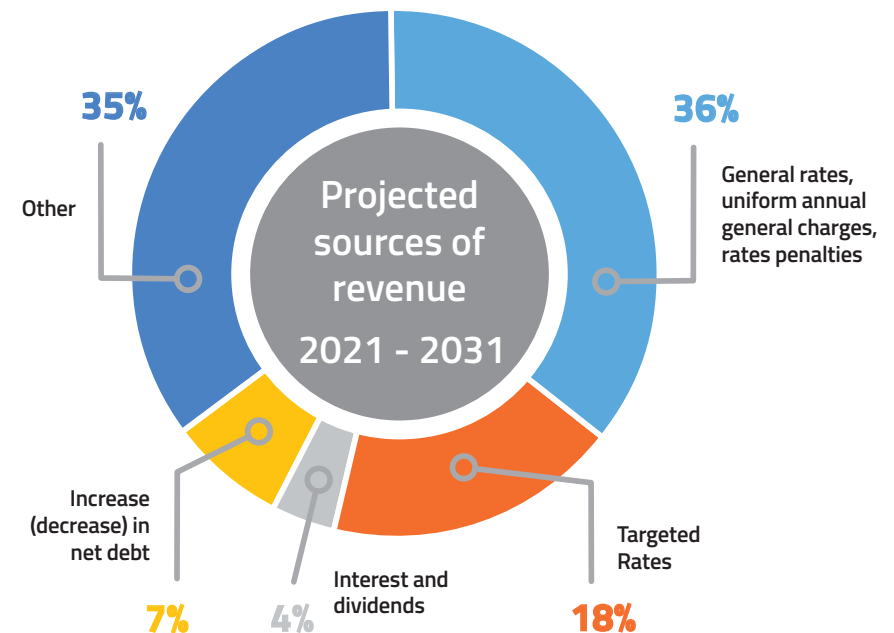
Te take pūtea?

What will it cost?



Over the ten years of the Long-term Plan 64% of Council expenditure will be spent on operating services. 36% of expenditure will be on capital: 25% will be spent investing in our core infrastructure such as roading, three waters infrastructure and buildings and 11% will be invested in strategic roadmap to renewal projects.

How will we pay for it?



Income from general rates will make up 36% of income. This includes the uniform annual general charge and forecast rates penalties. 18% of income will come from targeted rates for specific services such as water or waste services. 7% of income will come from increased net debt and 4% from interest and dividends. A third of income is from other sources, which includes subsidies such as the subsidy from the New Zealand Transport Agency, rental income and fees and charges for services.

For more information, www.icc.govt.nz/roadmaprenewal/finance-and-rates-plans/



What are the changes?

Ngā panonitanga?

Council has an ambitious capital works programme to deliver core infrastructure renewals and community projects over this Long-term Plan.

The Infrastructure Group is changing the way they are working, introducing new internal project management processes and working more closely with contractors to more accurately forecast availability of construction resource. There are significant constraints in the construction market at the moment, both as a result of the large number of the significant projects taking place in the region and the impact of Covid-19 on supply chains. These factors have been taken into account in developing the capital works programme and budget. The budget allows for an increase in the percentage of the programme delivered each year to reflect the impact of improvements to the way we work, increasing over time.

The risk to delivery of the capital works programme remains significant. If a project is affected by this, it could result in a decline in levels of service along with possible asset failures. The Project Steering Group will actively monitor delivery of the programme and report regularly on progress.

Council chose to limit the rates increase to 2% in 2020/2021 to assist people in the time of Covid-19. As a result we have put in place a plan to bring us back to a balanced budget in the first year of the Long-term plan.

To deliver the capital programme we will need to increase the amount of debt which we take on. Invercargill City Council is in a strong position to do this in comparison to many other Councils. In Year one we have a net debt level of 71% of our annual revenue. We plan to increase this to 116% by 2031.

We will also need to increase rates at a slightly higher level. We have planned rates increases of 5% for the first year and thereafter.

Council charges user fees for some of our services. In putting together our proposed fees and charges we have considered a range of factors including cost recovery and market comparisons. We also need to increase these fees at a similar level to the increase in rates as a way to help ensure that those who use a service pay an appropriate amount of the cost.

This balance of increasing rates and fees and charges and debt will ensure we fairly balance what we pay now and what is paid by people in the future.

To help us to deliver some of the larger projects, like the Museum, we will seek funding from sources like Community funds and Central Government. If significantly more ratepayer funding is proposed, we will come back to you to ask if you want Council to invest at a higher level.

For more information see our draft fees and charges and policies on Revenue and Finance and other financial policies
www.icc.govt.nz/finance-and-rates-plans/

What does it mean for you and your rates?

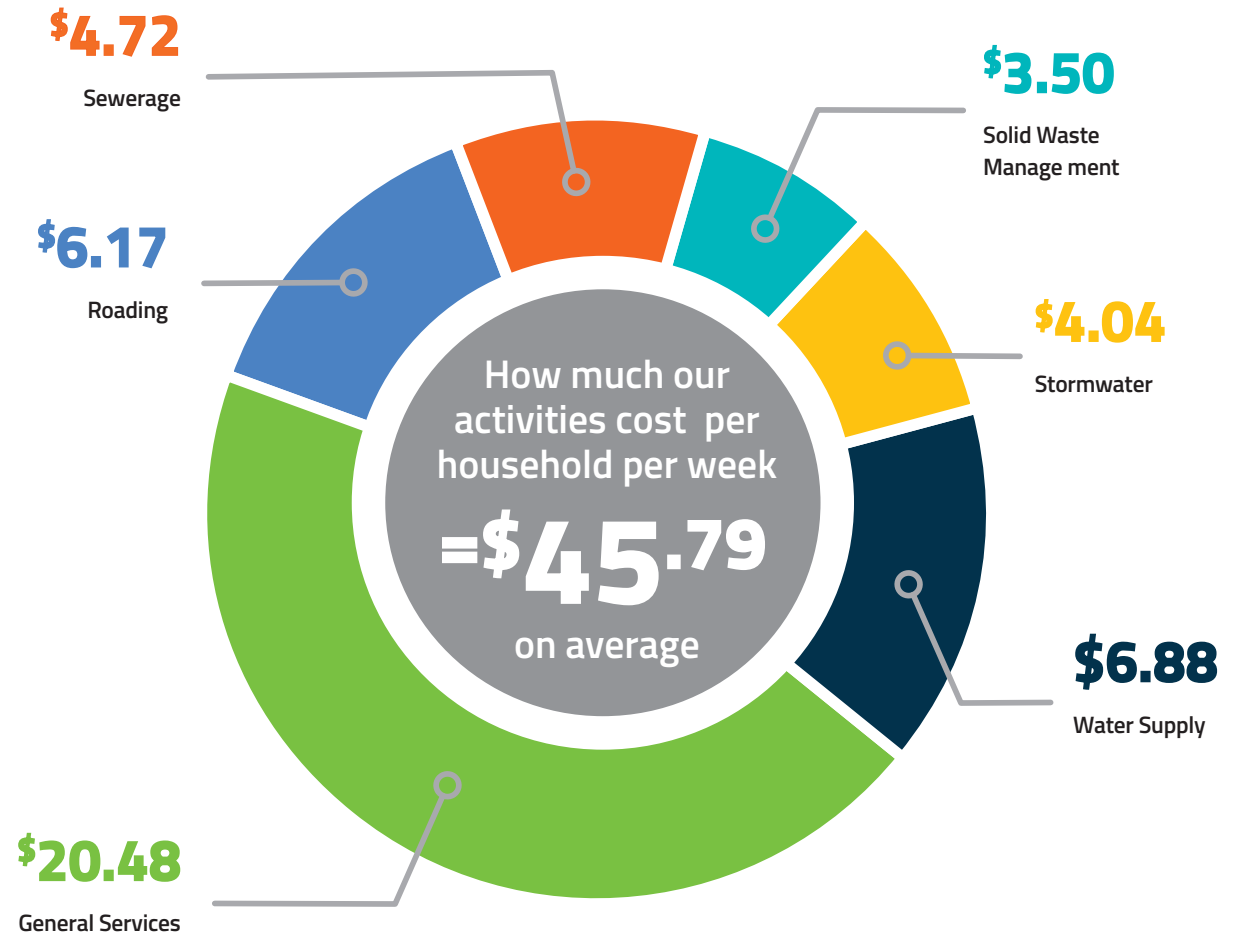
He aha ngā whakaritenga māu, me ōu reiti?

5% is the maximum amount of increase to the revenue we'll collect from rates each year to cover operational expenses, pay back debt and save for future renewals.

On average we estimate each household would pay \$2,381 a year for the services and projects we propose in our plan. However the amount paid by each property varies.

- Around 20% of properties (5120 properties) will receive a decrease in rates
- Around 41% of properties (17,200 properties) will receive an increase of between 0-5%
- Around 14% of properties (3,600 properties) will get an increase of more than 10%

Where will your rates go each week?



General services include activities like libraries, pools, parks, regulatory services, the democratic process and corporate services to enable Council to operate.

How do we propose to change the way we rate?

Me pēhea te tono hei panoni reiti?

Council is proposing changes to its Revenue and Financing Policy, which sets out how we will fund our activities. One of the ways Council funds its activities is through rates. We are proposing changes to the policy for a number of reasons. These include to find a different, and we believe fairer, balance between who benefits from a service and who pays for it. We are also seeking to implement a new approach which is less complex and will result in more predictable rates increases for ratepayers. We have changed the way the policy is structured and written to reflect the new way we have grouped our activities. Our intention has been to make this complex issue easier to understand.

We use capital value – the value of land and the improvements on the land, including buildings, fences etc – as the basis to set rates. This helps to ensure that the amount of rates you pay reflects the value of your property, which reflects how close you are to amenities and services.

Right now, residential properties make up 74% of the City's capital value but are paying 84% of the non-service rates. That means that farms and businesses are paying considerably less non-service rates than their share of the City's capital value. (Service rates are the rates set based on the actual service provided to properties. These are for water supply, sewerage, drainage and wheelie bins. These are based on the extent of the service supplied or available. All other rates are regarded as non-service rates)

We are proposing some changes to make this more balanced, as well as to ensure a more even balance of rates payments across our suburbs.

We've also seen some big changes in capital value across the city – you will have seen your revaluation notices come through the door at the end of last year.

This together, with the changes we are proposing making to rates, will mean that some properties will see noticeable changes to their rates bills.

Our proposals

Proposal 1

Reduce the number of targeted rates in order to make the rates simpler and more predictable. This means that most services will now be funded from the general rate.

Find out more and tell us what you think about the Revenue and Finance policy and a range of other policies which underpin the Long-term plan: www.icc.govt.nz/roadmaptorenewal/policies

For more information see www.icc.govt.nz/roadmaptorenewal/proposed-rates-changes/

Proposal 2

Change the rating differentials (this is how we spread out the rates across different types of property) to share out the cost of rates more evenly between businesses and residential property.

Proposal 3

Share out the cost of services we all use in the city centre and other areas, like street lights and footpaths. Some properties, for example in Otatara and Myross Bush haven't been rated for these previously (The way we rate for water supply, sewerage services and kerbside rubbish collection won't change).

What would change to the way we rate?

He aha ngā panonitanga ki te mahere reiti?

Many rates that were set on the basis of location have been reviewed and set on capital value across the entire district. This means an increase in the rates for properties that were outside of the rating boundaries. Examples of boundary based rates are currently street lighting, footpaths, transportation, drainage and community centres.

Lower value residential properties



A reduced amount of fixed charges has a greater impact on a low value rates bill than on a high value rates bill. Costs of streetlighting, footpaths, drainage and transportation have been spread across all properties. Together these changes result in a reduced share of rates for lower prices properties.

Bluff



The change in capital value in Bluff was lower than the change in capital value for other areas. A reduced amount of fixed charges has a greater impact on a low value rates bill than on a high value rates bill. Costs of streetlighting, footpaths, drainage and transportation have been spread across all properties.

Lifestyle properties



The cost of footpaths, streetlighting, transportation, drainage, economic development, business development and waste management (excluding wheelie bins) have been spread across whole district. Council understands lifestyle blocks do not have a commercial purpose so have applied a differential applied to reduce the impact of rates on lifestyle properties. For most lifestyle properties the share of rates will be similar.

Commercial Properties



Commercial and Industrial properties represented 16.2% of the capital value of the district in 2020/21 but only paid 14.4% of the share of rates. Under the new valuation they now comprise 14.1% of the district's rateable value and, under the proposed rates policy, would pay 14.5% of the share of rates. The share of rates paid by commercial properties will be similar.

Higher Value Residential properties



Council is proposing reducing fixed charges which increases the amount of rates set on the basis of capital value. This increases the share of rates paid on higher value properties.

Farming



The cost of footpaths, streetlighting, transportation, drainage, economic development, business development and waste management (excluding wheelie bins) have been spread across the whole district including farms.

Otatarā Residential

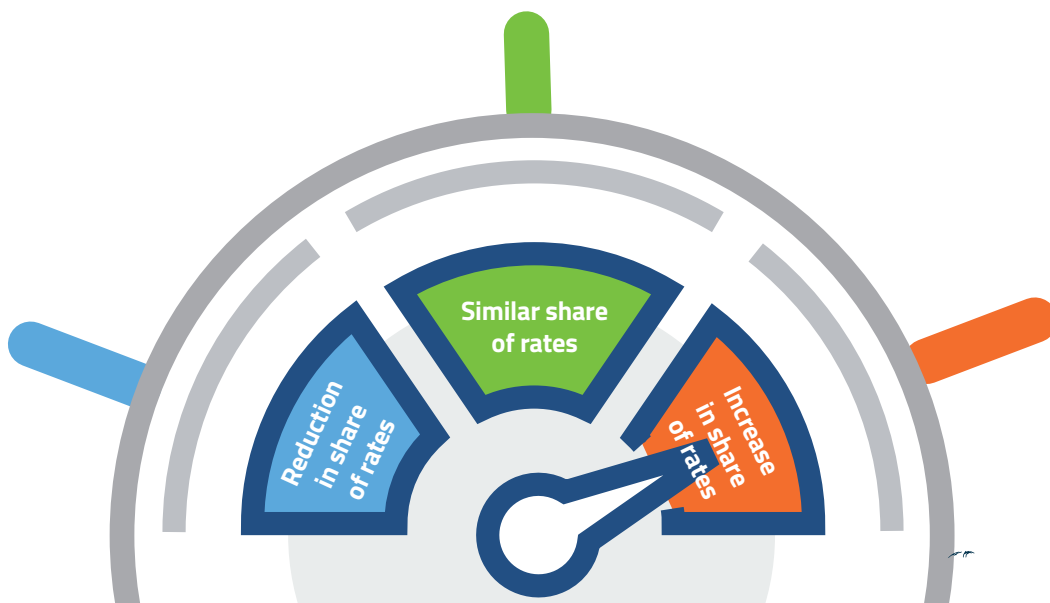


Rates on capital value will now also include costs of streetlights, footpaths and transportation. This will also effect properties in areas like Kennington and Myross Bush.

Residential multi units



All dwellings will be charged in full for water, sewerage and bins if the service is provided. No longer 75% charge on second and subsequent dwellings.



Proposed rates changes

Te tono panoni reiti

How will my property be effected?

Search for your property at www.icc.govt.nz/roadmaptorenewal/proposed-rates-changes/



Residential Lower Value

Average
increase **3.7%**

2020 Valuation: \$350,000

Proposed General Rates 2021/22: **\$1,516.22**

Proposed Targeted Rates 2020/21: **\$884.35**

Our proposed changes would mean that many households with property values lower than the average will pay a lower proportion of the total rates bill. As a Council we believe this will be fairer and help some of our lower income ratepayers in these difficult times. The average increase lower value properties would see is lower than the average increase across all ratepayers.



Residential Higher Value

Average
increase **5.7%**

2020 Valuation: \$465,000

Proposed General Rates 2021/22: **\$1,955.26**

Proposed Targeted Rates 2020/21: **\$884.35**

Most higher value properties will see a higher than average rates increase. As a Council we have adjusted levels higher value properties pay, to a level we believe is fairer. This also reflects the fact that some higher value properties are in areas such as Otatara and Myross Bush which will now pay towards the pavements and streetlights we all use across the entire city.



Lifestyle

Average
increase **4.9%**

2020 Valuation: \$750,000

Proposed General Rates 2021/22: **\$2,699.73**

Proposed Targeted Rates 2020/21: **None**

Lifestyle properties are large residential properties that are not quite large enough to be farmed economically. Council's valuation service provider assesses these properties to identify which category they fall into. Most of these properties will see a small rates increase similar to the average. As these properties do not have a commercial purpose Council wanted to ensure these properties were not impacted by the proposed changes to rates on farming properties.



Commercial/ Industrial

Average
increase **5.6%**

2020 Valuation: \$11,500,000

Proposed General Rates 2021/22: **\$44,084.40**

Proposed Targeted Rates 2020/21: **\$6,718.27**

Commercial properties will see an increase in rates at a level which is closer to changes in the capital value of land. We have set the rates at a level we believe is fair while still supporting business growth.



Farming/ Agriculture

Average
increase **6.9%**

2020 Valuation: \$5,950,000

Proposed General Rates 2021/22: **\$11,622.43**

Proposed Targeted Rates 2020/21: **None**

Farming/Agriculture has traditionally had a high level of rates reduction (known as rating differential). We have retained this reduction, but at a lower level in order to more fairly spread the cost of rates across all ratepayers. This means that while farmers will see a higher than average increase in rates, they are still enjoying a significant differential providing a rate that is 50% less than the standard rates.

Auditor's Opinion

Ngā kōrero a te kaitātari kaute

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:

Independent auditor's report on Invercargill City Council's consultation document for its proposed 2021–31 Long-term Plan

I am the Auditor-General's appointed auditor for Invercargill City Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its Long-term Plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 29 March 2021.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021–32 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 district, and the consequences of those choices; and

- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over external funding of capital projects

Pages 10 to 15 outline the Council's assumption that external funding contributions will be obtained to build an urban play space, reopen and refurbish the Southland Museum and Art Gallery, and improve Rugby Park over the next 10 years. The external funding contributions are currently uncertain because funding agreements are not in place. If the level of external funding is not achieved and where significant ratepayer funding is required, the Council will consult with the community on contributing more ratepayer funding or whether to explore other options.



Uncertainty over the delivery of the capital programme

Page 20 outlines that the Council is proposing an ambitious capital works programme. While the Council is taking steps to deliver its planned capital programme, there is uncertainty over the delivery of the programme due to the significant constraints in the construction market and the dependence on external funding for the larger projects, as highlighted in the above paragraph. If the Council is unable to deliver on a planned project it could result in a decline in levels of service along with possible asset failures.

Uncertainty over three waters reforms

Page 16 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

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 audit 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

The Council is responsible for:

- 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.

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

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition, to this audit and our report on the Council's 2019/20 annual report, we have carried out an engagement in respect of the Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.



Andy Burns
Audit New Zealand

On behalf of the Auditor-General,
Dunedin, New Zealand.

Tell us what you think of our roadmap to renewal

Tēna tākoha mai ō whakaaro ki
tēnei ara whakaoho

In October 2020, we engaged our community on how you would get our city pumping. Your feedback helped develop the direction of what our future might look like.

Now we want your submissions to help Council make the final decisions for the Long-term Plan which will begin in July 2021. Submissions are due by 5pm, 3 May 2021.



Face to face

Come and tell us face to face.
You can find our programme of events here:
www.icc.govt.nz/roadmaptorenewal/events

Online submission

Complete a submission form online:
www.icc.govt.nz/roadmaptorenewal/submit

Postal Submission

Complete the
submission form
and post it to us:

FREEPOST - ICC
2021-2031 LTP
Invercargill City Council
Private Bag 90104
INVERCARGILL 9810



Make a submission on the big decisions for our future.

Tuku tonono mai hei kīnaki, hei koha mō tō tātau anamata

Tell us what you think of our big decisions or plans.
Submissions are due by 5pm, 3 May 2021.

Full name: _____

Organisation: _____

Address: _____

Email: _____

☐

I would like to speak on my submission

Meetings are planned for 11, 12, 13 May. If you would like to speak to councillors about your submission, please provide your phone number so we can contact you with the date and time:

Phone: _____





FOLD

Do you agree with our preferred option or do you support another option?

(If you need more room attach another piece of paper)

City Centre Streetscape - Urban Play

(See pages 10 and 11)

- ☐ Preferred option | Tell us why
- ☐ Another option
- ☐ Do nothing

Rugby Park

(See pages 14 and 15)

- ☐ Preferred option | Tell us why
- ☐ Another option
- ☐ Do nothing

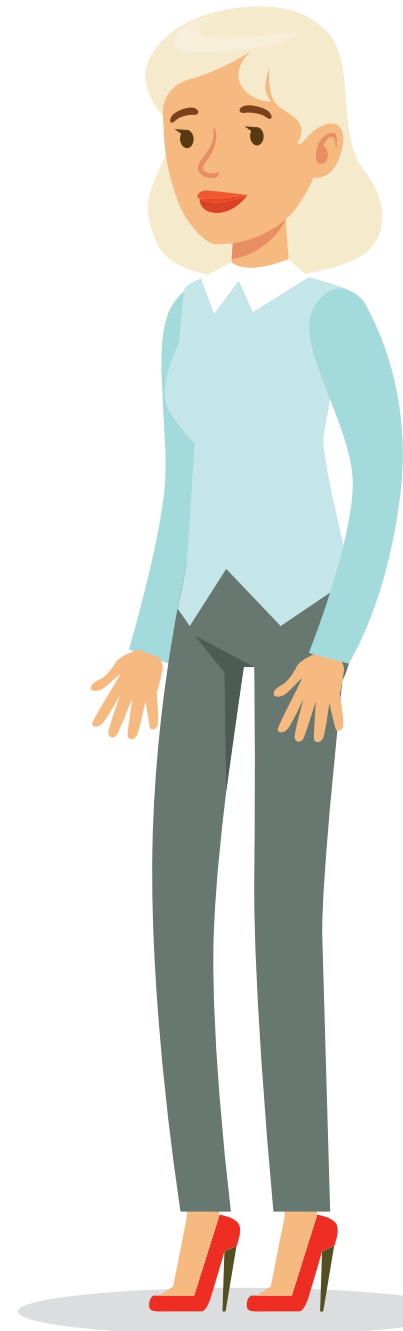
Southland Museum and Art Gallery

(See pages 12 and 13)

- ☐ Preferred option | Tell us why
- ☐ Another option
- ☐ Do nothing

What do you think about our plans for our roadmap to renewal?

(See pages 8 and 9)



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**What do you think about our plans
for our other projects and activities?**
(see pages 16 - 19)

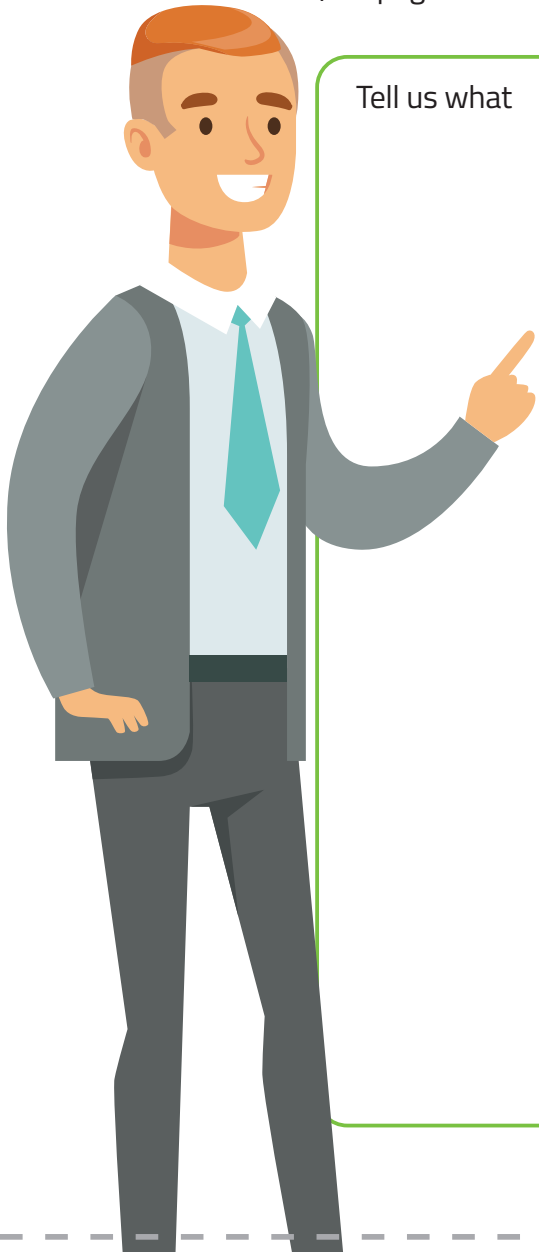
Tell us what

**What do you think about our plans
for finances and rates?**
(see pages 5, 6, 19 - 21)

Tell us what

**What do you think about the
proposed changes to the way
we rate?** (see pages 22 - 24)

Tell us what





FOLD

Do you live in the Invercargill District? ☐ Yes ☐ No

How did you hear about the LTP consultation?

☐ Website ☐ Facebook ☐ Public meeting ☐ Event ☐ Newspaper ☐ Radio

☐ Other

Please provide your email address if you would like to stay up to date on Council consultations and engagements.

How will consultation be impacted by Covid-19 - Levels 2, 3 or 4?

The consultation will still continue, for more details go to www.icc.govt.nz/roadmaptorenewal/covid-19-plan/

Don't forget to make your submission by 5pm, 3 May 2021.



↑ Secure here



↓ Secure here

Tell us what you think of our roadmap for renewal.

Its important you have your say
on the big decisions for our future.



FOLD



FREEPOST - ICC Roadmap to Renewal Submission

Invercargill City Council
Private Bag 90104
INVERCARGILL 9810

